



PLASTEC TECHNOLOGIES REPORTS 2016 THIRD QUARTER AND NINE-MONTH FINANCIAL RESULTS

Hong Kong – November 15, 2016 – Plastec Technologies, Ltd. - (OTCBB: PLTYF), (the “Company”), today reported unaudited financial results for fiscal 2016 third quarter and nine-month ended September 30, 2016. 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.

Closing of Share Transfer Agreement with Shanghai Yongli

On October 11, 2016, the Company announced the closing of its previously announced Share Transfer Agreement (“Agreement”) with Shanghai Yongli Belting Co., Ltd. (“SYB”) and its wholly-owned subsidiary, Shanghai Yongjing Investment Management Co., Ltd.. As a result, the Company no longer owns Plastec International Holdings Limited (“Plastec”) or its integrated plastic manufacturing operations.

As a result of the closing occurring subsequent to quarter end, the Company’s third quarter and nine-month financial and operating highlights still represent that of the Company’s previously owned integrated plastic manufacturing service business in the People’s Republic of China and Thailand through its wholly owned subsidiaries.

Financial and Operating Highlights for the Three Months Ended September 30, 2016

(All comparisons to prior year)

- Sales of \$50.6 million, an increase of 9.3% compared to \$46.2 million
- Gross margin of 27.5% decreased from 28.7%
- Adjusted EBITDA of \$10.3 million, an increase of 4.2% compared to \$9.8 million
- Net income of \$6.0 million, or \$0.46 per diluted share based on 12.9 million diluted shares outstanding, compared to \$6.5 million, or \$0.50 per diluted share based on 12.9 million diluted shares outstanding

Fiscal 2016 Nine-Month Financial and Operating Highlights

(All comparisons to same period of prior year)

- Sales of \$137.6 million, an increase of 9.9% compared to \$125.2 million
- Gross margin of 28.4%, compared to 25.3%
- Adjusted EBITDA of \$31.4 million, increased 24.5% from \$25.2 million
- Net income of \$20 million, or \$1.54 per diluted share based on 12.9 million diluted shares outstanding, increased 38% from \$14.5 million, or \$1.12 per diluted share based on 12.9 million diluted shares outstanding
- \$26.9 million in income generated from operations for the nine months ended September 30, 2016, compared to \$21.8 million

Declaration of Special Dividend to Shareholders

In connection with the Agreement and following receipt of the initial portion of the Transfer Price, the Company’s Board of Directors declared a special cash dividend of US\$8.00 on each outstanding ordinary share. The special cash dividend was paid on or about November 1, 2016 to shareholders of record as of October 25, 2016.

Including this special cash dividend, the Company has distributed approximately US\$9.80 per ordinary share in dividends in aggregate as a measure of rewarding shareholders for their continued support since 2014.

Management Comments

Mr. Kin Sun Sze-To, Chairman of the Company, stated, “We were pleased to complete the transaction with SYB last month, while also paying a special dividend to our shareholders as part of the transaction. We are now operating as a holding company while we continue to fulfill our obligations post-transaction and evaluating potential opportunities for future upside.”

Selected Financial Highlights in USD (\$ in millions, except number of shares and per share data)

	3 months ended September 30, 2016	3 months ended September 30, 2015	Percentage Change	9 months ended September 30, 2016	9 months ended September 30, 2015	Percentage Change
Sales	50,564	46,245	9.3%	137,633	125,181	9.9%
Cost of Revenues	36,677	32,981	11.2%	98,478	93,483	5.3%
Gross Profit	13,887	13,264	4.7%	39,155	31,699	23.5%
Gross Profit Margin	27.5%	28.7%	-1.2pts	28.4%	25.3%	3.1pts
Income from Operations	8,140	7,062	15.3%	24,179	16,402	47.4%
Operating Margin	16.1%	15.3%	0.8pts	17.6%	13.1%	4.5pts
Net Income	5,951	6,469	-8.0%	19,987	14,479	38.0%
Net Margin	11.8%	14.0%	-2.2pts	14.5%	11.6%	2.9pts
Weighted Average Number of Diluted Ordinary Shares Outstanding	12,938,128	12,938,128		12,938,128	12,938,128	
Diluted EPS	\$0.46	\$0.50	-8.0%	\$1.54	\$1.12	38.0%
Adjusted EBITDA*	10,251	9,843	4.2%	31,426	25,240	24.5%

* Reconciliation table at end of release

Balance Sheet Highlights (USD in Millions)

	<u>9/30/2016</u>	<u>12/31/2015</u>	Percentage Change
Cash and Cash Equivalents	\$207.5	\$60.9	240.5%
Total Current Assets	\$273.9	\$119.8	128.6%
Total Assets	\$316.5	\$167.0	89.5%
Working Capital	\$92.3	\$73.4	25.8%
Total Liabilities	\$181.5	\$46.4	291.0%
Shareholders' Equity	\$135.0	\$120.6	11.9%
Total Liabilities and Shareholders' Equity	\$316.5	\$167.0	89.5%

2016 Third Quarter and First Nine Months Financial Review

- Total sales for three months ended September 30, 2016 increased to \$50.6 million from \$46.2 million in the prior-year period. Total sales for the nine months period ended September 30, 2015 were \$137.6 million, compared to \$125.2 million in the corresponding period in the prior year.
- The Company's gross profit increased 4.7% from \$13.3 million to \$13.9 million during the third quarter ended September 30, 2016, and gross profit margin decreased to 27.5% from 28.7% for the prior-year period. For the nine months period ended September 30, 2016, the Company's gross profit increased 23.5% from \$31.7 million, or 25.3% of revenues, to \$39.2 million, or 28.4% of revenues, in the prior year period.
- Income from operations increased to \$8.1 million, or 16.1% of revenues, during the third quarter ended September 30, 2016, compared \$7.1 million, or 15.3% of revenues, in the prior-year period. For the nine months period, income from operations increased to \$24.2 million, or 17.6% of the revenues, compared to \$16.4 million, or 13.1% of the revenues for the prior-year period.
- Net income for the third quarter ended September 30, 2016 decreased to \$6.0 million or \$0.46 per share based on approximately 12.9 million weighted average diluted shares outstanding, compared to \$6.5 million or \$0.50 per share based on approximately 12.9 million weighted average diluted shares, in the prior-year period. For the first nine months of 2016, the Company's net income increased to \$20 million, or \$1.54 per share based on 12.9 million weighted average shares outstanding, compared to \$14.5 million, or \$1.12 per share based on 12.9 million weighted average shares outstanding, in the prior-year period.

- Adjusted EBITDA for the three months ended September 30, 2016 was \$10.3 million, compared to \$9.8 million in the prior-year period. For the first nine months of 2016, adjusted EBITDA was \$31.4 million, compared to \$25.2 million in the prior-year period.

Current Status of Plastec Technologies, Ltd.

The Company intends to maintain its reporting status with the U.S. Securities and Exchange Commission following the closing of the transactions contemplated by the Agreement.

The Company's continuing operations will consist of:

- completing the construction of its manufacturing plant in Kai Ping, China, which is intended to be disposed of to SYB prior to its official operation at a price equivalent to the capital used for its construction, subject to terms and specifics to be agreed upon by the parties concerned in due course;
- collecting rental income from certain property the Company owns and that is being leased to one of Plastec's subsidiaries;
- collect any payments we may receive upon Plastec achieving the performance targets for the years ended December 31, 2016, 2017 and 2018 as described in the Agreement; and
- to explore other investment opportunities.

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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PLASTEC 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)

	For the 3-month period ended September 30,		For the 9-month period ended September 30,	
	2016	2015	2016	2015
	HK\$	HK\$	HK\$	HK\$
Revenues	394,400	360,712	1,073,536	976,415
Cost of revenues	(286,084)	(257,249)	(768,129)	(729,164)
Gross profit	108,316	103,463	305,407	247,251
Operating expenses, net				
Selling, general and administrative expenses	(48,771)	(49,851)	(124,449)	(122,646)
Other income	2,551	618	5,899	1,305
Written-off of property, plant and equipment	-	(858)	-	(2,119)
Gain on disposal of property, plant and equipment	1,394	1,712	1,742	4,142
Total operating expenses, net	(44,826)	(48,379)	(116,808)	(119,318)
Income from operations	63,490	55,084	188,599	127,933
Interest income	203	204	873	1,139
Interest expense	(173)	(338)	(545)	(1,138)
Income before income tax expense	63,520	54,950	188,927	127,934
Income tax expense	(17,106)	(4,494)	(33,030)	(14,994)
Net income	46,414	50,456	155,897	112,940
Other comprehensive income				
Foreign currency translation adjustment	(4,184)	(6,184)	(13,439)	(1,603)
Comprehensive income attributable to Plastec Technologies, Ltd.	42,230	44,272	142,458	111,337
Net income per share:				
Weighted average number of ordinary shares	12,938,128	12,938,128	12,938,128	12,938,128
Weighted average number of diluted ordinary shares	12,938,128	12,938,128	12,938,128	12,938,128
Basic income per share attributable to Plastec Technologies, Ltd.	HK\$3.6	HK\$3.9	HK\$12.0	HK\$8.7
Diluted income per share attributable to Plastec Technologies, Ltd.	HK\$3.6	HK\$3.9	HK\$12.0	HK\$8.7

PLASTEC TECHNOLOGIES, LTD.
CONSOLIDATED BALANCE SHEETS
(Hong Kong dollars in thousands, except number of shares, per share data and unless otherwise stated)

	(Unaudited) September 30,	(Audited) December 31,
	2016	2015
	HK\$	HK\$
ASSETS		
Current assets		
Cash and cash equivalents	1,618,834	475,361
Trade receivables, net of allowances for doubtful accounts of HK\$nil, and HK\$nil as of September 30, 2016 and December 31, 2015, respectively	352,187	303,681
Inventories	85,358	105,221
Bills receivable	37,304	5,782
Deposits, prepayment and other receivables	42,359	44,473
Total current assets	2,136,042	934,518
Property, plant and equipment, net	300,808	336,491
Prepaid lease payments, net	17,020	18,165
Deferred tax assets	14,486	13,260
Intangible assets	520	438
Total assets	2,468,876	1,302,872
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Bank borrowings	23,409	29,223
Trade payables	115,147	111,658
Other payables and accruals	1,193,237	152,095
Tax payable	84,214	69,210
Total current liabilities	1,416,007	362,186
Bank Borrowings	-	-
Total liabilities	1,416,007	362,186
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 September 30, 2016 and December 31, 2015, respectively)	101	101
Additional paid-in capital	26,049	26,049
Accumulated other comprehensive income	(5,840)	7,599
Retained earnings	1,032,559	906,937
Total shareholders' equity	1,052,869	940,686
Total liabilities and shareholders' equity	2,468,876	1,302,872

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)

	For the 9-month period ended September 30,	
	2016	2015
	HK\$	HK\$
Operating activities		
Net income	155,897	112,940
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	64,161	72,265
Loss on written-off of property, plant and equipment	-	2,119
Gain on disposal of property, plant and equipment	(1,742)	(4,142)
Deferred tax credit	(1,225)	(6,021)
Changes in operating assets and liabilities:		
Trade receivables	(42,746)	(38,121)
Inventories	19,863	(10,474)
Deposits, prepayment and other receivables	(26,055)	(1,636)
Trade payables	3,489	9,770
Other payables and accruals	23,698	27,729
Tax payables	14,823	5,806
Net cash provided by operating activities	210,163	170,235
Investing activities		
Purchase of property, plant and equipment	(36,427)	(106,321)
Purchase of intangible assets	(82)	-
Proceeds from disposal of property, plant and equipment	1,906	8,289
Proceeds related to disposal of a subsidiary	1,017,442	-
Net cash used in investing activities	982,839	(98,032)
Financing activities		
Net (repayment)/proceeds from bank borrowings	(5,815)	8,258
Dividends paid	(30,275)	(121,100)
Net cash used in financing activities	(36,090)	(112,842)
Net increase/(decrease) in cash and cash equivalents	1,156,912	(40,639)
Effect of exchange rate changes on cash and cash equivalents	(13,439)	(1,603)
Cash and cash equivalents, beginning of period	475,361	528,527
Cash and cash equivalents, end of period	1,618,834	486,285
Supplementary disclosures of cash flow information:		
Interest received, net	328	1
Income taxes paid	(19,433)	(15,210)

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

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2016	2015	2016	2015
	HKD	HKD	HKD	HKD
Net Income (note)	42,469	48,984	148,256	109,612
Plus				
Interest expenses	173	338	545	1,138
Minus				
Interest income	(203)	(204)	(873)	(1,139)
Plus				
Income tax expenses	17,106	4,494	33,030	14,994
Income from operations	59,545	53,612	180,958	124,605
Plus				
Depreciation and Amortization	20,414	23,160	64,161	72,265
Adjusted EBITDA	79,959	76,772	245,119	196,870

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. The Company believes that the presentation of such financial information provides more useful information to investors as it indicates more clearly the Company's future performance. EBITDA was derived by taking earnings before interest expense (net), taxes, depreciation and amortization.