



## **PLASTEC TECHNOLOGIES REPORTS 2015 FIRST QUARTER FINANCIAL RESULTS**

**Hong Kong – May 12, 2015 – Plastec Technologies, Ltd. - (OTCBB: PLTYF (ordinary shares), PLTEF (units)) (“Plastec” or the “Company”)**, an integrated plastic manufacturing services provider that operates in the People’s Republic of China and Thailand, today reported unaudited financial results for fiscal 2015 first quarter ended March 31, 2015. See financial tables at the end of this release in Hong Kong dollars (HKD). All other amounts in this press release are presented in U.S. dollars (USD) with a conversion rate of US\$1.0: HK\$7.8.

### **Financial and Operating Highlights for the Three Months Ended March 31, 2015 (all comparisons to prior year)**

- Sales of \$37.6 million, an increase of 6.8% compared to \$35.2 million, as a result of increasing new orders from existing customers and the addition of new customers
- Gross margin of 25.3%, compared to 24.0%, resulting primarily from execution of cost-containment strategies
- Adjusted EBITDA of \$8.5 million, compared to \$8.3 million
- Net income of \$4.5 million, or \$0.35 per diluted share based on 12.9 million diluted shares outstanding, compared to \$7.9 million, or \$0.62 per diluted share based on 12.9 million diluted shares outstanding
- \$5.6 million in cash from operations

### **Balance Sheet Highlights**

- \$84.7 million in working capital at March 31, 2015, compared to \$82.5 million at December 31, 2014
- Book value per share of \$9.44 at March 31, 2015

### **Dividends Distribution**

- On May 1, 2015, the Company paid a final cash dividend for the fiscal year ended December 31, 2014 of \$0.20 per ordinary share.
- The Company also announced today that its Board of Directors has declared a special one-time cash dividend of \$0.90 on each outstanding ordinary share. The special cash dividend will be paid on or about June 02, 2015 to shareholders of record as of May 26, 2015.

### **Management Comments**

Mr. Kin Sun Sze-To, Chairman of Plastec, stated, “We were pleased to announce good first quarter results. We continued to invest in our company, which allows us to provide our customers with higher quality of plastic molding services and maintain a stable cost infrastructure. We are focused on upgrading our operations with the latest tooling and molding machineries in order to meet the growing needs of our customers in first-run products, as well as improving our distribution both in terms of capabilities and capacities. We intend to continue to focus on bottom line performance, avoiding lower margin orders for the sole benefit of generating sales. We also continue to balance this growth while also rewarding the continued support of our shareholders, by such means as securities repurchases and dividend payouts, when appropriate. We believe these demonstrate confidence in our growth prospects, free cash flow generation and financial outlook over the long-term. This special one-time cash dividend further reinforces our commitment to delivering value to our shareholders, while continuing to invest in our business.”

<b>Selected Financial Highlights</b>			
<b>(USD in millions, except number of shares and per share data)</b>			
<b>(Results and percentages rounded to the nearest tenth)</b>			
	<b>3 months ended March 31, 2015</b>	<b>3 months ended March 31, 2014</b>	<b>Percentage Change</b>
<b>Sales</b>	\$37.6	\$35.2	6.8%
<b>Cost of Revenues</b>	\$28.1	\$26.7	5.0%
<b>Gross Profit</b>	\$9.5	\$8.4	12.6%
<b>Gross Profit Ratio</b>	25.3%	24.0%	
<b>Income from Operations</b>	\$5.3	\$8.7	-38.7%
<b>Operating Margin</b>	14.2%	24.7%	-10.5 pts
<b>Net Income</b>	\$4.5	\$7.9	-43.2%
<b>Net Margin</b>	11.9%	22.4%	-10.5 pts
<b>Weighted Average Number of Diluted Shares Outstanding</b>	12,938,128	12,938,128	-
<b>Diluted EPS</b>	\$0.35	\$0.62	-43.75 pts
<b>Adjusted EBITDA*</b>	\$8.5	\$8.3	3.2%

\* Reconciliation table at end of release

<b>Balance Sheet Highlights (USD in Millions)</b>			
	<b>3/31/2015</b>	<b>12/31/2014</b>	<b>Percentage Change</b>
<b>Cash and Cash Equivalents</b>	\$70.6	\$67.8	4.1%
<b>Total Current Assets</b>	\$125.6	\$122.2	2.8%
<b>Total Assets</b>	<b>\$166.7</b>	<b>\$163.0</b>	2.3%
<b>Working Capital</b>	\$84.7	\$82.5	2.6%
<b>Total Liabilities</b>	\$44.6	\$43.4	2.9%
<b>Shareholders' Equity</b>	\$122.1	\$119.6	2.1%
<b>Total Liabilities and Shareholders' Equity</b>	<b>\$166.7</b>	<b>\$163.0</b>	2.3%

## Financial Review

- Total sales for three months ended March 31, 2015 increased to \$37.6 million from \$35.2 million in the prior-year period. The increase was due to factors including our continued focus on soliciting new orders from existing customers as well as new customers.
- The Company's gross profit increased by 12.6% to \$9.5 million during the period ended March 31, 2015, and gross profit margin improved to 25.3% from 24.0% for the prior-year period. The increase in gross profit and margin was due to a number of factors, including capturing more first-run product lines from our customers and streamlining our manufacturing process.
- Income from operations was \$5.3 million, or 14.2% of revenues, during period ended March 31, 2015, compared to \$8.7 million, or 24.7%, in the prior-year period mainly attributable to a one-time \$4.1 million gain on disposal of a subsidiary recorded in the 2014 first quarter.
- Similarly, net income for the period ended March 31, 2015 was \$4.5 million or \$0.35 per share based on approximately 12.9 million weighted average diluted shares outstanding, compared to \$7.9 million, or \$0.62 per share based on approximately 12.9 million weighted average diluted shares, in the prior-year period.
- Adjusted EBITDA for the three months ended March 31, 2015 was \$8.5 million, compared to \$8.3 million in the prior-year period.

### **Update on Securities Repurchase Plan**

The Company has a repurchase plan in place, expanded and extended through September 25, 2015, allowing it to purchase up to \$5 million of its securities in both open market and privately negotiated transactions at the discretion of the Company's management and as market conditions allow; which repurchase plan may be suspended, modified or discontinued without any notice at any time. As of the date of this press release, the Company had repurchased 586,010 ordinary shares, 547,600 warrants and no units under the current plan.

### **About Plastec**

Originally founded in 1993 by Chairman and CEO, Mr. Kin Sun Sze-To, Plastec is an integrated plastic manufacturing services provider that operates in the People's Republic of China and Thailand through its wholly owned subsidiaries. With approximately 4,800 employees, Plastec provides precision plastic manufacturing services from mold design and fabrication, plastic injection manufacturing to secondary-process finishing, as well as parts assembly.

### **Forward Looking Statements**

This press release contains "forward-looking statements." These forward-looking statements involve significant risks and uncertainties that could cause the actual results to differ materially from the expected results. Actual results may differ from expectations, estimates and projections and, consequently, you should not rely on these forward looking statements as predictions of future events. Words such as "expect," "estimate," "project," "budget," "forecast," "anticipate," "intend," "plan," "may," "will," "could," "should," "believes," "predicts," "potential," "continue," and similar expressions are intended to identify such forward-looking statements.

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**PLASTECH TECHNOLOGIES, LTD.**

**CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME (Unaudited)**  
**(Hong Kong dollars in thousands, except number of shares, per share data and unless otherwise stated)**

	<b>For the 3-month period ended March 31,</b>	
	<b>2015</b>	<b>2014</b>
	<b>HK\$</b>	<b>HK\$</b>
Revenues	292,892	274,253
Cost of revenues	(218,926)	(208,547)
Gross profit	<u>73,966</u>	<u>65,706</u>
Operating income/(expenses), net		
Selling, general and administrative expenses	(32,361)	(29,850)
Other income	297	57
Gain on disposal of a subsidiary	-	32,162
Written-off of property, plant and equipment	(433)	(440)
Gain on disposal of property, plant and equipment	137	188
Total operating (expenses)/income, net	<u>(32,360)</u>	<u>2,117</u>
Income from operations	41,606	67,823
Interest income	651	167
Interest expense	(313)	(420)
Income before income tax expense	<u>41,944</u>	<u>67,570</u>
Income tax expense	(6,949)	(6,005)
Net income	<u>34,995</u>	<u>61,565</u>
Other comprehensive income/(expenses)		
Foreign currency translation adjustment	4,844	(2,151)
Comprehensive income attributable to Plastec Technologies, Ltd.	<u>39,839</u>	<u>59,414</u>
Net income per share:		
Weighted average number of ordinary shares	<u>12,938,128</u>	<u>12,938,128</u>
Weighted average number of diluted ordinary shares	<u>12,938,128</u>	<u>12,938,128</u>
Basic income per share attributable to Plastec Technologies, Ltd.	<u>HK\$2.7</u>	<u>HK\$4.8</u>
Diluted income per share attributable to Plastec Technologies, Ltd.	<u>HK\$2.7</u>	<u>HK\$4.8</u>

**PLASTECH TECHNOLOGIES, LTD.**

**CONSOLIDATED BALANCE SHEETS**

(Hong Kong dollars in thousands, except number of shares, per share data and unless otherwise stated)

	(Unaudited) March 31, 2015 HK\$	(Audited) December 31, 2014 HK\$
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	550,321	528,527
Trade receivables, net of allowances for doubtful accounts of HK\$nil, and HK\$nil as of December 31, 2014 and March 31, 2015, respectively	275,848	278,553
Inventories	88,171	96,030
Deposits, prepayment and other receivables	65,633	50,204
Total current assets	<u>979,973</u>	<u>953,314</u>
Property, plant and equipment, net	284,608	283,500
Prepaid lease payments, net	19,310	19,692
Deferred tax assets	16,277	14,212
Intangible assets	438	438
Total assets	<u><u>1,300,606</u></u>	<u><u>1,271,156</u></u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Current liabilities		
Bank borrowings	21,429	21,429
Trade payables	110,540	125,854
Other payables and accruals	105,105	103,576
Dividend payables	20,183	-
Tax payable	62,132	58,736
Total current liabilities	<u>319,389</u>	<u>309,595</u>
Bank borrowings	<u>28,571</u>	<u>28,571</u>
Total liabilities	<u>347,960</u>	<u>338,166</u>
Commitments and contingencies	-	-
Shareholders' equity		
Ordinary shares (US\$0.001 par value; 100,000,000 authorized 12,938,128 and 12,938,128 shares issued and outstanding as of December 31, 2014 and March 31, 2015, respectively)	101	101
Additional paid-in capital	26,049	26,049
Accumulated other comprehensive income	14,981	10,137
Retained earnings	911,515	896,703
Total shareholders' equity	<u>952,646</u>	<u>932,990</u>
Total liabilities and shareholders' equity	<u><u>1,300,606</u></u>	<u><u>1,271,156</u></u>

**PLASTEC TECHNOLOGIES, LTD.**

**CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)**  
**(Hong Kong dollars in thousands, except number of shares, per share data and unless otherwise stated)**

	<b>For the 3-month</b>	
	<b>period ended March 31,</b>	
	<b>2015</b>	<b>2014</b>
	<b>HK\$</b>	<b>HK\$</b>
Operating activities		
Net income	34,995	61,565
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	24,862	28,550
Gain on disposal of a subsidiary	-	(32,162)
Loss on written-off of property, plant and equipment	433	440
Gain on disposal of property, plant and equipment	(137)	(186)
Deferred tax charge	(1,335)	(985)
Changes in operating assets and liabilities:		
Trade receivables	2,705	31,871
Inventories	7,859	15,519
Deposits, prepayment and other receivables	(15,431)	(5,513)
Trade payables	(15,315)	(17,449)
Other payables and accruals	1,530	(20,308)
Tax payables	3,397	6,990
Net cash provided by operating activities	<u>43,563</u>	<u>68,332</u>
Investing activities		
Purchase of property, plant and equipment	(27,882)	(8,925)
Proceeds from disposal of a subsidiary	-	46,052
Proceeds from disposal of property, plant and equipment	1,269	220
Deposits for purchase of property, plant and equipment	-	(2,517)
Net cash (used in)/provided by investing activities	<u>(26,613)</u>	<u>34,830</u>
Financing activities		
Net repayment of bank borrowings	-	(4,297)
Net cash used in financing activities	<u>-</u>	<u>(4,297)</u>
Effect of exchange rate changes on cash and cash equivalents	4,844	(2,955)
Net increase in cash and cash equivalents	16,950	98,865
Cash and cash equivalents, beginning of period	528,527	348,901
Cash and cash equivalents, end of period	<u>550,321</u>	<u>444,811</u>
Supplementary disclosures of cash flow information:		
Interest received/(paid), net	338	(254)
Income taxes paid	<u>4,888</u>	<u>-</u>

**PLASTEC TECHNOLOGIES, LTD.**  
**RECONCILIATION OF NON-GAAP FINANCIAL MEASURES (Unaudited)**  
**(Hong Kong dollars in thousands)**

		Three Months Ended	
		March 31	
		2015	2014
		HKD	HKD
<b>Net Income (note)</b>		<b>34,994</b>	<b>29,598</b>
Plus	Interest expenses	313	420
Minus	Interest income	(651)	(167)
Plus	Income tax expenses	6,949	6,005
	Income from operations	<u>41,605</u>	<u>35,856</u>
Plus	Depreciation and Amortization	24,862	28,550
	<b>Adjusted EBITDA</b>	<u><b>66,467</b></u>	<u><b>64,406</b></u>

Note: Excl. other income and gain/(loss) on disposals/written-off

This press release includes financial information (EBITDA) not derived in accordance with generally accepted accounting principles or international financial reporting standards. Plastec believes that the presentation of such financial information provides more useful information to investors as it indicates more clearly Plastec's future performance. EBITDA was derived by taking earnings before interest expense (net), taxes, depreciation and amortization