



## **PLASTEC TECHNOLOGIES REPORTS FISCAL 2014 FINANCIAL RESULTS**

**Hong Kong – April 22, 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 audited financial results for fiscal 2014 year ended December 31, 2014. 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.

### **Fiscal 2014 Financial and Operating Highlights (all comparisons to prior year)**

- Sales of \$154.8 million, an increase of 3.5% compared to \$149.6 million
- Gross margin of 25.0%, compared to 22.9%
- Adjusted EBITDA of \$33.1 million, compared to \$28.8 million
- Net income of \$21.5 million, or \$1.67 per diluted share based on 12.9 million diluted shares outstanding, compared to \$10.4 million, or \$0.77 per diluted share based on 13.5 million diluted shares outstanding
- \$32.8 million in cash generated from operations for the year ended December 31, 2014, compared to \$20.3 million

### **Balance Sheet Highlights**

- \$82.5 million in working capital at December 31, 2014, compared to \$58.0 million at December 31, 2013
- Book value per share increased to \$9.25 at December 31, 2014, compared to \$7.96 at December 31, 2013

### **Management Comments**

Mr. Kin Sun Sze-To, Chairman of Plastec, stated, “In 2014, we focused primarily on expanding our margins in light of a challenging macro environment in the consumer products sector. We have increased production at our Thailand plant, allowing us to cater for more orders. We were pleased that Plastec maintained and increased margins throughout our market segments by capturing more first-run product lines from our long-term customers. We continue to improve our core competency: providing high-precision plastic injection molding services. During 2014, we divested one of our wholly owned subsidiaries (Heyuen Sun Line Industrial Ltd.) and upgraded the machinery used in our operations in order to keep pace with various technological changes and changing consumer preferences.”

Chairman Sze-To continued, “In 2015, the Company intends to further improve effective capacity in both its China and Thailand facilities while maintaining a low-cost infrastructure. We believe that our strong financial condition will benefit the Company, as many of our lesser capitalized competitors may not be able to consistently upgrade their facilities to the degree that Plastec has done in recent years. We are focused on providing a sufficient return for our shareholders, while still executing on our growth strategy through reinvestment in our business.”

<b>Selected Financial Highlights in USD (\$ in millions, except number of shares and per share data)</b>			
	<u>Year ended</u> <u>December 31,</u> <u>2014</u>	<u>Year ended</u> <u>December 31,</u> <u>2013</u>	<u>Percentage</u> <u>Change</u>
Sales	\$154.8	\$149.6	3.5%
Cost of Revenues	\$116.1	\$115.4	0.7%
Gross Profit	\$38.8	\$34.2	13.0%
Gross Profit Margin	25.0%	22.9%	2.1 pts
Income from Operations	\$24.5	\$11.0	123.9%
Operating Margin	15.9%	7.3%	8.6pts
Net Income	\$21.5	\$10.4	107.5%
Net Margin	13.9%	6.9%	7.0 pts
Weighted Average Number of Diluted Ordinary Shares Outstanding	12,938,128	13,503,623	-
Diluted EPS	\$1.67	\$0.77	116.7%
Adjusted EBITDA*	\$33.1	\$28.8	15.2%

\*Reconciliation table at end of release

<b>Balance Sheet Highlights (USD in Millions)</b>			
	<u>12/31/2014</u>	<u>12/31/2013</u>	<u>Percentage</u> <u>Change</u>
Cash and Cash Equivalents	\$67.8	\$44.7	51.5%
Total Current Assets	\$122.2	\$96.6	26.5%
Total Assets	\$163.0	\$148.1	10.1%
Working Capital	\$82.5	\$58.0	42.3%
Total Long-term Debt	\$3.7	\$6.4	(42.9)%
Total Liabilities	\$43.4	\$45.0	(3.7)%
Shareholders' Equity	\$119.6	\$103.0	16.1%
Total Liabilities and Shareholders' Equity	\$163.0	\$148.1	10.1%

## FY 2014 Financial Review

- Total sales for fiscal year 2014 ended December 31, 2014 were \$154.8 million, compared to \$149.6 million in the prior-year period. The increase was largely due to Plastec attracting new customers, as well as increased production from existing clientele.
- For the year ended December 31, 2014, the Company's gross profit was \$38.8 million, or 25.0% of revenues, compared to \$34.2 million, or 22.9% of revenues, in the prior-year period. The Company's higher gross margin was largely due to a product mix that included new product orders, which typically generate a greater margin. Meanwhile, the drop of low-margined orders and cost containment during the period also contributed to higher gross margin for 2014.
- Income from operations was \$24.5 million, or 15.9% of revenues, for the fiscal year 2014, compared to \$11.0 million, or 7.3% of revenues, in the prior-year period. The Company generated higher income from operations and operating margin as a result of the disposal of a subsidiary, plant and equipment in the process of machinery upgrades.
- Adjusted EBITDA for the year ended December 31, 2014 was \$33.1 million, compared to \$28.8 million in the prior-year period.
- For the fiscal year ended December 31, 2014, net income was \$21.5 million, or \$1.67 per share based on approximately 12.9 million weighted average diluted shares outstanding, compared to \$10.4 million, or \$0.77 per share based on approximately 13.5 million weighted average diluted shares, 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 around 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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**PLASTEC TECHNOLOGIES, LTD.**

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

	<b>For the year</b>	
	<b>ended December 31,</b>	
	<b>2014</b>	<b>2013</b>
	<b>HK\$</b>	<b>HK\$</b>
Revenues	1,207,811	1,167,115
Cost of revenues	(905,280)	(899,400)
Gross profit	<u>302,531</u>	<u>267,715</u>
Operating expenses, net		
Selling, general and administrative expenses	(152,912)	(166,969)
Other income	7,737	2,508
Write-off of property, plant and equipment	(442)	(14,920)
Gain/(loss) on disposal of property, plant and equipment	5,420	(2,836)
Gain on disposal of subsidiary	29,125	-
Total operating expenses, net	<u>(111,072)</u>	<u>(182,217)</u>
Income from operations	191,459	85,498
Interest income	1,530	276
Interest expense	(1,688)	(1,160)
Income before income tax expense	<u>191,301</u>	<u>84,614</u>
Income tax expense	(23,480)	(3,734)
Net income	<u>167,821</u>	<u>80,880</u>
Other comprehensive income/(expense)		
Foreign currency translation adjustment	(7,764)	3,377
Comprehensive income attributable to Plastec Technologies, Ltd.	<u>160,057</u>	<u>84,257</u>
Net income per share:		
Weighted average number of ordinary shares	<u>12,938,128</u>	<u>13,503,623</u>
Weighted average number of diluted ordinary shares	<u>12,938,128</u>	<u>13,503,623</u>
Basic income per share attributable to Plastec Technologies, Ltd.	<u>HK\$13.0</u>	<u>HK\$6.0</u>
Diluted income per share attributable to Plastec Technologies, Ltd.	<u>HK\$13.0</u>	<u>HK\$6.0</u>

**PLASTEC TECHNOLOGIES, LTD.**

**CONSOLIDATED BALANCE SHEETS (Audited)**  
**(Hong Kong dollars in thousands, except number of shares, per share data and unless otherwise stated)**

	<b>December 31, 2014</b>	<b>December 31, 2013</b>
	<b>HK\$</b>	<b>HK\$</b>
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	528,527	348,901
Trade receivables, net of allowances for doubtful accounts of HK\$nil, and HK\$nil as of December 31, 2013 and December 31, 2014, respectively	278,553	269,419
Inventories	96,030	107,058
Deposits, prepayment and other receivables	50,204	28,139
Total current assets	<u>953,314</u>	<u>753,517</u>
Property, plant and equipment, net	283,500	364,149
Prepaid lease payments, net	19,692	22,167
Other assets	-	2,325
Deferred tax assets	14,212	12,225
Intangible assets	438	438
Total assets	<u>1,271,156</u>	<u>1,154,821</u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Current liabilities		
Bank borrowings	21,429	37,782
Trade payables	125,854	105,428
Other payables and accruals	103,576	116,608
Tax payable	58,736	41,389
Total current liabilities	<u>309,595</u>	<u>301,207</u>
Bank Borrowings	<u>28,571</u>	<u>50,000</u>
Total liabilities	<u>338,166</u>	<u>351,207</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, 2013 and December 31, 2014, respectively)	101	101
Additional paid-in capital	26,049	26,455
Accumulated other comprehensive income	10,137	17,901
Retained earnings	896,703	759,157
Total shareholders' equity	<u>932,990</u>	<u>803,614</u>
Total liabilities and shareholders' equity	<u>1,271,156</u>	<u>1,154,821</u>

**PLASTEC TECHNOLOGIES, LTD.**

**CONSOLIDATED STATEMENTS OF CASH FLOWS (Audited)**

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

	For year ended	
	December 31,	
	2014	2013
	HK\$	HK\$
Operating activities		
Net income	167,821	80,880
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	108,927	123,741
Net (gain)/loss on disposal of property, plant and equipment	(5,420)	2,836
Gain on disposal of a subsidiary	(29,125)	-
Write-off of property, plant and equipment	442	14,920
Impairment on inventories	7,391	7,037
Deferred tax charge	(2,681)	(23,854)
Changes in operating assets and liabilities:		
Trade receivables	(9,134)	(12,120)
Inventories	3,637	(16,628)
Deposits, prepayment and other receivables	(14,280)	7,332
Trade payables	20,427	(46,008)
Other payables and accruals	(12,444)	891
Tax payables	20,660	19,276
Net cash provided by operating activities	256,221	158,303
Investing activities		
Purchase of property, plant and equipment	(50,521)	(54,436)
Proceeds from disposal of property, plant and equipment	7,138	6,634
Net proceeds from disposal of a subsidiary	43,015	-
Deposits for purchase of property, plant and equipment	-	(2,325)
Net cash used in investing activities	(368)	(50,127)
Financing activities		
Repurchases of shares/warrants	(406)	(63,404)
Proceeds from bank borrowings	74,155	195,214
Repayment of bank borrowings	(111,937)	(204,324)
Dividends paid	(30,275)	-
Net cash used in financing activities	(68,463)	(72,514)
Net increase in cash and cash equivalents	187,390	35,662
Effect of exchange rate changes on cash and cash equivalents	(7,764)	3,377
Cash and cash equivalents, beginning of year	348,901	309,862
Cash and cash equivalents, end of year	528,527	348,901
Supplementary disclosures of cash flow information:		
Interest paid, net	158	886
Income taxes paid	5,501	8,312

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

		<b>Year Ended</b>	
		<b>Dec 31</b>	<b>Dec 31</b>
		<b>2014</b>	<b>2013</b>
		<b>HKD</b>	<b>HKD</b>
<b>Net Income (note)</b>		<b>125,981</b>	<b>96,128</b>
Plus	Interest expenses	1,688	1,160
Minus	Interest income	(1,530)	(276)
Plus	Income tax expenses	23,480	3,734
	Income from operations	<u>149,619</u>	<u>100,746</u>
Plus	Depreciation and Amortization	108,927	123,741
	<b>Adjusted EBITDA</b>	<u><b>258,546</b></u>	<u><b>224,487</b></u>

Note: Excl. other incomes 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