



PLASTEC TECHNOLOGIES REPORTS UNAUDITED 2014 THIRD QUARTER AND NINE-MONTH FINANCIAL RESULTS

Hong Kong – November 12, 2014 – Plastec Technologies, Ltd. - (OTCBB: PLTYF (ordinary shares), PLTW (warrants), 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 the third quarter and nine months ended September 30, 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.

Financial and Operating Highlights for the Three Months Ended September 30, 2014 (all comparisons to prior year)

- Sales of \$44.0 million, an increase of 19.7% compared to \$36.8 million, as a result of shipments from the Company’s second quarter being rescheduled to the third quarter and improving market conditions for new product launches
- Gross margin of 25.8%, compared to 20.9%
- Adjusted EBITDA of \$8.7 million, compared to \$6.3 million
- Net income of \$4.3 million, or \$0.33 per diluted share based on 12.9 million diluted shares outstanding, compared to \$29,000, or \$0.00 per diluted share based on 13.6 million diluted shares outstanding

Fiscal 2014 Nine-Month Financial and Operating Highlights (all comparisons to same period of prior year)

- Sales of \$112.9 million, a decrease of 0.2% compared to \$113.1 million
- Gross margin of 23.2%, compared to 22.4%
- Adjusted EBITDA of \$23.4 million, compared to \$22.0 million
- Net income of \$14.4 million, or \$1.12 per diluted share based on 12.9 million diluted shares outstanding, compared to \$7.3 million, or \$0.54 per diluted share based on 13.7 million diluted shares outstanding
- \$23.4 million in cash generated from operations for the nine months ended September 30, 2014, compared to \$13.0 million

Balance Sheet Highlights

- \$75.7 million in working capital at September 30, 2014, compared to \$58.0 million at December 31, 2013
- Book value per share increased to \$8.7 at September 30, 2014, compared to \$8.0 at December 31, 2013
- On August 11, 2014, the Company declared an interim cash dividend of \$0.10 per ordinary share for the fiscal 2014-second quarter ended June 30, 2014. The interim dividend was paid on or about September 5, 2014 to shareholders of record as of August 29, 2014.

Management Comments

Mr. Kin Sun Sze-To, Chairman of Plastec, stated, “We continue to focus on our core competencies, which are providing high-precision plastic injection molding services while investing in our business to provide sustainability over the long-term. During the third quarter, we continued to see stable margins throughout our market segments through capturing more first run product lines from our long-term customer base in advance of the coming holiday season. In addition, we are continuing to properly utilize our scale to contain raw material costs, and keeping operating costs streamlined at our facilities in China and Thailand. We have been pleased with the Company’s cash generation in 2014, and have continued to balance our need to position Plastec for long-term growth while also providing stable returns for our shareholders. We need to regularly upgrade the machinery used in our operations in order to keep pace with various technological changes and changing consumer preferences. We feel that the Company has a balance sheet that provides considerable room for expansion and provides an advantage over our lesser-capitalized competitors.”

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

	<u>3 months ended</u> <u>September 30,</u> <u>2014</u>	<u>3 months ended</u> <u>September 30,</u> <u>2013</u>	<u>Percentage</u> <u>Change</u>	<u>9 months ended</u> <u>September 30,</u> <u>2014</u>	<u>9 months ended</u> <u>September 30,</u> <u>2013</u>	<u>Percentage</u> <u>Change</u>
Sales	\$44.0	\$36.8	19.7%	\$112.9	\$113.1	(0.2%)
Cost of Revenues	\$32.7	\$29.1	12.3%	\$86.7	\$87.7	(1.2%)
Gross Profit	\$11.3	\$7.7	47.5%	\$26.2	\$25.3	3.4%
Gross Profit Margin	25.8%	20.9%		23.2%	22.4%	
Income from Operations	\$5.4	\$0.5	917.6%	\$16.8	\$7.9	111.5%
Operating Margin	12.2%	1.4%		14.9%	7.0%	
Net Income	\$4.3	\$0.03	-	\$14.4	\$7.3	97.9%
Net Margin	9.7%	0.1%		12.8%	6.5%	
Weighted Average Number of Diluted Ordinary Shares Outstanding	12,938,128	13,594,107		12,938,128	13,681,314	
Diluted EPS	\$0.33	\$0.00	-	\$1.12	\$0.54	107.1%
Adjusted EBITDA*	\$8.7	\$6.3	37.8%	\$23.4	\$22.0	6.3%

* Reconciliation table at end of release

Balance Sheet Highlights (USD in Millions)

	<u>9/30/2014</u>	<u>12/31/2013</u>	<u>Percentage</u> <u>Change</u>
Cash and Cash Equivalents	\$62.3	\$44.7	39.3%
Total Current Assets	\$116.9	\$96.6	21.0%
Total Assets	\$160.0	\$148.1	8.1%
Working Capital	\$75.7	\$58.0	30.6%
Total Long-term Debt	\$6.4	\$6.4	-
Total Liabilities	\$47.6	\$45.0	5.7%
Shareholders' Equity	\$112.5	\$103.0	9.2%
Total Liabilities and Shareholders' Equity	\$160.0	\$148.1	8.1%

2014 Third Quarter and First Nine Months Financial Review

- Total sales for the three-month period ended September 30, 2014 were \$44.0 million, an increase of 19.7% compared to \$36.8 million in the prior-year period. The increase was largely due to certain shipments being re-scheduled from the second quarter into the third quarter by customers, along with higher new product orders from customers. Total sales for the nine-month period ended September 30, 2014 were \$112.9 million, compared to \$113.1 million in the corresponding period in the prior year.
- The Company's gross profit was \$11.3 million during the three-month period ended September 30, 2014 compared to \$7.7 million in the prior-year period, and gross profit margin was 25.8% compared to 20.9% 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. For the nine-month period ended September 30, 2014, the Company's gross profit was \$26.2 million, or 23.2% of revenues, compared to \$25.3 million, or 22.4% of revenues, in the prior-year period.
- Income from operations was \$5.4 million, or 12.2% of revenues, during the three-month period ended September 30, 2014, compared to \$528,000, or 1.4% of revenues, in the prior-year period. For the first nine months of 2014, the Company reported income from operations of \$16.8 million, or 14.9% of revenues, compared to \$7.9 million, or 7.0% of revenues, in the prior-year period.
- Adjusted EBITDA for the three months ended September 30, 2014 was \$8.7 million, compared to \$6.3 million in the prior-year period. For the first nine months of 2014, adjusted EBITDA was \$23.4 million, compared to \$22.0 million in the prior-year period.

- Net income for the three-month period ended September 30, 2014 was \$4.3 million, or \$0.33 per share based on approximately 12.9 million weighted average diluted shares outstanding, compared to \$29,000, or \$0.00 per share based on approximately 13.6 million weighted average diluted shares outstanding, in the prior-year period. For the nine-month period ended September 30, 2014, net income was \$14.4 million, or \$1.12 per share based on approximately 12.9 million weighted average diluted shares outstanding, compared to \$7.3 million, or \$0.54 per share based on approximately 13.7 million weighted average diluted shares, in the prior-year period.

Update on Securities Repurchase Plan

The Company has a repurchase plan (as expanded and extended) in place through September 25, 2015, allowing it to purchase up to \$5 million of its ordinary shares, warrants, and units in both open market and privately negotiated transactions at the discretion of the Company's management and as market conditions allow. As of the date of this press release, the Company had repurchased 586,010 ordinary shares and 547,600 warrants under the current plan, which was first implemented in September 2013 following completion of its previous repurchase 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 over 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 (Unaudited)
(Hong Kong dollars in thousands, except number of shares, per share data and unless otherwise stated)

	For the 3-month		For the 9-month	
	period ended September 30,		period ended September 30,	
	2014	2013	2014	2013
	HK\$	HK\$	HK\$	HK\$
Revenues	343,270	286,835	880,463	881,902
Cost of revenues	(254,790)	(226,847)	(676,045)	(684,256)
Gross profit	88,480	59,988	204,418	197,646
Operating expenses, net				
Selling, general and administrative expenses	(47,018)	(41,379)	(104,517)	(121,104)
Other income/(expenses)	463	(858)	1,627	1,872
Gain/(loss) on disposal of a subsidiary	(432)	-	29,125	-
Gain/(loss) on disposal of property, plant and equipment	383	(13,636)	494	(16,408)
Total operating expenses, net	(46,604)	(55,873)	(73,271)	(135,640)
Income from operations	41,876	4,115	131,147	62,006
Interest income	501	73	1,056	178
Interest expense	(413)	(272)	(1,281)	(950)
Income before income tax expense	41,964	3,916	130,922	61,234
Income tax expense	(8,635)	(3,688)	(18,348)	(4,350)
Net income	33,329	228	112,574	56,884
Other comprehensive income/(expense)				
Foreign currency translation adjustment	(6,179)	479	(8,330)	2,776
Comprehensive income attributable to Plastec Technologies, Ltd.	27,150	707	104,244	59,660
Net income per share:				
Weighted average number of ordinary shares	12,938,128	13,594,107	12,938,128	13,681,314
Weighted average number of diluted ordinary shares	12,938,128	13,594,107	12,938,128	13,681,314
Basic income per share attributable to Plastec Technologies, Ltd.	HK\$2.6	HK\$0.0	HK\$8.7	HK\$4.2
Diluted income per share attributable to Plastec Technologies, Ltd.	HK\$2.6	HK\$0.0	HK\$8.7	HK\$4.2

PLASTEC TECHNOLOGIES, LTD.

CONSOLIDATED BALANCE SHEETS

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

	(Unaudited)	(Audited)
	September 30, 2014	December 31, 2013
	HK\$	HK\$
ASSETS		
Current assets		
Cash and cash equivalents	485,883	348,901
Trade receivables, net of allowances for doubtful accounts of HK\$nil, and HK\$nil as of December 31, 2013 and September 30, 2014, respectively	290,579	269,419
Inventories	98,935	107,058
Deposits, prepayment and other receivables	36,606	28,139
Total current assets	<u>912,003</u>	<u>753,517</u>
Property, plant and equipment, net	292,052	364,149
Prepaid lease payments, net	20,074	22,167
Other assets	10,681	2,325
Deferred tax assets	13,141	12,225
Intangible assets	438	438
Total assets	<u><u>1,248,389</u></u>	<u><u>1,154,821</u></u>

LIABILITIES AND SHAREHOLDERS' EQUITY

Current liabilities		
Bank borrowings	21,423	37,782
Trade payables	130,897	105,428
Other payables and accruals	113,571	116,608
Tax payable	55,321	41,389
Total current liabilities	<u>321,212</u>	<u>301,207</u>
Bank Borrowings	<u>50,000</u>	<u>50,000</u>
Total liabilities	<u>371,212</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 September 30, 2014, respectively)	101	101
Additional paid-in capital	26,050	26,455
Accumulated other comprehensive income	9,569	17,901
Retained earnings	841,457	759,157
Total shareholders' equity	<u>877,177</u>	<u>803,614</u>
Total liabilities and shareholders' equity	<u><u>1,248,389</u></u>	<u><u>1,154,821</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)

	For the 9-month period ended September 30,	
	2014	2013
	HK\$	HK\$
Operating activities		
Net income	112,574	56,884
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	82,859	95,405
Gain on disposal of a subsidiary	(29,125)	-
(Gain)/loss on disposal of property, plant and equipment	(494)	16,408
Deferred tax credit	(1,829)	(15,917)
Changes in operating assets and liabilities:		
Trade receivables	(21,159)	(8,718)
Inventories	8,123	1,205
Deposits, prepayment and other receivables	(8,493)	(11,730)
Trade payables	25,470	(23,001)
Other payables and accruals	(2,449)	(28,117)
Tax payables	17,328	18,744
Net cash provided by operating activities	<u>182,805</u>	<u>101,163</u>
Investing activities		
Purchase of property, plant and equipment	(24,740)	(23,281)
Proceeds from disposal of a subsidiary	43,015	-
Proceeds from disposal of property, plant and equipment	1,204	3,811
Deposits for purchase of property, plant and equipment	(10,681)	(353)
Net cash (used in)/generated from investing activities	<u>8,798</u>	<u>(19,823)</u>
Financing activities		
Repurchases of shares and/or warrants	(406)	(35,979)
Net repayment of bank borrowings	(16,360)	(50,519)
Dividends paid	(30,275)	-
Net cash used in financing activities	<u>(47,041)</u>	<u>(86,498)</u>
Net increase/(decrease) in cash and cash equivalents	144,562	(5,158)
Effect of exchange rate changes on cash and cash equivalents	(7,580)	2,776
Cash and cash equivalents, beginning of period	348,901	309,862
Cash and cash equivalents, end of period	<u>485,883</u>	<u>307,480</u>
Supplementary disclosures of cash flow information:		
Interest paid, net	225	772
Income taxes paid	<u>2,849</u>	<u>881</u>

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

	Three Months Ended		Nine Months Ended	
	Sept 30	Sept 30	Sept 30	Sept 30
	2014	2013	2014	2013
	HKD	HKD	HKD	HKD
Net Income (note)	32,915	14,722	81,328	71,420
Plus Interest expenses	413	272	1,281	950
Minus Interest income	(501)	(73)	(1,056)	(178)
Plus Income tax expenses	8,635	3,688	18,348	4,350
Income from operations	<u>41,462</u>	<u>18,609</u>	<u>99,901</u>	<u>76,542</u>
Plus Depreciation and Amortization	26,753	30,896	82,859	95,405
Adjusted EBITDA	<u>68,215</u>	<u>49,505</u>	<u>182,760</u>	<u>171,947</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