

# Plastec Technologies, Ltd.

Investor Presentation

December 2016

# | Safe Harbor Relating to the Forward-Looking Statements

This presentation contains forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. All statements other than statements of historical facts are forward-looking statements. 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 forward-looking statements.

The Company's forward-looking statements are based upon management's current beliefs and expectations and current market and operating conditions. Such statements involve known and unknown risks and are based upon a number of assumptions and estimates which are inherently subject to significant uncertainties, contingencies and changes in circumstances that may emerge from time to time, all of which are difficult to predict and many of which are beyond our control. Actual results may differ materially from those expressed or implied by any forward-looking statements. Factors that could cause our actual results to differ materially from those set forth in the forward-looking statements include, without limitation, the following:

- ❖ Continued compliance with government regulations
- ❖ Changing legislation or regulatory environments
- ❖ Requirements or changes affecting the businesses in which the Company is engaged
- ❖ Labor and personnel relations, including the Company's success in attracting and retaining key personnel
- ❖ Credit risks affecting the Company's revenue and profitability
- ❖ The Company's ability to attract and retain customers, to effectively manage its growth (including implementing effective controls and procedures & costs-containment strategies) and to deal effectively with economic slowdowns or other economic or market difficulties
- ❖ Changes in U.S. GAAP or other applicable accounting policies
- ❖ General business and economic conditions beyond the Company's control as well as impact of natural disasters
- ❖ Other risks and uncertainties detailed in the Company's filings with the Securities and Exchange Commission, including its Annual Report on Form 20-F for the year ended December 31, 2015

The information set forth herein should be read in light of such risks.

Any forward-looking statement made by the Company in this presentation speaks only as of the date on which it is made. The Company is under no obligation to, and expressly disclaims any obligation to, update or revise its forward-looking statements, whether as a result of new information, future events or otherwise, except as required under applicable law.



# | Share Transfer Agreement With Shanghai Yongli

## Transaction Background

- ❖ On November 16, 2015, the Company announced that it has entered into the Agreement with Shanghai Yongli Belting Co., Ltd. ("SYB") and its wholly-owned subsidiary, Shanghai Yongjing Investment Management Co., Ltd. ("SYIM") purchase, through its wholly-owned Hong Kong subsidiary (the "HK Subsidiary"), the entirety of the Company's shareholding interests in Plastec International Holdings Limited.

## Transaction Highlights

- ❖ The Company's operations now focus largely on exploring other investment opportunities.
- ❖ Duff & Phelps LLC, independent financial advisor and investment banking firm, provided an opinion as to the fairness, from a financial point of view, to the public shareholders of the Company.
- ❖ Transaction closed on October 11, 2016 for an aggregate purchase price of RMB 1,250,000,000 (or approximately US\$187,088,571), in cash (the "Transfer Price").
  - ✓ Pursuant to the agreement, RMB 875,000,000 (or US\$130,962,000) of the Transfer Price was paid on September 21, 2016.
- ❖ 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.



# | Investment Highlights

## History of Share Repurchase Plans / Dividend Payments

- ❖ During 2015, the Company returned \$15.5 million in distributions to shareholders as a reward for their support in light of another strong year of cash generation.
  - ✓ Declared a final cash dividend for the fiscal year ended December 31, 2015 of \$0.20 per ordinary share. The dividend was paid on or about April 12, 2016 to shareholders of record as of April 05, 2016.
  - ✓ Declared an interim cash dividend of \$0.10 per ordinary share for the fiscal 2015-second quarter ended June 30, 2015. The interim cash dividend was paid on or about August 27, 2015 to shareholders of record as of August 20, 2015.
  - ✓ In May 2015 declared a special one-time cash dividend of \$0.90 on each outstanding ordinary share. The special cash dividend was paid on or about June 02, 2015 to shareholders of record as of May 26, 2015.
- ❖ The Company has a repurchase plan in place, expanded and extended through September 25, 2017, allowing it to purchase up to \$5 million of its securities in both open market and privately negotiated transactions
  - ✓ As of the date of this presentation, the Company had repurchased 586,010 ordinary shares, 547,600 warrants and no units under the current plan.

## Declaration of Special Dividend to Shareholders

- ❖ Following receipt of the initial payment pursuant to the share transfer purchase agreement with SYB and SYIM, 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.

**Not including the special cash dividend, the Company has distributed approximately US\$1.80 per ordinary share in dividends in aggregate as a measure of rewarding shareholders for their continued support since 2014.**



# | Current Status of the Company

**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 the subsidiaries of Plastec International Holdings Limited.
- Collect any payments received upon Plastec International Holdings Limited achieving the performance targets for the years ended December 31, 2016, 2017 and 2018 as described in the Agreement
- Explore other investment opportunities



## | Seasoned, Accomplished and Reputable Management Team

**Mr.  
Kin Sun  
SZE-TO**

- ❖ Founder, Chairman of the Board, CEO, and COO
- ❖ Responsible for directing long-term business development strategies and establishing operational objectives and assignments
- ❖ Over 20 years of experience in the plastic injection and molding, and secondary-process finishing industry
- ❖ Leads professional team with extensive industry experience and knowledge

**Mr.  
Ho Leung  
NING**

- ❖ Executive Director, CFO
- ❖ Responsible for corporate planning and financial activities
- ❖ Over 20 years of experience in the banking and finance industry





# Financial Results

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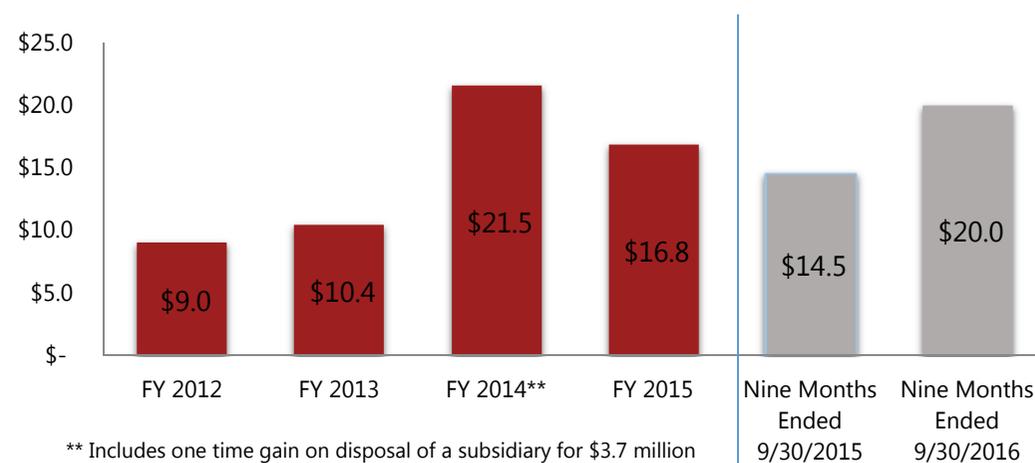
\* USD in millions, except per share data

	Fiscal Year ended*				First Nine Months Ended*	
	Dec 31, 2012	Dec 31, 2013	Dec 31, 2014	Dec. 31, 2015	Sept. 30, 2015	Sept. 30, 2016
<b>Total Revenues</b>	\$168.4	\$149.6	\$154.8	\$166.5	\$125.2	\$137.6
<b>Gross Profit</b>	\$21.6	\$34.2	\$38.8	\$42.6	\$31.7	\$39.2
<b>Gross Margin</b>	12.9%	22.9%	25.0%	25.6%	25.3%	28.4%
<b>Adjusted EBITDA</b>	\$29.5	\$28.8	\$33.1	\$32.4	\$25.2	\$31.4
<b>Net Income</b>	\$9.0	\$10.4	\$21.5**	\$16.8	\$14.5	\$20.0
<b>EPS</b>	\$0.63	\$0.77	\$1.67	\$1.30	\$1.12	\$1.54

## Revenue\*



## Net Income\*



\*\* Includes one time gain on disposal of a subsidiary for \$3.7 million

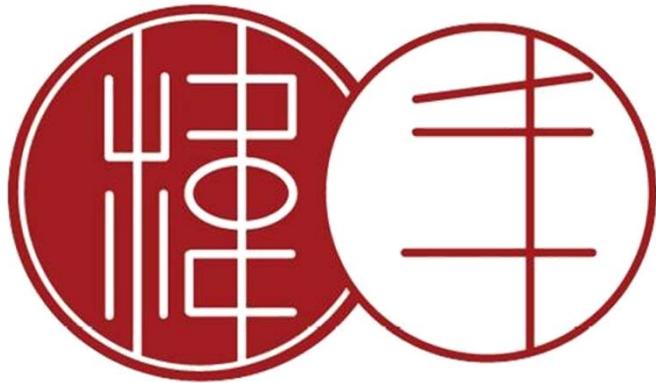


## **| Investment Considerations**

**Agreement with SYB represented the right partner and a favorable valuation for the Company's plastic injection molding business, and was a rewarding opportunity for the Company's shareholders.**

**Company intends to leverage proven platform for success and highly experienced Board of Directors in evaluating other potential lucrative investment opportunities.**





# Plastec Technologies, Ltd.

## For Additional Information

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