Plastec Technologies, Ltd.

2014 Annual Report

June 01, 2015

Dear Fellow Shareholders:

We are proud of the Company's performance on both financial and operating fronts, despite the challenging macro environment in the consumer products sector. In 2014, Plastec succeeded in expanding margins by capturing more profitable new product orders from new and existing customers. We also continued to utilize our free cash flow to invest in our company and maintain its competitiveness by keeping pace with technological changes and ever-changing consumer preferences.

We provide comprehensive precision plastic manufacturing services, specializing in precision molding design and fabrication, plastic injection manufacturing and secondary-process finishing. Our primary focus is on the production of new "first run" models of our existing clients' product lines. Largely due to our efforts in bringing more orders of first-generation product, which usually carries higher margin than the second generation, we were able to increase the top line.

We reported positive cash flow generated from operations and believe we are properly positioned to strengthen our market presence in the competitive landscape we are in. While our existing infrastructure can fulfill increasing demand from our customers, we feel that it is crucial for us to regularly upgrade our production plants and equip them with latest technologies and facilities. Capacity and capability expansions will afford us extra dimensions and more competitive edge in exploring international opportunities as well as soliciting and retaining multinational customers.

Financial Review for the Fiscal Year Ended December 31, 2014

Our total sales for the year ended December 31, 2014 increased 3.5% to $154.8 million from $149.6 million in the prior year. Largely due to our focus on capturing first run production lines from our customers and implementing effective cost containment measures, our gross profit margin expanded to 25.0% in 2014, compared to 22.9% in the prior year.

This led to strong bottom line growth. Plastec's net income for the year ended December 31, 2014 was $21.5 million, or $1.67 per share based on a weighted average number of diluted shares outstanding of approximately 12.9 million, compared to $10.4 million, or $0.77 per share based on approximately 13.5 million weighted average number of diluted shares outstanding in the prior year.

Conclusion

We are dedicated to cultivating long-lasting relationships with our customers, who have come to collaborate with us based on our proven track record of producing high-quality products and delivering customer-oriented services on a timely basis.

Our entire senior management recognizes the importance of our shareholders' support and patience and we are committed to rewarding them. To show our appreciation, we have continued to return cash to shareholders through share buybacks and dividends, where appropriate and when circumstances justified.

We are very proud of the accomplishments of the Company over the past fiscal year and look forward to future success. On behalf of Plastec's senior management team, our Board of Directors and associates, I thank you for your continued support.

Sincerely,

Kin Sun Sze-To
Chief Executive Officer

CERTAIN SECTIONS OF OUR ANNUAL REPORT ON FORM 20-F FOR THE FISCAL YEAR ENDED DECEMBER 31, 2014 FILED WITH THE SECURITIES AND EXCHANGE COMMISSION ON APRIL 22, 2015 (THE "FORM 20-F") ARE REFERRED TO HEREIN AND INCORPORATED BY REFERENCE. SHAREHOLDERS ARE ADVISED TO READ THE FORM 20-F FOR COMPLETENESS. SHAREHOLDERS CAN VIEW THE FORM 20-F ON THE SEC'S WEBSITE AT WWW.SEC.GOV. ALTERNATIVELY, SHAREHOLDERS CAN REQUEST A COPY OF THE FORM 20-F BY SENDING A REQUEST TO UNIT 01, 21/F, AITKEN VANSON CENTRE, 61 HOI YUEN ROAD, KWUN TONG, KOWLOON, HONG KONG, ATTN: MR. KIN SUN SZE-TO.

INTRODUCTION

Definitions

Unless the context indicates otherwise:

- "we," "us," "our" and "our company" refer to Plastec Technologies, Ltd., a Cayman Islands exempted company, its predecessor entities and direct and indirect subsidiaries;
- "Plastec" refers to Plastec International Holdings Limited, a British Virgin Islands company, our direct wholly owned subsidiary;
- "BVI" refers to the British Virgin Islands;
- "PRC subsidiaries" refers to our indirect owned subsidiaries operating in the PRC;
- "China" or the "PRC" refer to the People's Republic of China;
- "HK$" or "Hong Kong dollar" refer to the lawful currency of the Hong Kong Special Administrative Region, People's Republic of China; if not otherwise indicated, all financial information presented in HK$ may be converted to U.S.$ or $ using the exchange rate of 7.8 HK$ for every 1 U.S.$ or $;
- "Renminbi" or "RMB" refer to the lawful currency of China; and
- "U.S.$" or "$" or "U.S. dollar" refer to the lawful currency of the United States of America.

Forward-Looking Statements

This Annual Report for the 12-month period ended December 31, 2014 ("Annual Report") contains forward-looking statements that involve risks and uncertainties. All statements other than statements of historical facts are forward-looking statements. These statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from those expressed or implied by the forward-looking statements.

These forward-looking statements include information about our possible or assumed future results of operations or our performance. Words such as "expects," "intends," "plans," "believes," "anticipates," "estimates," and variations of such words and similar expressions are intended to identify the forward-looking statements. Although we believe that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to be correct. These statements involve known and unknown risks and are based upon a number of assumptions and estimates which are inherently subject to significant uncertainties and contingencies, many of which are beyond our control. Actual results may differ materially from those expressed or implied by such forward-looking statements.

We undertake no obligation to publicly update or revise any forward-looking statements contained in this Annual Report, or the documents to which we refer you in this Annual Report, to reflect any change in our expectations with respect to such statements or any change in events, conditions or circumstances on which any statement is based.

This Annual Report should be read in conjunction with our audited consolidated financial statements and the accompanying notes thereto for the 12-month period ended December 31, 2014, which are included hereto.

Change in Fiscal Year

On September 11, 2012, we determined to change our fiscal year end from April 30 to December 31. The change in fiscal year end was made so that our fiscal year end would coincide with all our operating subsidiaries in the People's Republic of China. This Annual Report and the accompanying consolidated financial statements cover the years ended December 31, 2014 and 2013 and the 8-month period beginning May 1, 2012 and ending December 31, 2012 and the historical activities of the year ended April 30, 2012. For a comparison of our operating results for the 8-month period ended December 31, 2011 to the 8-month period ended December 31, 2012 and a comparison of our operating results for the year ended December 31, 2012 to the year ended December 31, 2013, see note 20 to the consolidated financial statements. Financial information presented in note 20 and elsewhere in this Annual Report for the 8-month period ended December 31, 2011 and the year ended December 31, 2012 has not been audited and is presented for comparative purposes only.

PART I

ITEM 1. KEY INFORMATION.

Selected Financial Data

The selected financial information set forth below has been derived from our audited financial statements for the years ended December 31, 2014 and 2013, the 8-month period ended December 31, 2012 and the years ended April 30, 2012, 2011 and 2010.

The information is only a summary and should be read in conjunction with our audited financial statements and notes thereto contained elsewhere herein. The financial results should not be construed as indicative of financial results for subsequent periods. See Item 2 of this Annual Report and the financial statements and the accompanying notes thereto included under Item 6 of this Annual Report for further information about our financial results and condition.

	For the year ended ended December 31,		For the 8-month period ended December 31,	For the year ended April 30,		
	2014	2013	2012	2012	2011	2010
				(HK$'000, except for per share data)		
Revenues	1,207,811	1,167,115	933,888	1,291,223	1,323,533	966,755
Cost of revenues	(905,280)	(899,400)	(807,104)	(1,142,653)	(1,074,880)	(810,187)
Gross profit	302,531	267,715	126,784	148,570	248,653	156,568
Selling, general and administrative expenses	(152,912)	(166,969)	(66,330)	(81,557)	(83,584)	(63,824)
Other income	7,737	2,508	6,266	2,431	4,711	4,364
Write-off of property, plant and equipment	(442)	(14,920)	(4,058)	(690)	(1,791)	(40,348)
Gain/(loss) on disposal of property, plant and equipment	5,420	(2,836)	1,898	938	1,315	1,077
Gain on disposal of subsidiary	29,125	-	-	-	-	-
Income from operations	191,459	85,498	64,560	69,692	169,304	57,837
Interest income	1,530	276	166	218	124	60
Interest expense	(1,688)	(1,160)	(1,559)	(2,695)	(3,008)	(2,733)
Income before income tax expense	191,301	84,614	63,167	67,215	166,420	55,164
Income tax expense	(23,480)	(3,734)	(3,344)	(16,811)	(33,106)	(10,857)
Net income	167,821	80,880	59,823	50,404	133,314	44,307
Net income per share						
Basic and diluted income per ordinary share	HK$ 13.0	HK$ 6.0	HK$ 4.2	HK$ 3.2	HK$ 16.9	HK$ 6.3
Basic and diluted weighted average number of ordinary shares	12,938,128	13,503,623	14,303,544	15,944,233	7,891,754	7,054,583

	December 31,			April 30,		
	2014	2013	2012	2012	2011	2010
Total assets	1,271,156	1,154,821	1,179,142	1,193,729	1,201,927	977,492
Total liabilities	338,166	351,207	400,897	481,682	455,667	411,400
Total shareholders' equity	932,990	803,614	778,245	712,047	746,260	566,092

Unless otherwise noted, all translations from Hong Kong dollars to U.S. dollars in this Annual Report were made at the noon buying rate in the City of New York for cable transfers of Hong Kong dollars as certified for customs purposes by the Federal Reserve Bank of New York on April 17, 2015, which was HK$7.7510 to U.S.$1.00. We make no representation that any Hong Kong dollars or U.S. dollar amounts could have been, or could be, converted into U.S. dollar or Hong Kong dollars, as the case may be, at any particular rate, at the rates stated below, or at all.

The following table sets forth information concerning exchange rates between the Hong Kong dollar and the U.S. dollar for the periods indicated, in Hong Kong dollars per U.S. dollar. These rates are provided solely for your convenience and are not necessarily the exchange rates that we used in this Annual Report or will use in the preparation of our periodic reports or any other information to be provided to you.

Period	Period End	Average(1)	Maximum	Minimum
April 17, 2015	7.7510	-	-	-
March 2015	7.7540	7.7584	7.7686	7.7534
February 2015	7.7559	7.7551	7.7584	7.7517
January 2015	7.7529	7.7531	7.7563	7.7508
December 2014	7.7531	7.7541	7.7616	7.7509
November 2014	7.7548	7.7543	7.7572	7.7519
October 2014	7.7551	7.7572	7.7645	7.7541
FY Ended Dec. 31, 2014	7.7531	7.7554	7.7648	7.7497
FY Ended Dec. 31, 2013	7.7539	7.7565	7.7629	7.7526
8 Months Ended Dec. 31, 2012	7.7507	7.7541	7.7699	7.7493
FY Ended April 30,				
2012	7.7587	7.7719	7.7942	7.7551
2011	7.7673	7.7748	7.7926	7.7515
2010	7.7637	7.7552	7.7665	7.7497
2009	7.7500	7.7693	7.8041	7.7499

Source: The exchange rate refers to the noon buying rate as set forth in the weekly H.10 statistical release of the Federal Reserve Board.

(1) Annual averages are calculated from month-end rates. Monthly averages are calculated using the average of the daily rates during the relevant period.

Risk Factors

An investment in our securities involves a high degree of risk. You should consider carefully all of the risks described below, together with the other information contained in Item 3.D of Form 20-F before making a decision to invest in our securities.

ITEM 2. OPERATING AND FINANCIAL REVIEW AND PROSPECTS.

Operating Results

Overview

We are a vertically integrated plastic manufacturing services provider. We provide comprehensive precision plastic manufacturing services from mold design and fabrication and plastic injection manufacturing to secondary-process finishing as well as parts assembly through our wholly owned subsidiary, Plastec.

We manufacture our products solely on the basis of customer orders. Our major customers include leading international OEMs, ODMs and OBMs of consumer electronics, electrical home appliances, telecommunication devices, computer peripherals and precision plastic toys.

The Asia-Pacific region has been our principal market, accounting for approximately 57.5%, 49.6%, 51.2%, 41.4% and 44.6% of our revenues for the year ended April 30, 2012, the 8-month period and the year ended December 31, 2012 and the years ended December 31, 2013 and 2014, respectively. Europe accounted for approximately 42.0%, 40.7%, 41.3%, 49.1% and 43.4% of our revenues for the year ended April 30, 2012, the 8-month period and the year ended December 31, 2012 and the years ended December 31, 2013 and 2014, respectively. The United States accounted for the balance for approximately 0.5%, 9.7%, 7.5%, 9.5% and 12.0% of our revenues for the year ended April 30,2012, the 8-month period and the year ended December 31, 2012 and the years ended December 31, 2013 and 2014, respectively.

Plastec has production facilities in Guangdong Province and Jiangsu Province, China and Saraburi Province, Thailand.

Factors Affecting Our Performance

The following are the key factors that may affect our financial condition and results of operations:

Our ability to stay current with the latest market trends and technology

Continued growth of our business depends to a significant extent on our ability to enhance our existing products and services and to develop new ones in light of the latest market trends and technology. As a majority of our customers make and sell consumer electronics and electrical home appliances, our industry is characterized by rapid technological changes and changing consumer preferences. Most of the consumer electronics and electrical home appliances tend to have short product life cycles, faster technology obsolescence and are subject to constantly evolving industry standards. In order to stay current with the latest market trends and technology, we must continually invest in new machines and technologies to upgrade and expand our manufacturing capabilities and know-how. If we are unable to remain up to date with respect to market trends and technology and correspondingly respond to our customers' requirements on a timely basis, demand for our products and services will be adversely affected.

Our ability to retain existing customers and compete for additional customers and new businesses

We service principally a limited number of multinational corporations. We depend on approximately five major customers, who collectively accounted for approximately 77.1%, 74.0%, 72.3%, 77.7% and 75.5% of our revenues for the year ended April 30, 2012, the 8-month period and the year ended December 31, 2012 and the years ended December 31, 2013 and 2014, respectively. Historically, our largest customer accounted for approximately 35.6%, 36.4%, 36.2%, 44.4% and 42.0% of our revenues for the year ended April 30, 2012, the 8-month period and the year ended December 31, 2012 and the years ended December 31, 2013 and 2014, respectively.

Our ability to retain our existing customers, to develop additional customers, and to secure new business opportunities from these existing and new customers is vital to our ongoing success and future expansion. Our industry is competitive, and we expect it to become more competitive as the plastic market becomes more globally integrated and as new entrants enter into this global market. If we lose, or receive reduced or delayed orders from, one or more of our existing major customers, or if we fail to develop additional customers, or if we fail to execute our expansion plan to compete for new business opportunities from these existing or new customers in different jurisdictions or in terms of additional product categories, our results of operations will be adversely affected.

Changes in selling prices and gross margin

A majority of our customers are manufacturers, the selling prices of the end products of which typically tend to decline significantly over time. As a result, our customers have also placed pricing pressure on our products over the life of the product. We believe the selling prices of each of our products will continue to decline in the foreseeable future. To offset the declining selling prices, we must receive orders for new products that command higher initial selling prices in a timely manner. In addition, because the higher initial selling prices of a product often result in a higher gross margin, if we receive a large order of a new product or multiple orders of different new products in a short period of time, we may experience an increase in our gross margin. Conversely, if we do not receive orders for new products over time and cannot otherwise increase the selling prices of its products in a timely manner, our gross margins will decline.

Market demand for products made and sold by customers

We do not sell our products directly to the mass consumer market. Instead, we sell products, largely plastic components, to leading international OEMs, ODMs and OBMs for them to incorporate into their consumer electronics products, electrical home appliances, telecommunication devices, computer peripherals and precision plastic toys. Market demand for our products is, therefore, derived from the demand for the products of our customers. Our customers market their products globally and any significant change in the global demand or preference for these consumer electronics products, electrical home appliances, telecommunication devices, computer peripherals and precision plastic toys will affect our revenue. The ability of our customers to compete successfully to increase their market share will indirectly affect our business prospects and results of operations.

Our ability to continue to rely on our existing Tenancy Agreements for certain of our manufacturing plants

We rely on Tenancy Agreements (the terms of which are described in greater detail under the section titled " *Properties* " in Item 4.B of Form 20-F) for the use of land and premises that are necessary for the operation of our business for certain of our manufacturing plants. They are either with a fixed duration of lease or with an option to further extend at our discretion within the pre-determined period. There is a risk that some of the Tenancy Agreements may be terminated or invalidated prior to their stated maturity if these Tenancy Agreements may not be held legally valid or enforceable due to the lack of the land use rights certificates or building ownership certificates or prior approval by competent governmental authorities as a matter of applicable laws and regulations. The lessors in the Tenancy Agreements do not undertake to compensate us for losses arising from such deficiencies. If we have to vacate some or all of our production facilities because of the foregoing, we would incur significant losses of revenue, we would have significant difficulty in performing the contracts with our customers to supply our products and services, and we would experience significant delays in our attempt to find alternative manufacturing premises and to relocate our production facilities. We would also have to commit significant financial and other resources, including time of senior management members, to complete such relocation. Should this happen on a significant scale, our results of operations, business prospects and financial condition could be materially and adversely affected.

Critical Accounting Policies

We prepare our consolidated financial statements in accordance with U.S. GAAP, which requires us to make judgments, estimates and assumptions that affect:

- the reported amounts of its assets and liabilities;
- the disclosure of its contingent assets and liabilities at the end of each reporting period; and
- the reported amounts of revenues and expenses during each reporting period.

We continually evaluate these estimates based on our own experience, knowledge and assessment of current business and other conditions, our expectations regarding the future based on available information and reasonable assumptions, which together form our basis for making judgments about matters that are not readily apparent from other sources. Some of our accounting policies require a higher degree of judgment than others in their application. When reading our consolidated financial statements, you should consider:

- our selection of critical accounting policies;
- the judgment and other uncertainties affecting the application of such policies; and
- the sensitivity of reported results to changes in conditions and assumptions.

We believe the following accounting policies involve the most significant judgments and estimates used in the preparation of our financial statements:

Depreciation and amortization

Our long-lived assets include property, plant and equipment. We amortize our long-lived assets using the straight-line method over the estimated useful lives of the assets, taking into account the assets' estimated residual values. We estimate the useful lives and residual values at the time we acquire the assets based on our management's knowledge on the useful lives of similar assets and replacement costs of similar assets having been used for the same useful lives respectively in the market, and taking into account anticipated technological or other changes. On this basis, we have estimated the useful lives of our buildings to be twenty-five years, our leasehold improvements to be three to five years, our plants and machinery to be three to five years, our furniture, fixture and equipment to be three to five years, our computer equipment to be two to three years, our molds to be two to three years and our motor vehicles to be five years. We review the estimated useful life and residual value for each of our long-lived assets on a regular basis. If technological changes are to occur more rapidly than anticipated, we may shorten the useful lives or lower the residual value assigned to these assets, which will result in the recognition of increased depreciation and amortization expense in the adjusted remaining useful lives.

Revenues

We derive revenues primarily from the sale of precision plastic parts and components in our role as an integrated plastic manufacturing services provider.

The Asia-Pacific region has been our principal market, accounting for approximately 57.5%, 49.6%, 51.2%, 41.4% and 44.6% of our revenues for the year ended April 30, 2012, the 8-month period and the year ended December 31, 2012 and the years ended December 31, 2013 and 2014, respectively. Europe accounted for approximately 42.0%, 40.7%, 41.3%, 49.1% and 43.4% of our revenues for the year ended April 30, 2012, the 8-month period and the year ended December 31, 2012 and the years ended December 31, 2013 and 2014, respectively. The United States accounted for the balance for approximately 0.5%, 9.7%, 7.5%, 9.5% and 12.0% of our revenues for the year ended April 30, 2012, the 8-month period and the year ended December 31, 2012 and the years ended December 31, 2013 and 2014, respectively. We determine the geographical market of our sales on the basis of the location of the customers that we are billing, regardless of the actual location of those goods we shipped.

Cost of Sales

The main components of our cost of sales are raw materials, direct labor costs and factory overheads. Raw materials mainly include mold bases, resins, paints and solvents. Our direct labor cost relates to employees directly hired by our PRC subsidiaries, indirect employees they hired from the PRC counterparties and temporary employees they hire from time to time. Our factory overhead includes machinery depreciation, rental expenses, utility consumed and other indirect factory expenses incurred. Our cost of sales and percentage cost of sales for the periods presented were approximately as follows:

	Year ended April 30,		**8 months ended December 31,**				**Year ended December 31,**			
	2012		**2012**		**2012**		**2013**		**2014**	
Component	**(HK$'000)**	**%**	**(HK$'000)**	**%**	**(HK$'000)**	**%**	**(HK$'000)**	**%**	**(HK$'000)**	**%**
Raw materials	459,104	40.2	291,606	36.1	418,245	36.5	359,245	39.9	385,297	42.6
Factory overheads	406,959	35.6	328,294	40.7	462,796	40.4	332,441	37.0	306,899	33.9
Direct labor costs	276,590	24.2	187,204	23.2	263,930	23.1	207,714	23.1	213,084	23.5
Total	1,142,653	100.0	807,104	100.0	1,144,971	100.0	899,400	100.0	905,280	100.0

Approximately 28.0% of our purchases of raw materials for the year ended December 31, 2014 were denominated in Hong Kong dollars, 31.1% in U.S. dollars, 33.6% in Renminbi and 7.3% in Thai Baht. The main factor affecting the prices of our raw materials is the supply and demand for resins, mold bases and paints. However, fluctuations in prices of raw materials have not significantly affected our gross margins primarily because our quotations to our customers have been on a "cost-plus" basis that took into account the pre-determined prices of these raw materials as requested by our customers. In addition, our quotations to customers are generally subject to revision in the event of any significant increase in raw material prices.

The level of direct labor costs has been escalating under the prevailing market condition in China, as well as the other fringe benefits for labor.

Gross Margins

In general, factors affecting our revenue and cost of sales will affect our gross profit margin. The following factors tend to have a material effect on our gross margins:

- *Stage of the product life cycle*. Most of the plastic parts and components we manufacture tend to experience price erosion over the life cycle of the end-products that our customers make and sell. Such products, especially consumer electronics and electrical home appliances, generally command a higher premium in the earlier stages of their life cycles and tend to decline toward the end of their life cycles. This life cycle also affects the pricing of our products. The pricing pressure is particularly acute and apparent during the time when products at the end of their life cycles are not replaced with new products, although such decline in margin is often compensated by larger volumes of orders subsequent to the start-up stage of a product.

- *Volume discounts*. Typically, our customers with purchase orders exceeding a certain quantity will request and in certain circumstances, we may grant, a volume discount. A volume discount means the customer would receive a reduced unit selling price in exchange for an increased total order. Such discounts, when offered, result in a lower profit margin per unit in such sales.

- *Market penetration strategy*. From time to time, we may price our products competitively to penetrate deeper into our target markets or to attract new customers. Such strategy will also lead to a decrease in our unit selling price and lower our profit margin as a result.

- *Prevailing direct labor costs and production costs*. Our direct labor costs relate to employees directly hired by our PRC subsidiaries, temporary employees they hire from time to time. Production costs include machinery depreciation, rental expenses, utility consumed and other indirect factory expenses incurred. The prevailing level of wages and other employees' benefits and the inflation in PRC have increased in recent years, which affects our gross profit margin.

Operating Costs

Our operating costs are mainly comprised of administrative expenses and distribution costs, as well as interest expenses. Our administrative expenses and distribution costs comprise mainly staff costs, including our directors' fees and remuneration, general administrative expenses, marketing expenses and office expenses, and constituted approximately HK$81.6 million, HK$66.3 million, HK$94.7 million, HK$167.0 million and HK$152.9 million for the year ended April 30, 2012, the 8-month period and the year ended December 31, 2012 and the years ended December 31, 2013 and 2014, respectively. In addition to the administrative expenses and distribution costs, on the disposals and write-off of fixed assets we recorded a gain of approximately HK$0.2 million in the year ended April 30, 2012, loss of approximately HK$2.2 million and HK$2.1 million in the 8-month period and the year ended December 31, 2012, respectively, a loss of approximately HK$17.8 million in the year ended December 31, 2013 and a gain of approximately HK$5.0 million in the year ended December 31, 2014. Also, we recorded a gain on disposal of a subsidiary of approximately HK$29.1 million in the year ended December 31, 2014.

Our interest expenses include mainly bank interest and charges in relation to Plastec's bank borrowings and finance leases, and constituted approximately HK$2.7 million, HK$1.6 million, HK$2.4 million, HK$1.2 million and HK$1.7 million for the year ended April 30, 2012, the 8-month period and the year ended December 31, 2012 and the years ended December 31, 2013 and 2014, respectively.

Income Tax

Due to the various tax incentives available to Plastec, our effective corporate income tax rates for the year ended April 30, 2012, the 8-month period and the year ended December 31, 2012 and the years ended December 31, 2013 and 2014 were 25.0%, 5.3%, 8.8%, 4.4% and 12.3%, respectively. The lower effective corporate income tax rates for the 8-month period and the years ended December 31, 2012 and 2013 was a combined result of more proportionate profit contributions from our operations in jurisdictions with lower tax rates as well as tax credits after disposals of certain fixed assets associated with deferred tax liabilities being eliminated and credited to the income statement during those periods.

Hong Kong. Plastec is subject to income tax on its profits in Hong Kong at the prevailing corporate tax rate of 16.5%. Plastec makes provisions for its Hong Kong profit tax in its combined financial statements in reliance on the Departmental Interpretation and Practice Note No. 21 issued by the Hong Kong Inland Revenue Department regarding processing arrangements. Accordingly, Plastec's relevant subsidiaries have made provisions at the prevailing Hong Kong profit tax rate on 50% of their estimated assessable profit from their sale of goods manufactured in China under their processing arrangements each year up to the end of December 2012. Since then, all of the subsidiaries in Hong Kong are subject to 16.5% tax rate.

China. Plastec has, as of the date of this Annual Report, operating subsidiaries with operations and production facilities in Guangdong and Jiangsu Provinces, in China.

As a result, Plastec is subject to various PRC taxes as well as the benefits of various PRC tax incentives. The rate of income tax chargeable on companies in China varies depending on the availability of preferential tax treatment or subsidies based on their industry or location. Under PRC laws and regulations, prior to December 31, 2007, a company established in China in the form of a foreign-invested enterprise was typically subject to a national enterprise income tax at the rate of 30% on its taxable income and a local enterprise income tax at the rate of 3% on its taxable income. The PRC government has provided various incentives to foreign-invested enterprises to encourage foreign investments. Foreign-invested enterprises that are determined by PRC tax authorities to be manufacturing companies with authorized terms of operation for more than ten years are eligible for:

- a national enterprise income tax at the rate of 24% on its taxable income if such enterprises are located in coastal economic open zones or in the old urban districts of the Special Economic Zones or the Economic and Technological Development Zones in the PRC;
- a two-year exemption from the national enterprise income tax beginning with their first profitable year; and
- a 50% reduction of their applicable national enterprise income tax rate for the succeeding three years.

The local preferential enterprise taxation treatment is within the jurisdiction of the local provincial authorities as permitted under the current PRC tax laws relating to foreign-invested enterprises. The local tax authorities decide whether to grant any tax preferential treatment to foreign-invested enterprises on the basis of their local conditions.

In March 2007, the National People's Congress of China enacted a new Enterprise Income Tax Law, which became effective on January 1, 2008. In December 2007, the State Council promulgated the Regulations on the Implementation of the Enterprise Income Tax Law of the PRC, which became effective on January 1, 2008. The new tax law imposes a unified income tax rate of 25% on all domestic enterprises and foreign-invested enterprises unless they qualify under certain limited exemptions, and the enterprise income tax will no longer be divided into the national enterprise income tax and the local enterprise income tax. The new PRC tax law also permits companies to continue to enjoy their existing preferential tax treatment until such treatment expires in accordance with its current terms. Our PRC preferential tax treatment has expired, with the last of such treatment expired on December 31, 2012. We will be subject, going forward, to the unified income tax rate of 25% for all of our PRC subsidiaries. Accordingly, we will be subject to higher income tax expenses for our PRC operations.

Under the PRC tax law effective prior to January 1, 2008, dividend payments to foreign investors made by foreign-invested enterprises such as its PRC subsidiaries are exempted from PRC withholding tax. Pursuant to the new PRC tax law, however, dividends payable by a foreign-invested enterprise to its foreign investors is subject to a 10% withholding tax, unless any such foreign investor's jurisdiction of incorporation has a tax treaty with China that provides for a different withholding arrangement.

Plastec may have uncertainty over non-taxable income benefit in the business of certain of our subsidiaries under its processing arrangement in PRC. Based on the processing factories operation of the relevant subsidiaries, the PRC tax bureau may take the position that they have permanent establishment in the PRC retrospectively. In this regard, the relevant subsidiaries may be subject to enterprise income tax at a rate of 25% on the net profits attributable to their permanent establishment in PRC, for which provision for additional tax payable plus interest thereon have already been made. Since January 2013, all such processing arrangements have been terminated and all of our operations have been carried out through our wholly foreign-owned enterprise subsidiaries; accordingly, we do not expect the uncertainty described in this paragraph to materially affect our results of operation for taxable years beginning after December 31, 2012.

Macau. Under Decree-Law No. 58/59/M, a Macau company incorporated under such 58/59/M law is exempted from Macau complementary tax, or Macau income tax, as long as such 58/59/M company does not sell its products to a Macau resident. A Plastec subsidiary was incorporated in Macau on August 13, 2004 and is qualified as a 58/59/M company.

Thailand. The two subsidiaries of Plastec in Thailand are subject to corporate income tax. Under Board of Investment, one subsidiary is subject to a tax rate of 23%, while the other subsidiary obtained exemption in 2012 from corporate income tax for six years as tax privilege.

Review of Results of Operations

For the year ended December 31, 2014 compared to year ended December 31, 2013

Revenues. Our revenues for the year ended December 31, 2014 increased by HK$40.7 million or 3.5% to HK$1,207.8 million from HK$1,167.1 million in the year ended December 31, 2013. The increase in revenues was primarily resulted from new models launching from our existing clienteles, coupled with our efforts in developing and procuring new customers.

Cost of sales. Cost of sales for the year ended December 31, 2014 increased by HK$5.9 million or 0.7% to HK$905.3 million from HK$899.4 million in the year ended December 31, 2013. Our cost of sales comprised mainly of cost of raw materials, direct labor costs and factory overhead. Our cost of raw materials for the year ended December 31, 2014 increased to HK$385.3 million, or approximately 42.6% of the total cost of sales, compared to HK$359.2 million, or approximately 39.9%, in the year ended December 31, 2013. Our direct labor costs increased to HK$213.1 million, or approximately 23.5% of the cost of sales, for the year ended December 31, 2014 compared to HK$207.7 million, or approximately 23.1%, in the year ended December 31, 2013. Our factory overhead decreased to HK$306.9 million, or approximately 33.9% of the cost of sales, for the year ended December 31, 2014, compared to HK$332.7 million, or approximately 37.0%, in the year ended December 31, 2013.

Gross profit. Our gross profit increased by approximately 13.0% to HK$302.5 million for the year ended December 31, 2014 from HK$267.7 million in the year ended December 31, 2013. Our gross profit margin increased to 25.0% from 22.9% between the two years. The increases were resulted from our conscious efforts in shedding low-margined sales orders and implementing costs containment measures, increased new product orders from our customers which typically generated a greater margin and also underpinned by the fact that our plant in Thailand entered into normal production stage for the year ended December 31, 2014.

Other income. Our other income increased by approximately 208.5% to HK$7.7 million for the year ended December 31, 2014 from HK$2.5 million in the year ended December 31, 2013 mainly attributable to scrap sales and various sundries incomes.

Selling, general and administrative expenses. Total selling, general and administrative expenses decreased by approximately 8.4% to HK$152.9 million for the year ended December 31, 2014 from HK$167.0 million in the year ended December 31, 2013, mainly due to our cost containment measures.

Interest expenses. Our interest expenses increased by approximately 45.5% to HK$1.7 million for the year ended December 31, 2014 from HK$1.2 million in the year ended December 31, 2013. The increase was primarily due to interest payable for a long term loan and more active utilization of banking facilities during the year.

Income before income tax expense. Our income before income tax expense increased by approximately 126.1% to HK$191.3 million for the year ended December 31, 2014 from HK$84.6 million in the year ended December 31, 2013. The increase was in part resulted from net gains from disposals of a subsidiary, Heyuan Sun Line Industrial Ltd. (alongside our Heyuan plant in China) of approximately HK$29.1 million as well as from property, plant and equipment (net of write-offs) of approximately HK$5.0 million in the year ended December 31, 2014, which was in sharp contrast to a net loss from disposals of property, plant and equipment (plus write-offs) of approximately HK$17.8 million in the year ended December 31, 2013.

Income tax expense. Our income tax expenses increased by approximately 528.8% to HK$23.5 million, representing an effective tax rate of 12.3%, for the year ended December 31, 2014 from HK$3.7 million, representing an effective tax rate of 4.4%, in the year ended December 31, 2013. The lower tax expense in the year ended December 31, 2013 was resulted from a tax credit after disposals of certain fixed assets associated with deferred tax liabilities eliminated and credited to the income statement.

Net income. Our net income increased by approximately 107.5% to HK$167.8 million for the year ended December 31, 2014 from HK$80.9 million for the year ended December 31, 2013.

For the year ended December 31, 2013 compared to the year ended December 31, 2012

Revenues. Our revenues for the year ended December 31, 2013 decreased by HK$146.7 million or 11.1% to HK$1,167.1 million from HK$1,313.8 million in the year ended December 31, 2012. The decrease in revenues was primarily a result of our continued focus on soliciting relatively high margins products and phrasing out thin margined products.

Cost of sales. Cost of sales for the year ended December 31, 2013 decreased by HK$245.6 million or 21.5% to HK$899.4 million from HK$1,145.0 million in the year ended December 31, 2012. Our cost of sales comprised mainly of cost of raw materials, direct labor costs and factory overhead. Our cost of raw materials for the year ended December 31, 2013 decreased to HK$359.2 million, or approximately 39.9% of the total cost of sales, compared to HK$418.3million, or approximately 36.5%, in the year ended December 31, 2012 as less raw materials had been consumed according to the product mix requirements during the period. Our direct labor costs decreased to HK$207.7 million, or approximately 23.1% of the cost of sales, for the year ended December 31, 2013 compared to HK$263.9 million, or approximately 23.1%, in the year ended December 31, 2012; which decrease was attributable to our efforts in further streamlining the manufacturing process and controlling direct wages and other workers' benefits. Our factory overhead decreased to HK$332.5 million, or approximately 37.0% of the cost of sales, for the year ended December 31, 2013, compared to HK$462.8 million, or approximately 40.4%, in the year ended December 31, 2012 mainly because of our control on factory overhead and decreased sub-contracting expenses during the year.

Gross profit. Our gross profit increased by approximately 58.6% to HK$267.7 million for the year ended December 31, 2013 from HK$168.9 million in the year ended December 31, 2012. Our gross profit margin increased to 22.9% from 12.9% between the two years. The improvement of our profit margin was resulted from better margins for those relatively high margined products, such as new products launched by our customers and also more value added services rendered for the product mix.

Other income. Our other income decreased by approximately 64.7% to HK$2.5 million for the year ended December 31, 2013 from HK$7.1 million in the year ended December 31, 2012, as a result of less sundry incomes during the year.

Selling, general and administrative expenses. Total selling, general and administrative expenses increased by approximately 76.2% to HK$167.0 million for the year ended December 31, 2013 from HK$94.7 million in the year ended December 31, 2012 mainly due to increase in the numbers of supervisory and administration staff as well as the salary and allowance for them during the year.

Interest expenses. Our interest expenses decreased by approximately 50.0% to HK$1.2 million for the year ended December 31, 2013 from HK$2.4 million in the year ended December 31, 2012. The decrease was primarily due to lower bank borrowings during the year.

Income before income tax expense. Our income before income tax expense increased by approximately 9.9% to HK$84.6 million for the year ended December 31, 2013 from HK$77.0 million in the year ended December 31, 2012.

Income tax expense. Our income tax expenses decreased by approximately 45.6% to HK$3.7 million, representing an effective tax rate of 4.4%, for the year ended December 31, 2013 from HK$6.8 million, representing an effective tax rate of 8.8%, in the year ended December 31, 2012. The lower tax expense was resulted from a tax credit after the disposals of certain fixed assets associated with deferred tax liabilities eliminated and credited to the income statement.

Net income. Our net income increased by approximately 15.2% to HK$80.9 million for the year ended December 31, 2013 from HK$70.2 million for the year ended December 31, 2012.

For the 8-month period ended December 31, 2012 compared to the 8-month period ended December 31, 2011

Revenues. Our revenues for the 8-month period ended December 31, 2012 increased by HK$22.6 million or 2.5% to HK$933.9 million from HK$911.3 million in the 8-month period ended December 31, 2011. The increase was mainly contributed from sales orders received from existing customers for their new products launchings, and new sales orders solicited from new customers.

Cost of sales. Cost of sales for the 8-month period ended December 31, 2012 increased by HK$5.7 million or 0.7% to HK$807.1 million from HK$801.4 million in the 8-month period ended December 31, 2011. Our cost of sales comprised mainly of cost of raw materials, direct labor costs and factory overhead. Our cost of raw materials decreased to HK$291.6 million, or approximately 36.1% of the total cost of sales in the 8-month period ended December 31, 2012 compared to HK$332.5 million, or approximately 41.5% in the 8-month period ended December 31, 2011 as less raw materials had been consumed according to the product mix requirements during the period. Our direct labor costs decreased to HK$187.2 million, or approximately 23.2% of the cost of sales in the period ended December 31, 2012 compared to HK$199.9 million, or approximately 24.9% in the 8-month period ended December 31, 2011; which decrease was attributable to our efforts in further streamlining the manufacturing process and controlling direct wages and other workers' benefits. Our factory overhead increased to HK$328.3 million, or approximately 40.7% in the 8-month period ended December 31, 2012, compared to HK$269.1 million, or approximately 33.6% in the 8-month period ended December 31, 2011 because of inflationary factory overhead and also increased sub-contracting expenses during the period.

Gross profit. Our gross profit increased by approximately 15.4% to HK$126.8 million in the 8-month period ended December 31, 2012 from HK$109.9 million in the 8-month period ended December 31, 2011. Our gross profit margin increased to 13.6% from

12.1% between the two periods. The improvement of our profit margin was resulted from better margins for those new products launched by our customers and also more value added services rendered for the product mix during the period.

Other income. Our other income increased by approximately 293.8% to HK$6.3 million in the 8-month period ended December 31, 2012 from HK$1.6 million in the 8-month period ended December 31, 2011 arising from cancellation of certain accrued expenses related to our processing factories when their operations were being taken over by our wholly foreign-owned enterprise subsidiaries.

Selling, general and administrative expenses. Total selling, general and administrative expenses increased by approximately 17.4% to HK$66.3 million in the 8-month period ended December 31, 2012 from HK$56.5 million in the 8-month period ended December 31, 2011 mainly due to increased salary and allowances for management and administration staff during the period.

Interest expenses. Our interest expenses decreased by approximately 15.8% to HK$1.6 million in the 8-month period ended December 31, 2012 from HK$1.9 million in the 8-month period ended December 31, 2011. The decrease was primarily due to lower bank borrowings during the year.

Income before income tax expense. Our income before income tax expense increased by approximately 18.3% to HK$63.2 million in the 8-month period ended December 31, 2012 from HK$53.4 million in the 8-month period ended December 31, 2011.

Income tax expense. Our income tax expenses decreased by approximately 75.4% to HK$3.3 million, representing an effective tax rate of 5.3%, in the 8-month ended December 31, 2012 from HK$13.4 million, representing an effective tax rate of 25.0%, in the 8-month period ended December 31, 2011. The lower effective tax rate was due to more profit contributions by our operations in the jurisdictions of lower tax rate proportionally during the period.

Net income. Our net income increased by approximately 49.5% to HK$59.8 million in the 8-month period ended December 31, 2012 from HK$40.0 million in the 8-month period ended December 31, 2011.

Liquidity and Capital Resources

Our operations have been generally funded through a combination of net cash generated from its operations, equity capital and borrowings from financial institutions. We believe that we have adequate working capital to finance our operations.

Summary of Cash Flows

	Year Ended April 30,	8-month Period Ended December 31,		Year Ended December 31,		
	2012	2011	2012	2012	2013	2014
			(HK$'000)			
Net Cash From Operating Activities	216,628	178,991	247,566	285,489	158,303	256,221
Net Cash From Investing Activities	(133,728)	(102,952)	(73,414)	(104,459)	(50,127)	(368)
Net Cash From Financing Activities	(110,180)	(115,785)	(63,118)	(57,507)	(72,514)	(68,463)
	(27,280)	(39,746)	111,034	123,523	35,662	187,390

For the year ended December 31, 2014 compared to year ended December 31, 2013

Net cash generated from operating activities. For the year ended December 31, 2014, we generated a net cash inflow from operating activities of approximately HK$256.2 million, which comprised operating cash flow before changes in operating assets and liabilities of HK$247.4 million, adjusted for net inflows from changes in operating assets and liabilities of HK$8.8 million. The net cash inflow increased by 61.9%, or HK$97.9 million, from HK$158.3 million for the year ended December 31, 2013, which was mainly contributed by the increased net inflows from operating activities.

Net cash used in investing activities. We recorded a net cash outflow from investing activities of approximately HK$0.4 million for the year ended December 31, 2014, which was primarily attributable to the purchase of property, plant and equipment related to our capacity expansion as well as facilities upgrading of HK$50.5 million, against the net proceeds of HK$50.1 million from disposals of a subsidiary and property, plant and equipment during the year. Compared to the net cash outflow from investing activities of

HK$50.1 million for the year ended December 31, 2013, the net cash used in investing activities was reduced by 99.3%, or HK$49.8 million.

Net cash generated from financing activities. We recorded a net cash outflow from financing activities of approximately HK$68.5 million for the year ended December 31, 2014. This was mainly due to approximately HK$37.8 million for the net repayment of bank borrowings, and approximately HK$30.3 million for the payment of dividends during the year. Compared to the net cash outflow of HK$72.5 million from financing activities for the year ended December 31, 2013, the net cash outflow was decreased by 5.6% or HK$4.1 million.

<u>For the year ended December 31, 2013 compared to the year ended December 31, 2012</u>

Net cash generated from operating activities. For the year ended December 31, 2013, we generated a net cash inflow from operating activities of approximately HK$158.3 million, which comprised operating cash flow before changes in operating assets and liabilities of HK$205.6 million, adjusted for net outflows from changes in operating assets and liabilities of HK$47.3 million. The net cash inflow decreased by 44.6%, or HK$127.2 million, from HK$285.5 million for the year ended December 31, 2012, which was mainly contributed by the increased net outflows from changes in operating assets.

Net cash used in investing activities. We recorded a net cash outflow from investing activities of HK$50.1 million for the year ended December 31, 2013, which was primarily attributable to the purchase of property, plant and equipment related to our capacity expansion as well as facilities upgrading during the year. Compared to the net cash outflow from investing activities of HK$104.5 million for the year ended December 31, 2012, the net cash used in investing activities, primarily for the purchase of property, plant and equipment was reduced by 52.0%, or HK$54.4 million.

Net cash generated from financing activities. We recorded a net cash outflow from financing activities of HK$72.5 million for the year ended December 31, 2013. This was mainly due to approximately HK$9.1 million for the net repayment of bank borrowings, and approximately HK$63.4 million for the repurchases of shares and warrants during the year. Compared to the net cash outflow of HK$57.5 million from financing activities for the year ended December 31, 2012, the net cash outflow was increased by 26.1% or HK$15.0 million. This was mainly because we used more cash for the repurchases of shares and warrants comparatively.

<u>For the 8-month period ended December 31, 2012 compared to the 8-month period ended December 31, 2011</u>

Net cash generated from operating activities. For the 8-month period ended December 31, 2012, we generated a net cash inflow from operating activities of approximately HK$247.6 million, which comprised operating cash flow before changes in operating assets and liabilities of HK$166.9 million, adjusted for net inflows from changes in operating assets and liabilities of HK$80.7 million. The net cash inflow increased by 38.3%, or HK$68.6 million, from HK$179.0 million for the 8-month period ended December 31, 2011, which was mainly contributed by the increased net inflows from changes in operating assets.

Net cash used in investing activities. We recorded a net cash outflow from investing activities of HK$73.4 million for the 8-month period ended December 31, 2012, which was primarily attributable to the purchase of property, plant and equipment related to our capacity expansion as well as facilities upgrading during the period. Compared to the net cash outflow from investing activities of HK$103.0 million for the 8-month period ended December 31, 2011, the net cash used in investing activities, primarily for the purchase of property, plant and equipment was reduced by 28.7%, or HK$29.6 million.

Net cash generated from financing activities. We recorded a net cash outflow from financing activities of HK$63.1 million for the 8-month period ended December 31, 2012. This was mainly due to approximately HK$60.3 million for the net repayment of bank borrowings and capital lease obligations, and approximately HK$2.8 million for the repurchases of shares during the period. Compared to the net cash outflow of HK$115.8 million from financing activities for the 8-month period ended December 31, 2011, the net cash outflow was reduced by 45.5% or HK$52.7 million. This was mainly because we used approximately HK$91.8 million to repurchase 1.57 million ordinary shares in December 2011.

<u>For the year ended April 30, 2012</u>

Net cash generated from operating activities. In the year ended April 30, 2012, we generated a net cash inflow from operating activities of approximately HK$216.6 million, which comprised operating cash flows before changes in operating assets and liabilities of HK$213.6 million, adjusted for net inflows from changes in operating assets and liabilities of HK$3.0 million.

Net cash used in investing activities. We recorded a net cash outflow from investing activities of HK$133.7 million, which was primarily attributable to the purchase of property, plant and equipment related to our capacity expansion as well as facilities upgrading.

Net cash generated from financing activities. We recorded a net cash outflow from financing activities of HK$110.2 million. This was mainly due to the cash outflow of HK$92.0 million for the shares re-purchase transactions, and approximately HK$18.2 million for the repayment of bank borrowings and capital lease obligations during the fiscal year.

Working capital

We believe that we have adequate working capital for our present requirements and that our net cash generated from operating activities, together with cash and cash equivalents, our borrowing capacity and the net proceeds from the merger, will provide sufficient funds to satisfy our working capital requirements, planned capital expenditures and debt repayments for the period ending 12 months from the date of the Form 20-F. As at the year ended December 31, 2014, we had a cash and bank balance of approximately HK$528.5 million, of which approximately HK$265.0 million was denominated in Hong Kong Dollars, approximately HK$126.5 million equivalent was denominated in US Dollars, approximately HK$106.9 million equivalent was denominated in Renminbi, while the balance of approximately HK$30.1 million equivalent were denominated in other currencies, respectively.

Indebtedness

The following table shows our indebtedness as of December 31, 2014:

	Actual (HK$'000)
Short-term debt:	
Bank loans	21,429
Long-term debt:	
Bank loans	28,571
Total Indebtedness	50,000

Our indebtedness as of December 31, 2014 comprised short-term bank loans of HK$21,429 million and long-term loan of HK$28,571 million. As of December 31, 2014, we had available to us under various credit facilities in the aggregate of approximately HK$380.2 million, of which HK$330.2 million was unused.

Contractual Obligations and Commitments

The following table sets forth our contractual cash commitments as of December 31, 2014. Amounts for debt obligations are principal amounts only.

	Payment by Period (HK$'000)				
	Total	**Within 1 Year**	**Within 2 - 3 Years**	**Within 4 - 5 Years**	**After 5 Years**
Short-term debt obligations	21,429	21,429	-	-	-
Long-term debt obligations	28,571	-	28,571	-	-
Operating lease obligations	28,150	13,653	10,034	4,310	153
Capital commitments	13,590	13,590	-	-	-
TOTAL	91,740	48,672	38,605	4,310	153

The short-term and long-term debt obligations in the above table included the debts as disclosed under the section titled "*Indebtedness*" above.

The interest commitments for the short-term debt obligations to be paid within one year are estimated to be approximately HK$748,000, which amount is not included in the total amount of short-term debt obligations in the above table. This estimate is based on the terms of the short term debts and used three months HIBOR quoted as of December 31, 2014. The interest commitments for the long-term debt obligations to be paid are estimated to be approximately HK$239,000, which amount is not included in the total amount of long-term debt obligations in the above table. This estimate is based on the terms of the long-term debts and using three months HIBOR quoted as of December 31, 2014.

The operating lease obligations in the above table included the rents payable for the leased properties as disclosed under the section titled " *Properties* " in Item 4.B of the Form 20-F.

As of December 31, 2014, we had capital commitments for purchase of plant and machineries totaling HK$13,590,000 which are expected to be disbursed during the year ending December 31, 2015.

Orders

As consumer electronics, electrical home appliances and other end products to which we provide our products and services are relatively more sensitive to changes in consumer preference and to the impact of competing products, our customers tend to monitor the market demand and supply of their products and other competing products more closely and to time the introduction and inventorying of their products. These customers generally give us purchase orders one to two months in advance. As a result, we endeavor to maintain our competitive advantage by meeting our customers' just-in-time inventory control requirements.

Off-Balance Sheet Arrangements

We have not entered into any financial guarantees or other commitments to guarantee the payment obligations of third parties. We have not entered into any derivative contracts that are indexed to our shares and classified as shareholders' equity or that are not reflected in our combined financial statements. Furthermore, we do not have any retained or contingent interest in assets transferred to an unconsolidated entity that serves as credit, liquidity or market risk support to such entity. We do not have any variable interest in any unconsolidated entity that provides financing, liquidity, market risk or credit support to it or that engages in leasing, hedging or research and development services with us. There are no off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, net sales or expenses, results of operations, liquidity, capital expenditures or capital resources that are material to an investor.

Quantitative and Qualitative Disclosures About Market Risks

Market risk is a broad term for the risk of economic loss due to adverse changes in the fair value of a financial instrument. These changes may be the result of various factors, including interest rates, foreign exchange rates, commodity prices and/or equity prices.

Foreign exchange risk. Plastec's sales are mainly denominated in Hong Kong dollars and U.S. dollars. Plastec's costs and capital expenditures are largely denominated in Renminbi and other foreign currencies. Fluctuations in currency exchange rates, particularly among the Hong Kong dollar, U.S. dollar and Renminbi, could have a significant impact on our financial condition and results of operations, affect our gross and operating profit margins and result in foreign exchange and operating gains or losses. We made a gain of approximately HK$10,127,000 for the year ended April 30, 2012, made a gain of approximately HK$2,102,000 for the 8-month period ended December 31, 2012, made a gain of approximately HK$3,394,000 for the year ended December 31, 2012, incurred loss of approximately HK$8,206,000 and approximately HK$5,223,000 for the years ended December 31, 2013 and 2014, respectively. We currently do not plan to enter into any hedging arrangements, such as forward exchange contracts and foreign currency option contracts, to reduce the effect of our foreign exchange risk exposure. Even if we decide to enter into any such hedging activities in the future, we may not be able to effectively manage our foreign exchange risk exposure. In addition, Plastec's financial statements are expressed in Hong Kong dollars but the functional currency of its principal operating subsidiaries in China is in Renminbi. To the extent Plastec's PRC subsidiaries hold assets denominated in foreign currencies, any appreciation of Renminbi against such foreign currencies could result in a charge to our consolidated statement of income and decrease the value of our foreign currency denominated assets.

Interest rate risk. Plastec's exposure to interest rate risk relates to interest expenses incurred by its short-term and long-term borrowings. We have not used any derivative financial instruments to manage our interest rate risk exposure. As of December 31, 2014, there was no interest rate swap contract outstanding. Historically, we have not been exposed to material risks due to changes in interest rates on any third-party debt. However, future interest expenses on our borrowings may increase due to changes in interest rates.

Seasonality

Market demand for our products is derived from the demand for the products of our customers. Our customers market their products globally and any significant change in the global demand or preference for these consumer electronics, electrical home appliances, telecommunication devices and computer peripherals will affect our revenue. We have not been subject to any seasonality in our business operations in any material respect.

Inflation

Historically, inflation in the PRC has not materially impacted our results of operations. However, the soaring inflation in China underpinned by rising labor costs and overhead like what we had experienced during a large part of fiscal year ended April 30, 2012, if it is to soar again, could have a significant impact on our financial condition and results of operations, affect our gross and operating profit margins and operating results.

Subsequent Material Changes

There have been no material changes in our financial condition and results of operations subsequent to December 31, 2014.

Research and Development, Patents and Licenses, Etc.

We do not have a dedicated research and development department. As a result, we do not separately account for research and development expenditures, as they are included in our cost of sales. However, in response to our customers' technical requirements, we launch various research and development initiatives as a part of our manufacturing process, to focus on enhancing mold design and fabrication, the overall manufacturing process and the secondary-process finishing. We organize our engineers and other technical personnel to undertake these efforts to improve the quality of our products and services and to widen our manufacturing capabilities and know-how. We will continue to upgrade and expand our capabilities in mold design and fabrication and in our integrated manufacturing services in order to provide higher value-added services to our customers.

ITEM 3. DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES.

Directors and Senior Management

Our current directors and officers are:

Name	Age	Position
Kin Sun Sze-To [4]	53	Chairman of the Board and Chief Executive Officer
Chin Hien Tan [4]	55	Chief Operating Officer
Ho Leung Ning[4]	54	Chief Financial Officer
Eli D. Scher[1] [3]	35	Non-Executive Vice Chairman of the Board
J. David Selvia[2]	39	Director
Chung Wing Lai [1] [2] [3]	67	Director
Joseph YiuWah Chow [1] [2] [3]	55	Director

(1) Serves as a member of the Audit Committee.
(2) Serves as a member of the Compensation Committee.
(3) Serves as a member of the Nominating and Corporate Governance Committee.
(4) Serves as a member of the Executive Committee.

Kin Sun Sze-To has been our Chairman of the Board and Chief Executive Officer since the consummation of the merger in December 2010 and has served as the Chairman of Plastec's Board and an Executive Director since its formation. Mr. Sze-To founded the precursor of the Plastec group in 1993. Mr. Sze-To is responsible for directing and reviewing Plastec's long-term business development strategies, as well as establishing its operational objectives and assignments. Mr. Sze-To is also responsible for directing and overseeing Plastec's marketing and business expansion. Prior to founding Plastec, Mr. Sze-To started his career in the specialized field of spraying and silk screening of plastics products, before diversifying and accumulating over 20 years of experience in other areas of the plastic injection and molding industry. We believe Mr. Sze-To's past business experience in the plastics industry as well as his contacts and relationships make him well qualified to be a member of our board of directors. Mr. Sze-To graduated from the Third Kaiping High School of China in 1978.

Chin Hien Tan has served as our Chief Operating Officer since the consummation of the merger in December 2010 and has been Plastec's Executive Director since January 2005. Mr. Tan joined Plastec's precursor in 1999 and is responsible for the administration and management of its PRC operations as well as its marketing development. He has over 24 years of experience in the manufacturing industry, with 19 years of experience in three manufacturing entities in Singapore. We believe Mr. Tan's past business experience in the manufacturing industry makes him well qualified to be a member of our board of directors. Mr. Tan graduated from the River Valley High School of Singapore with a General Certificate of Education, Advanced level, in 1977.

Ho Leung Ning has served as our Chief Financial Officer since the consummation of the merger in December 2010 and has been an Executive Director of Plastec since January 2005. Mr. Ning joined Plastec as a deputy general manager in January 2005. Mr. Ning is responsible for Plastec's corporate planning and financial activities, and he has over 20 years of experience in the banking and finance industry. Prior to joining Plastec, Mr. Ning was the Assistant General Manager of the Hong Kong branch of The Bank of Tokyo Mitsubishi UFJ Ltd. We believe Mr. Ning's past business experience and financial knowledge and understanding makes him well qualified to be a member of our board of directors. Mr. Ning graduated from the Hong Kong Baptist University with an Honors Diploma in Economics in 1984.

Eli D. Scher has served as our Non-Executive Vice Chairman of the Board since January 2011, shortly after the consummation of the merger in December 2010. Previously, he served as GSME Acquisition Partners I's Chief Executive Officer from its inception. Since June 2013, he has been the founder, Chairman and Chief Executive Officer of New Continuum Holdings Corporation, operating under the name Continuum Data Centers, which is a multi-tenant data center owner and operator. Prior to founding New Continuum, from April 2012 to February 2013, he served in various consulting and analyst roles for companies and funds controlled by Carl Icahn. From February 2011 to April 2012, Mr. Scher served as an investment analyst at Perella Weinberg Partners. From July 2007 to December 2010, Mr. Scher served as chief executive officer of GSME Capital Partners Inc., a principal investment business headquartered in Shanghai founded in July 2007. From July 2007 to February 2008, Mr. Scher served as chief development officer and a director of Media Communication Group, a high-technology, LED media business that is the exclusive operator of LED advertising screens in the subway systems of China's major cities, and served as its chief financial officer from February 2008 to January 2011. Additionally, Mr. Scher co-founded Fundamental Films, a film distribution and production company, headquartered in Shanghai, in 2008 and served as a director until January 2011. From September 2003 to February 2007, Mr. Scher served as a principal at Daroth Capital Advisors LLC, which is involved in investing and advising clients on financings, mergers and acquisitions and restructurings, where he led the firm's Asian business development efforts. We believe Mr. Scher's past business experience and financial contacts and relationships make him well qualified to be a member of our board of directors. Mr. Scher received an A.B. in East Asia Studies from Princeton University in 2002. Mr. Scher is fluent in Mandarin Chinese.

J. David Selvia has served as a Director of ours since the consummation of the merger in December 2010 and has been an Independent Non-Executive Director of Plastec since June 2010. Mr. Selvia joined Cathay Plastic Limited (BVI) ("Cathay") in July 2006 as Vice President and served in such capacity until April 2010 when he was appointed Managing Director. Mr. Selvia is currently responsible for analyzing new investment opportunities and investment execution. Prior to joining Cathay, from 2004 to 2006, Mr. Selvia attended The Wharton School of the University of Pennsylvania and the Lauder Institute at the University of Pennsylvania to obtain his Masters degree in Business Administration and Masters degree in International Relations. Previously, Mr. Selvia served as the Business Development Director for GE Capital (Asia) and Business Development Manager for GE Corporate Initiatives Group, both based in Shanghai, from 2000 to 2004. We believe Mr. Selvia's past business experience, investment activities and contacts and relationships make him well qualified to be a member of our board of directors. Mr. Selvia received a Bachelor of Arts degree in Economics and International Relations from Boston University in 1998 and a Masters degree in Finance from The Wharton School of the University of Pennsylvania in 2006 as well as a Masters degree in International Relations from the Lauder Institute at the University of Pennsylvania in 2006. Mr. Selvia speaks Mandarin.

Chung Wing Lai has been a Director of ours since the consummation of the merger in December 2010. Since July 2002, Mr. Lai has been involved in business consultancy and advisory work in the Asia Pacific region. From 1999 to February 2009, he was an independent non-executive director of Kingboard Copper Foil Holdings Ltd, a public listed company on The Stock Exchange of Singapore. He was previously the managing director of Seaunion Holdings Ltd. (now known as South Sea Petroleum Holdings Ltd), an oil and gas company listed on The Stock Exchange of Hong Kong Ltd. He is an independent non-executive director of Kingboard Chemical Holdings Ltd, which is a public listed company on The Stock Exchange of Hong Kong Ltd. We believe Mr. Lai's past business experience, including serving as an independent director of a number of publicly listed companies, makes him well qualified to be a member of our board of directors. Mr. Lai received a Bachelor-of-Laws (Honours) degree from the University of London in 1983.

Joseph YiuWah Chow has been a Director of ours since the consummation of the merger in December 2010. Mr. Chow has over 20 years experience in auditing, accounting, and financial management. He has been a senior partner of JYC & Company, an accounting firm, since January 2006 and a practicing director of KTC Partners CPA Ltd. since May 2008. We believe Mr. Chow's financial background in auditing, accounting and financial management makes him well qualified to be a member of our board of directors and chairman of our audit committee. Mr. Chow graduated from the University of Ulster in the United Kingdom with a Bachelor degree in Accounting in 1989. Additionally, Mr. Chow is also admitted as a member of Association of Chartered Certified public Accountants in 1991 and a member of the Hong Kong Institute of Certified Public Accountants in 1992. He has also been an associate member of the Taxation Institute of Hong Kong since 1992, Hong Kong Securities Institute since 1998 and Institute of Chartered Accountants in England and Wales since 2006.

Each director serves until our next annual general meeting, if one is called for, and until his successor is elected and qualified. We have not entered into service or similar contracts with our directors.

Compensation

Compensation of Senior Management/Executive Officers

Our executive officers are currently compensated at the Plastec subsidiaries level on terms summarized below:

Employment Agreements

Each of Kin Sun Sze-To, Chin Hien Tan and Ho Leung Ning are and have been employed by certain of Plastec's subsidiaries pursuant to certain employment agreements currently receiving aggregate annual base salary in the sums of HK$5.070 million, HK$2.197 million and HK$2.028 million, respectively. These employment agreements have been amended to provide for their services to be extended to cover us with no additional compensation in terms of base salary. The following table and summary set forth certain key information about such employment agreements as they currently relate to us:

Executive Officer	Position	Term	Employing entity
Kin Sun Sze-To	Chairman of the Board and Chief Executive Officer of Plastec Technologies, Ltd., General Manager of Broadway Precision (HK)	Until December 16, 2016 (1)	Broadway Precision Co. Limited ("Broadway Precision (HK)")
Chin Hien Tan	Chief Operating Officer of Plastec Technologies, Ltd. and Sales Manager of Broadway (Macao)	Until December 16, 2016 (1)	Broadway (Macao Commercial Offshore) Company Limited ("Broadway (Macao)")
Ho Leung Ning	Chief Financial Officer of Plastec Technologies, Ltd. and Deputy General Manager of Broadway Precision (HK)	Until December 16, 2016 (1)	Broadway Precision (HK)

(1) On December 5, 2013, the employment agreements between (i) Broadway Precision (HK) and Kin Sun Sze-To, (ii) Broadway Precision (HK) and Ho Leung Ning and (iii) Broadway (Macao) and Chin Hien Tan, each of which had previously been amended to provide for the executives' services to be extended to cover us as such companies' indirect parent, were each amended to extend the term of the respective contracts from December 17, 2013 to December 16, 2016 with all other terms of the employment agreements remaining materially the same as in the prior agreements. Additionally, the overall annual compensation to be paid to each of Kin Sun Sze-To, Ho Leung Ning and Chin Hien Tan for their services at our subsidiaries level was increased to HK$5,070,000, HK$2,028,000 and HK$2,197,000, respectively.

Each employment agreement terminates upon the death or disability (as defined in the agreements) of the executive officer and may be terminated by either Broadway Precision (HK)/Broadway (Macao) (as the case may be) or the executive officer with or without "cause" (as defined in the agreements). Upon termination for death, disability, for cause by Broadway Precision (HK)/Broadway (Macao) (as the case may be) or without cause by the executive officer, the executive officer is entitled to all accrued and vested amounts due upon termination. Upon termination without cause by Broadway Precision (HK)/Broadway (Macao) (as the case may be) or for cause by the executive officer, the executive officer is entitled to his compensation for the remainder of the term of the agreement as if the employment agreement had not been terminated.

The agreements provide that each of the executive officers, during the period of one year following termination of his employment, shall not, for himself or on behalf of, or in conjunction with, any other person, persons, company, partnership, limited liability company, corporation or business of whatever nature, (a) engage (as an officer, director, manager, member, shareholder, owner, partner, joint venturer, trustee, or in a managerial capacity, whether as an employee, independent contractor, agent, consultant or advisor, or as a sales representative) in any entity that designs, researches, develops, markets, sells or licenses products or services that are substantially similar to or competitive with our business and that of our subsidiaries from time to time or at the date of termination of the executive officer's employment, (b) call upon any person who is at that time, or within the preceding twelve (12) months has been, an employee of ours or our subsidiaries, for the purpose, or with the intent, of enticing such employee away from, or out of, the employ of us or our subsidiaries or for the purpose of hiring such person for the executive officer or any other person or entity, unless any such persons' employment with respect to us or our subsidiaries was terminated by us more than six (6) months prior thereto, (c) call upon any person or entity who is then or has been within one year prior to that time, a customer of ours or our subsidiaries, for the purpose of soliciting or selling products or services in competition with us or our subsidiaries or (d) call upon any prospective acquisition or investment candidate, on the executive officer's own behalf or on behalf of any other person or entity, which candidate was known by the executive officer to have, within the previous twelve (12) months, been called upon by us or our subsidiaries or for which we or our subsidiaries made an acquisition or investment analysis or contemplated a joint marketing or joint venture arrangement with, for the purpose of acquiring or investing or enticing such entity into a joint marketing or joint venture arrangement. The employment agreements provide for injunctive relief against the executive officers in the event of a breach of these non-competition provisions, in addition to other available remedies.

Compensation

Base Salary at Plastec subsidiaries level

The aggregate amount of base salary paid by Plastec's subsidiaries during the year ended December 31, 2014 to our executive officers as a group for services in all service capacities was approximately HK$9.2 million.

Bonus Plan for Management/Executive Officers at the company level

We have also established a bonus plan for our management/executive officers. Pursuant to the plan, in order for any bonus to be paid, we must achieve an annual net profit (excluding any extraordinary items) of HK$78,000,000 in any fiscal year, which we refer to as the "Net Profit Target." If the Net Profit Target is achieved in any fiscal year, a pool of 4% of any amount over the Net Profit Target will be set aside to provide bonuses to our management/executive officers. Of the bonus pool that is created, Kin Sun Sze-To, Chin Hien Tan and Ho Leung Ning would currently be entitled to 32%, 24% and 24%, respectively, of the available bonus, with the remaining amount being made available for distribution to our remaining officers, subject to adjustment at the discretion of the board. Payment of any bonuses under the plan will be in cash or our ordinary shares (to be purchased in the open market), at the board's sole discretion. The plan has taken effect beginning with the fiscal year ended April 30, 2011.

As Net Profit Target was met for the year ended December 31, 2014, we have paid bonus in cash in the total sum of approximately HK$2,428,000 to our executive officers accordingly after the year end.

Summary Executive Compensation Table

The following table sets forth the compensation of our executive officers for the year ended December 31, 2014:

Name and Principal Position	Year ended December 31,	Salary (HK$)	Bonus(1) (HK$)	Total (HK$)
Kin Sun Sze-To *Chairman of the Board and Chief Executive Officer*	2014	4,997,588	37,000	5,034,588
Chin Hien Tan *Chief Operating Officer*	2014	2,148,052	28,000	2,176,052
Ho Leung Ning *Chief Financial Officer*	2014	2,008,750	28,000	2,036,750

(1) Bonus paid during the financial year ended December 31, 2014 was made with respect to financial results for year ended December 31, 2013.

Compensation of Non-Executive Independent Directors

During the year ended December 31, 2014, each of Eli D. Scher (our non-executive Vice Chairman), J. David Selvia, Chung Wing Lai and Joseph Yiu Wah Chow, our four non-executive independent directors, was paid HK$39,000, HK$20,000, HK$20,000 and HK$20,000, respectively, for each month that they continue to serve on our board. The aggregate amount of compensation paid to our non-executive independent directors during the year ended December 31, 2014 was HK$1,188,000.

Board Practices

Independence of Directors

Although we are not required to have a majority of independent directors on our board of directors, we have elected to have a majority of independent directors and have determined to utilize the definition of an “independent director” utilized by the NASDAQ Stock Market. Under the listing standards of the NASDAQ Stock Market, an “independent director” is generally defined as a person other than an officer or employee of the company or its subsidiaries or any other individual having a relationship which, in the opinion of the company’s board of directors, would interfere with the director’s exercise of independent judgment in carrying out the responsibilities of a director. Accordingly, consistent with the above-referenced considerations, our board of directors has affirmatively determined that each of Eli D. Scher, J. David Selvia, Chung Wing Lai and Joseph Yiu Wah Chow is an independent director, constituting a majority of our board of directors.

Board Committees

We have standing executive, audit, compensation and nominating and corporate governance committees. Except for the executive committee, each of these committees is comprised entirely of independent directors, as defined by the listing standards of the NASDAQ Stock Market. Moreover, the compensation committee is composed exclusively of individuals intended to be, to the extent required by Rule 16b-3 of the Exchange Act, non-employee directors and will, at such times as we are subject to Section 162(m) of the Internal Revenue Code, qualify as outside directors for purposes of Section 162(m) of the Internal Revenue Code.

Executive Committee

Our executive committee is currently comprised of Kin Sun Sze-To, Chin Hien Tan and Ho Leung Ning. While the executive committee does not have a formal written charter, the board has determined that the executive committee’s responsibilities will be to generally manage our business affairs and exercise all powers of the board (other than actions that would require the board to act as a whole or which actions are vested in other committees of the board or require shareholder approval).

Audit Committee Information

Our audit committee is currently comprised of Joseph Yiu Wah Chow, Chung Wing Lai and Eli D. Scher, with Joseph Yiu Wah Chow serving as chairman. The audit committee, pursuant to the audit committee charter, is responsible for engaging independent certified public accountants, preparing audit committee reports, reviewing with the independent certified public accountants the plans and results of the audit engagement, approving professional services provided by the independent certified public accountants, reviewing the independence of the independent certified public accountants, considering the range of audit and non-audit fees, reviewing the adequacy of our internal accounting controls and reviewing all related party transactions.

Financial Experts on Audit Committee

The audit committee will at all times be composed exclusively of “independent directors” who are “financially literate” as defined under NASDAQ listing standards. The definition of “financially literate” generally means being able to read and understand fundamental financial statements, including a company’s balance sheet, income statement and cash flow statement.

In addition, our board of directors has determined that Joseph Yiu Wah Chow satisfies the definition of financial sophistication and also qualifies as an “audit committee financial expert,” as defined under rules and regulations of the SEC.

Nominating and Corporate Governance Committee

Our nominating and corporate governance committee is currently comprised of Chung Wing Lai, Joseph Yiu Wah Chow and Eli D. Scher, with Chung Wing Lai serving as chairman. The nominating and corporate governance committee is responsible for seeking, considering and recommending to the board qualified candidates for election as directors and will approve and recommend to the full board of directors the appointment of each of our executive officers. It also periodically prepares and submits to the board of directors for adoption the committee’s selection criteria for director nominees. It reviews and makes recommendations on matters involving the general operation of the board and our corporate governance, and annually recommends to the board nominees for each committee of the board. In addition, the committee annually facilitates the assessment of the board of directors’ performance as a whole and of the individual directors and report thereon to the board.

Compensation Committee

Our compensation committee currently is comprised of Joseph Yiu Wah Chow, Chung Wing Lai and J. David Selvia, with Joseph Yiu Wah Chow serving as chairman. The principal functions of the compensation committee are to:

- evaluate the performance of our officers;

- review any compensation payable to our directors and officers;
- prepare compensation committee reports; and
- administer the issuance of any ordinary shares or other equity awards issued to our officers and directors.

Employees

The disclosure set forth under "*Employees*" in Item 4.B of the Form 20-F is incorporated herein by reference.

ITEM 4. MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS.

Major Shareholders

The following table sets forth, as of April 20, 2015, certain information regarding beneficial ownership of our shares by each person who is known by us to beneficially own more than 5% of our shares. The table also identifies the share ownership of each of our directors, each of our named executive officers, and all directors and officers as a group. Except as otherwise indicated, the shareholders listed in the table have sole voting and investment powers with respect to the shares indicated. Our major shareholders do not have different voting rights than any other holder of our shares.

Shares which an individual or group has a right to acquire within 60 days pursuant to the exercise or conversion of options, warrants or other similar convertible or derivative securities, if any, are deemed to be outstanding for the purpose of computing the percentage ownership of such individual or group, but are not deemed to be outstanding for the purpose of computing the percentage ownership of any other person shown in the table.

Beneficial ownership is determined in accordance with the rules of the Securities and Exchange Commission and generally includes voting and investment power. Except as otherwise indicated below, each beneficial owner holds voting and investment power directly. The percentage of ownership is based on 12,938,128 shares issued and outstanding as of April 20, 2015.

Name and Address of Beneficial Owner (1)	Amount and Nature of Beneficial Ownership	Percent of Class
Major Shareholders:		
Jing Dong Gao	633,787(2)	4.9%
Cathay Plastic Limited (3)	1,208,292(4)	9.3%
Kwok Wa Hung	1,014,753(5)	7.8%
Directors and Executive Officers:		
Kin Sun Sze-To	8,275,424(6)	63.9%
Chin Hien Tan	449,538(7)	3.5%
Eli D. Scher	12,169(8)	*
Ho Leung Ning	241,971(9)	1.9%
J. David Selvia	0	
Chung Wing Lai	0	
Joseph YiuWah Chow	0	
All directors and executive officers as a group (7 individuals)	8,979,102	69.4%

* Represents less than 1% of outstanding.

(1) Unless otherwise indicated, the business address of each of the individuals is Unit 01, 21/F, Aitken Vanson Centre, 61 Hoi Yuen Road, Kwun Tong, Kowloon, Hong Kong. Unless otherwise indicated, none of the individuals have voting rights that differ from other shareholders.

(2) Being the aggregate of (i) 291,262 ordinary shares purchased in a private transaction on December 8, 2010, as disclosed in Schedule 13D filed with the SEC on December 29, 2010, (ii) 208,800 ordinary shares released upon consummation of the merger with Plastec pursuant to the terms of Amendment No.1 to Stock Escrow Agreement dated as of December 16, 2010 plus (iii) 133,725 initial shares continue to be held in escrow pursuant to the terms of Amendment No.2 to Stock Escrow Agreement dated as of December 16, 2011 held by MCK Capital Co., Limited, an entity controlled by Mr. Gao. The business address of each is 762

West Beijing Road, Shanghai, China 200041.

(3) The business address of Cathay Plastic Limited is c/o New China Management, Ltd., 14th Floor, St. John's Building, 33 Garden Road, Central, Hong Kong.

(4) Each of the following entities and individuals may be considered the beneficial owner of the ordinary shares held by Cathay Plastic Limited: Cathay Capital Holdings, L.P., as the sole shareholder of Cathay Plastic Limited; Cathay Master GP, Ltd., as the general partner of Cathay Capital Holdings, L.P.; New China Capital Management, LP, as the investment manager of Cathay Capital Holdings, L.P.; NCCM, LLC and TAM China, LLC, as the general partners of New China Capital Management, LP; Hermann Leung, as an officer or director of Cathay Capital Holdings, L.P.; Paul Wolanksy, as an officer or director of Cathay Capital Holdings, L.P. and Cathay Master GP, Ltd. and sole member of NCCM, LLC; and Donald Sussman, as an officer or director of Cathay Master GP, Ltd. and sole member of TAM China, LLC. The foregoing information is derived from a Schedule 13D/A filed with the SEC on January 23, 2012.

(5) The business address of Mr. Hung is c/o 16th Floor, Guangdong Finance Building, 88 Connaught Road West, Central, Hong Kong. The foregoing information is derived from a Schedule 13G/A filed with the SEC on March 03, 2015 and other information known to us.

(6) Consists of 7,386,523 ordinary shares held by Sun Yip Industrial Company Limited and 888,901 ordinary shares held by Tiger Power Industries Limited ("Tiger Power"), each of which is an entity controlled by Mr. Sze-To. The foregoing information is derived from a Schedule 13D/A filed with the SEC on October 15, 2013.

(7) Consists of 449,538 ordinary shares held by Fine Colour Limited, of which Mr. Tan is a 50% owner.

(8) Representing Mr. Scher's initial shares held in escrow pursuant to the terms of Amendment No.2 to Stock Escrow Agreement dated as of December 16, 2011. The foregoing information is derived from other information known to us.

(9) Includes 241,971 ordinary shares held by Expert Rank Limited, an entity controlled by Mr. Ning.

As of April 20, 2015, there were 22 shareholders of record holding a total of 12,938,128 of our ordinary shares. To the best of our knowledge there were 7 shareholders of record with addresses in the United States holding approximately 2,072,467 (16.0%) of our outstanding ordinary shares. The foregoing calculations include 1 unit holder with a United States address holding 2,485 units, each consisting of 1 ordinary share. Ordinary shares held in the names of banks, brokers and other intermediaries were assumed to be held by residents of the same country in which the bank, broker or other intermediary was located.

Related Party Transactions

Our Code of Ethics and Related Person Policy

In November 2009, our board of directors adopted a code of ethics that applies to our directors, officers and employees as well as those of our subsidiaries.

Our Code of Ethics requires it to avoid, wherever possible, all related party transactions that could result in actual or potential conflicts of interest, except under guidelines approved by the board of directors (or the audit committee, if one exists). Related-party transactions with respect to smaller reporting companies such as us are defined under SEC rules as transactions in which (1) the aggregate amount involved will or may be expected to exceed the lesser of $120,000 or one percent of the average of the smaller reporting company's total assets at year end for the last two completed years, (2) we or any of our subsidiaries is a participant, and (3) any (a) executive officer, director or nominee for election as a director, (b) greater than 5 percent beneficial owner of our shares, or (c) immediate family member of the persons referred to in clauses (a) and (b), has or will have a direct or indirect material interest (other than solely as a result of being a director or a less than 10 percent beneficial owner of another entity). A conflict of interest situation can arise when a person takes actions or has interests that may make it difficult to perform his or her work objectively and effectively. Conflicts of interest may also arise if a person, or a member of his or her family, receives improper personal benefits as a result of his or her position.

Our audit committee, pursuant to its written charter, is responsible for reviewing and approving related-party transactions to the extent we enter into such transactions. The audit committee will consider all relevant factors when determining whether to approve a related party transaction, including whether the related party transaction is on terms no less favorable than terms generally available to an unaffiliated third party under the same or similar circumstances and the extent of the related party's interest in the transaction. No director will be able to participate in the approval of any transaction in which he is a related party, but that director will be required to provide the audit committee with all material information concerning the transaction. Additionally, we will require each of our directors and executive officers to complete a directors' and officers' questionnaire on an annual basis that elicits information about related party transactions.

These procedures are intended to determine whether any such related party transaction impairs the independence of a director or presents a conflict of interest on the part of a director, employee or officer.

Our Related Person Transactions

Personal guarantees provided by Kin Sun Sze-To

Kin Sun Sze-To has been providing personal guarantees as collateral to secure various credit facilities and the financing of machineries for Plastec and certain of its subsidiaries. As at December 31, 2014, the total amount of personal guarantees outstanding for such purposes was approximately HK$353.3 million.

Bonus Plan for Management/Executive Officers

The disclosure on the bonus plan sets forth under the section titled "*Directors, Senior Management and Employees - Compensation*" in Item 3 of this Annual Report is incorporated herein by reference.

We require that all ongoing and future transactions between us and any of our officers and directors or their respective affiliates will be on terms that we believe to be no less favorable to us than are available from unaffiliated third parties. Such transactions require prior approval by a majority of our uninterested "independent" directors or the members of our board who do not have an interest in the transaction, in either case who have access, at our expense, to our attorneys or independent legal counsel.

ITEM 5. FINANCIAL INFORMATION.

Consolidated Statements and Other Financial Information

List of Financial Statements

See Item 6 of this Annual Report for a list of the financial statements, which form a part hereof.

Export Sales

We categorize our sales by geographic market as described in the table below on the basis of the location of the customers that we are billing, regardless of the actual location of those goods we ship to such customers.

	Year ended April 30,	8 months ended December 31,	Year ended December 31,		
Revenues by geographic market	**2012**	**2012**	**2012**	**2013**	**2014**
Asia-Pacific Region	57.5%	49.6%	51.2%	41.4%	44.6%
Europe	42.0%	40.7%	41.3%	49.1%	43.4%
United States	0.5%	9.7%	7.5%	9.5%	12.0%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

Dividend Policy

While we have paid dividends in the past, we currently do not intend to pay additional dividends in the future. The payment of dividends in the future will be entirely within the sole discretion of our board of directors. Whether future dividends will be declared will depend upon our future growth and earnings, of which there can be no assurance, and our cash flow needs for future development; all of which may be adversely affected by one or more of the factors discussed in Item 3.D of the Form 20-F "*Risk Factors*". Accordingly, we may not declare or pay any additional dividends in the future. Even if the board of directors decides to pay dividends, the form, frequency and amount will depend upon our future operations and earnings, capital requirements and surplus, general financial condition, contractual restrictions and other factors that the board may deem relevant.

ITEM 6. FINANCIAL STATEMENTS.

The following financial statements form part of this Annual Report.

Report of Independent Registered Public Accounting Firm

Consolidated Balance Sheets

Consolidated Statements of Income and Comprehensive Income

Consolidated Statement of Shareholders' Equity

Consolidated Statements of Cash Flows

Notes to Consolidated Financial Statements

PART II – FINANCIAL STATEMENTS

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders of
Plastec Technologies, Ltd.

We have audited the accompanying consolidated balance sheets of Plastec Technologies, Ltd. (the "Company", formerly known as GSME Acquisition Partners I) and its subsidiaries (where the context permits, references to the "Company" below shall include references to its subsidiaries collectively as the "Group") as of December 31, 2014 and 2013 and 2012 and April 30, 2012, and the related statements of operations, shareholders' equity and comprehensive income, and cash flows for the years ended December 31, 2014 and 2013 and for the 8-month period ended December 31, 2012 and for the year ended April 30, 2012. The preparation of these consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We were not engaged to examine management's assertion about the effectiveness of the Company's internal control over financial reporting as of December 31, 2014 included in the Company's Item 15 "Controls and Procedures" in the Annual Report on Form 20-F and, accordingly, we do not express an opinion thereon.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated balance sheet of the Company and its subsidiaries as of December 31, 2014, 2013 and 2012 and as of April 30, 2012, and the consolidated results of their operations and their cash flows for the years ended December 31, 2014 and 2013 and for the 8-month period ended December 31, 2012 and for the year ended April 30, 2012, are in conformity with accounting principles generally accepted in the United States of America.

Dominic K.F. Chan & Co.

Dominic K.F. Chan & Co
Certified Public Accountants
Hong Kong
Date: April 15, 2015

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

	April 30, 2012	December 31, 2012	December 31, 2013	December 31, 2014
	HK$	HK$	HK$	HK$
ASSETS				
Current assets				
Cash and cash equivalents	199,818	309,862	348,901	528,527
Trade receivables, net of allowances for doubtful accounts of HK$nil, HK$nil, HK$nil and HK$nil as of April 30, 2012 and December 31, 2012 and 2013 and 2014, respectively	282,869	257,299	269,419	278,553
Inventories (note 3)	128,387	97,467	107,058	96,030
Deposits, prepayment and other receivables (note 4)	20,514	35,471	28,139	50,204
Total current assets	631,588	700,099	753,517	953,314
Property, plant and equipment, net (note 5)	524,137	440,383	364,149	283,500
Prepaid lease payments, net (note 6)	24,753	23,719	22,167	19,692
Other assets	12,813	14,503	2,325	-
Deferred tax assets (note 10)	-	-	12,225	14,212
Intangible assets	438	438	438	438
Total assets	1,193,729	1,179,142	1,154,821	1,271,156
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current liabilities				
Bank borrowings (note 7)	156,866	96,892	37,782	21,429
Capital lease obligations (note 8)	303	-	-	-
Trade payables	121,964	151,436	105,428	125,854
Other payables and accruals (note 9)	115,109	115,715	116,608	103,576
Tax payable	72,936	25,225	41,389	58,736
Total current liabilities	467,178	389,268	301,207	309,595
Borrowings	-	-	50,000	28,571
Deferred tax liabilities (note 10)	14,504	11,629	-	-
Total liabilities	481,682	400,897	351,207	338,166
Commitments and contingencies (note 12)	-	-	-	-
Shareholders' equity				
Ordinary shares (U.S.$0.001 par value; 100,000,000 authorized, 14,352,903, 14,292,228, 12,938,128 and 12,938,128 shares issued and outstanding as of April 30, 2012 and December 31, 2012 and 2013 and 2014, respectively)	112	112	101	101
Additional paid-in capital	77,967	85,332	26,455	26,049
Accumulated other comprehensive income	15,514	14,524	17,901	10,137
Retained earnings	618,454	678,277	759,157	896,703
Total shareholders' equity	712,047	778,245	803,614	932,990
Total liabilities and shareholders' equity	1,193,729	1,179,142	1,154,821	1,271,156

See accompanying notes to consolidated financial statements.

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

	Year ended April 30, 2012	8-month Period ended December 31, 2012	Year ended December 31, 2013	Year ended December 31, 2014
	HK$	HK$	HK$	HK$
Revenues	1,291,223	933,888	1,167,115	1,207,811
Cost of revenues	(1,142,653)	(807,104)	(899,400)	(905,280)
Gross profit	148,570	126,784	267,715	302,531
Operating expenses, net				
Selling, general and administrative expenses	(81,557)	(66,330)	(166,969)	(152,912)
Other income	2,431	6,266	2,508	7,737
Write-off of property, plant and equipment	(690)	(4,058)	(14,920)	(442)
Gain / (Loss) on disposal of property, plant and equipment	938	1,898	(2,836)	5,420
Gain on disposal of subsidiary	-	-	-	29,125
Total operating expenses, net	(78,878)	(62,224)	(182,217)	(111,072)
Income from operations	69,692	64,560	85,498	191,459
Interest income	218	166	276	1,530
Interest expense	(2,695)	(1,559)	(1,160)	(1,688)
Income before income tax expense	67,215	63,167	84,614	191,301
Income tax expense (note 10)	(16,811)	(3,344)	(3,734)	(23,480)
Net income	50,404	59,823	80,880	167,821
Other comprehensive income				
Foreign currency translation adjustment	7,408	(990)	3,377	(7,764)
Comprehensive income attributable to Plastec Technologies, Ltd.	57,812	58,833	84,257	160,057
Net income per share (note 11):				
Weighted average number of ordinary shares	15,944,233	14,303,544	13,503,623	12,938,128
Weighted average number of diluted ordinary shares	15,944,233	14,303,544	13,503,623	12,938,128
Basic income per share attributable to Plastec Technologies, Ltd.	HK$ 3.2	HK$ 4.2	HK$ 6.0	HK$ 13.0
Diluted income per share attributable to Plastec Technologies, Ltd.	HK$ 3.2	HK$ 4.2	HK$ 6.0	HK$ 13.0

See accompanying notes to consolidated financial statements.

PLASTEC TECHNOLOGIES, LTD.

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
(Hong Kong dollars in thousands, except number of shares, per share data and unless otherwise stated)

	Ordinary shares			Accumulated		
	Number of shares outstanding	Amount	Additional paid-in capital	other comprehensive income	Retained earnings	Shareholders' equity
		HK$	HK$	HK$	HK$	HK$
Balance at April 30, 2011 and at May 1, 2011	16,733,196	131	169,973	8,106	568,050	746,260
Net income for the year	-	-	-	-	50,404	50,404
Share repurchases	(1,574,000)	(13)	(92,012)	-	-	(92,025)
Share redeemed and cancelled	(806,293)	(6)	6	-	-	-
Cumulative translation adjustment	-	-	-	7,408	-	7,408
Balance at April 30, 2012 and at May 1, 2012	14,352,903	112	77,967	15,514	618,454	712,047
Net income for the period	-	-	-	-	59,823	59,823
Share repurchases	(60,675)	-	(2,840)	-	-	(2,840)
Capital contribution	-	-	10,205	-	-	10,205
Cumulative translation adjustment	-	-	-	(990)	-	(990)
Balance at December 31, 2012 and at January 1, 2013	14,292,228	112	85,332	14,524	678,277	778,245
Net income for the year	-	-	-	-	80,880	80,880
Share repurchases	(1,354,100)	(11)	(63,360)	-	-	(63,371)
Warrants repurchases	-	-	(33)	-	-	(33)
Capital contribution	-	-	4,516	-	-	4,516
Cumulative translation adjustment	-	-	-	3,377	-	3,377
Balance at December 31, 2013 and at January 1, 2014	12,938,128	101	26,455	17,901	759,157	803,614
Net income for the year	-	-	-	-	167,821	167,821
Dividend paid	-	-	-	-	(30,275)	(30,275)
Warrants repurchases	-	-	(406)	-	-	(406)
Cumulative translation adjustment	-	-	-	(7,764)	-	(7,764)
Balance at December 31, 2014	12,938,128	101	26,049	10,137	896,703	932,990

See accompanying notes to consolidated financial statements.

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

	Year ended April 30, 2012	8-month Period ended December 31, 2012	Year ended December 31, 2013	Year ended December 31, 2014
	HK$	HK$	HK$	HK$
Operating activities				
Net income	50,404	59,823	80,880	167,821
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation and amortization	157,219	103,513	123,741	108,927
Net (gain)/loss on disposal of property, plant and equipment	(938)	(1,897)	2,836	(5,420)
Gain on disposal of a subsidiary	-	-	-	(29,125)
Write-off of property, plant and equipment	690	4,058	14,920	442
Impairment on inventories	6,920	4,108	7,037	7,391
Deferred tax charge	(652)	(2,732)	(23,854)	(2,681)
Changes in operating assets and liabilities:				
Trade receivables	(12,106)	25,553	(12,120)	(9,134)
Inventories	(17,574)	26,812	(16,628)	3,637
Deposits, prepayment and other receivables	(12,158)	(13,772)	7,332	(14,280)
Trade payables	(6,023)	29,472	(46,008)	20,427
Other payables and accruals	34,299	12,212	891	(12,444)
Tax payables	16,547	416	19,276	20,660
Net cash provided by operating activities	216,628	247,566	158,303	256,221
Investing activities				
Purchase of property, plant and equipment	(126,167)	(87,224)	(54,436)	(50,521)
Proceeds from disposal of property, plant and equipment	5,252	29,665	6,634	7,138
Net proceeds from disposal of a subsidiary	-	-	-	43,015
Deposits for purchase of property, plant and equipment	(12,813)	(15,690)	(2,325)	-
Net loss on disposals of subsidiaries	-	(165)	-	-
Net cash used in investing activities	(133,728)	(73,414)	(50,127)	(368)
Financing activities				
Repurchases of shares/warrants	(92,025)	(2,841)	(63,404)	(406)
Proceeds from bank borrowings	379,465	220,809	195,214	74,155
Repayment of bank borrowings	(392,309)	(280,783)	(204,324)	(111,937)
Repayment of capital lease obligations	(5,311)	(303)	-	-
Dividends paid	-	-	-	(30,275)
Net cash used in financing activities	(110,180)	(63,118)	(72,514)	(68,463)
Net increase/(decrease) in cash and cash equivalents	(27,280)	111,034	35,662	187,390
Effect of exchange rate changes on cash and cash equivalents	7,341	(990)	3,377	(7,764)
Cash and cash equivalents, beginning of year / period	219,757	199,818	309,862	348,901
Cash and cash equivalents, end of year / period	199,818	309,862	348,901	528,527
Supplementary disclosures of cash flow information:				
Interest paid, net	2,477	1,393	886	158
Income taxes paid	916	5,660	8,312	5,501

See accompanying notes to consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Hong Kong dollars in thousands, except number of shares, per share data and unless otherwise stated)

1. Organization and Business Background

Plastec Technologies, Ltd. ("Company") (formerly known as "GSME Acquisition Partners I"), incorporated under the laws of Cayman Islands on March 27, 2008, and its subsidiaries (where the context permits, references to the "Company" below shall include references to its subsidiaries collectively as a group) are principally engaged in the provision of integrated plastic manufacturing services from mold design and fabrication, plastic injection manufacturing to secondary-process finishing as well as parts assembly. The Company's manufacturing activities are performed in the People's Republic of China (the "PRC" or "China") and Thailand. The selling and administrative activities are mainly performed in China. During the year, the Company disposed of a PRC incorporated subsidiary, namely Heyuan Sun Line Industrial Ltd. 河源新丽工业有限公司 ("Heyuan Sun Line").

As of December 31, 2014, details of the Company's subsidiaries are as follows:

Name of subsidiaries	Date of incorporation/ establishment	Place of incorporation/ registration and operation	Percentage of equity interest attributable to the Company	Principal activities
Allied Sun Corporation Limited	August 20, 2008	Hong Kong	100 %	Trading and investment holding
Broadway Industrial Holdings Limited	March 22, 2006	Hong Kong	100 %	Trading and investment holding
Broadway Industries (Thailand) Co., Ltd.	August 2, 2011	Thailand	100 %	Trading
Broadway Manufacturing Company Limited	August 17, 2005	BVI	100 %	Property investment
Broadway Precision (Shenzhen) Co., Ltd. 百汇精密塑胶模具(深圳)有限公司	August 3, 2012	PRC	100 %	Manufacturing of plastic parts and utensils
Broadway Precision (Thailand) Co., Ltd.	May 10, 2012	Thailand	100 %	Manufacturing of plastic parts and utensils
Broadway Precision Co. Limited (previously named, Sun Luck Trading Limited)	March 18, 2010	Hong Kong	100 %	Management services
Broadway Precision Industrial (Kunshan) Ltd. 昆山海汇精密模具工业有限公司	August 26, 2008	PRC	100 %	Manufacturing of plastic parts and utensils
Broadway Precision Technology Limited	April 28, 2011	Hong Kong	100 %	Dormant
Broadway Precision Technology Ltd. 百汇精密科技有限公司 (previously named, Pan Sino International Limited)	February 8, 2011	BVI	100 %	Trading and investment holding

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

1. Organization and Business Background - Continued

Name of subsidiaries	Date of incorporation/ establishment	Place of incorporation/ registration and operation	Percentage of equity interest attributable to the Company	Principal activities
Dongguan Sun Chuen Plastic Products Co., Ltd. ("Dongguan Sun Chuen") 东莞新川塑胶制品有限公司	December 8, 2004	PRC	100 %	Manufacturing of plastic parts and utensils
Plastec International Holdings Limited	February 18, 2004	BVI	100 %	Investment holding
Source Wealth Limited	March 18, 2010	Hong Kong	100 %	Investment holding
Sun Line Industrial Limited	April 27, 1993	Hong Kong	100 %	Investment holding
Broadway (Macao Commercial Offshore) Company Limited (Previously named Sun Line (Macao Commercial Offshore) Company Limited)	August 13, 2004	Macau	100 %	Trading
Sun Line Precision Industrial (Zhuhai) Ltd. 珠海新丽模具有限公司	October 10, 2008	PRC	100 %	Dormant
Sun Line Precision Ltd. (previously named, "Fast Achieve Enterprises Ltd.")	March 10, 2004	BVI	100 %	Trading and investment holding
Sun Line Services Limited	January 8, 2013	Hong Kong	100 %	Management services
Sun Ngai Spraying and Silk Print Co., Ltd.	July 25, 1995	BVI	100 %	Dormant
Sun Ngai Spraying and Silk Print (HK) Co., Limited	March 22, 2006	Hong Kong	100 %	Dormant
Sun Terrace Industries Limited	March 2, 2004	BVI	100 %	Investment holding
Viewmount Developments Ltd.	November 12, 2013	BVI	100 %	Investment holding

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

1. Organization and Business Background - Continued

The Merger Transaction with Plastec International Holdings Limited

On March 27, 2008, the Company was established as a special purpose acquisition company whose objective is to consummate an acquisition, capital stock exchange, asset acquisition, stock purchase, reorganization or similar business combination with one or more businesses located in the PRC.

On August 6, 2010, the Company entered into an Agreement and Plan of Reorganization (the "Merger Agreement") with GSME Acquisition Partners I Sub Limited ("GSME Sub"), Plastec International Holdings Limited ("Plastec") and all former shareholders of Plastec ("Plastec Shareholders") (together, the "Parties"). Upon the consummation of the transactions contemplated by the Merger Agreement, GSME Sub was to be merged with and into Plastec, with Plastec surviving as a wholly-owned subsidiary of the Company (the "Merger"). The Plastec Shareholders were then entitled to receive up to an aggregate of 16,948,053 ordinary shares, par value U.S.$0.001 per share, of the Company.

On September 13, 2010, in connection with the Merger, the Parties entered into an Amended and Restated Agreement and Plan of Reorganization (the "Amended and Restated Merger Agreement") to, amongst other matters, revise the terms of the merger consideration to be paid to the Plastec Shareholders. Pursuant to the Amended and Restated Merger Agreement, upon consummation of the Merger, the Plastec Shareholders became entitled to receive up to an aggregate of 16,778,571 ordinary shares of the Company, of which 7,054,583 shares were issued to the Plastec Shareholders on the closing of the Merger and the remaining of up to 9,723,988 shares (2,944,767, 3,389,610 and 3,389,611 shares for 2011, 2012 and 2013 respectively) (the "Earnout Shares") would have been issued to the Plastec Shareholders, if Plastec had net income as defined in the Amended and Restated Merger Agreement in the following amounts for the indicated years ending April 30 below:

Year ending April 30,	Net Income HK$
2011	130,700
2012	176,000
2013	250,000

At the Special Meeting held on December 10, 2010, the merger proposal was approved by the shareholders. On December 16, 2010, the Company consummated the transactions contemplated by the Amended and Restated Merger Agreement, pursuant to which, amongst other things, Plastec became a wholly owned subsidiary of the Company (the "Merger Transaction"). The Merger Transaction was accounted for as a reverse acquisition with Plastec being considered the accounting acquirer in the Merger.

The completion of the Merger enabled the Plastec Shareholders to obtain a majority voting interest in the Company. Generally accepted accounting principles in the United States require that a company whose shareholders retain the majority interest in a combined business be treated as the acquirer for accounting purposes. Accordingly, the aforementioned Merger Transaction was accounted for as a reverse acquisition of a private operating company (Plastec) with a non-operating public company (the Company) with significant amount of cash. The reverse acquisition process utilized the capital structure of the Company and the assets and liabilities of Plastec were recorded at historical cost. The transaction was recorded as a recapitalization of Plastec and thus was reflected retrospectively in Plastec's historical financial statements. Although Plastec is deemed to be the accounting acquirer for financial accounting and reporting purposes, the legal status of Plastec as the surviving company did not change.

Under the reverse acquisition accounting, the historical consolidated financial statements of the Company for the periods prior to December 16, 2010 are those of Plastec and its subsidiaries. Since Plastec is deemed as accounting acquirer, Plastec's fiscal year replaced the Company's fiscal year. The fiscal year end changed from October 31 to April 30. The financial statements of the Company reflected the aforementioned Merger Transaction in the consolidated statement of shareholders' equity through a line of "Recapitalization in connection with the reverse merger" to present the net assets of the Company as of December 16, 2010.

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

1. Organization and Business Background - Continued

The net assets of the Company as of December 16, 2010 were as follows:

Net assets acquired:	HK$
Cash	58,160
Accounts payable and accrued liabilities	(1,524)
	56,636

On April 30, 2011, the Parties entered into an amendment to the Amended and Restated Merger Agreement to remove the provisions of Earnout Shares and issued an aggregate of 7,486,845 ordinary shares of the Company to the Plastec Shareholders on April 30, 2011.

Purchase of securities by the issuer

Prior to November 2011, the Company had no plans or programs for the purchase of its outstanding securities. However, in connection with the Merger, holders of 2,615,732 of the Company public shares elected to exercise their conversion rights (for a description of these rights, see the IPO Prospectus and the Merger Proxy Statement) and, upon the closing of the Merger, such shares were converted into an average U.S. $10.30 (including proceeds that were originally to be from a letter of credit provided by Cohen & Company Securities, LLC but were ultimately paid by Company) in cash and were cancelled. Under Cayman Islands law, such conversions are technically considered “repurchases.”

In November 2011, the board of directors of Company approved a U.S.$5 million share repurchase program expiring initially in June 2012 but which was extended twice through December 2013 and expanded to cover publicly held warrants (“2011 Repurchase Program”). Under the 2011 Repurchase Program, the Company was permitted to make repurchases of ordinary shares and publicly held warrants from time to time in open market or in privately negotiated transactions. The timing of repurchases under this program was dependent on a variety of factors, including price and market conditions prevailing from time to time. The 2011 Repurchase Program was completed on September 25, 2013. On the same date, the Company announced a new U.S.$5 million repurchase plan (“2013 Repurchase Program”) approved by the board of directors of the Company to cover repurchases of ordinary shares and publicly held warrants from time to time in open market or in privately negotiated transactions through September 25, 2014. In May 2014, the Company announced expansion of the scope of the 2013 Repurchase Program to include the Company’s units (under ticker “PLTEF”), with all other terms of the 2013 Repurchase Program remained unchanged. In August 2014, the Company announced a 12-month extension of the 2013 Repurchase Program (as expanded) through September 25, 2015. The timing of repurchases under the 2013 Repurchase Program will depend on a variety of factors, including price and market conditions prevailing from time to time, and the program may be suspended, modified or discontinued without notice at any time.

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

1. Organization and Business Background - Continued

The following table summarizes the Company's repurchases of securities under the 2011 and 2013 Repurchase Programs:

Period*	Total number of publicly held warrants purchased as part of the publicly announced repurchase plans	Total number of ordinary shares purchased as part of the publicly announced repurchase plans	Total number of units purchased as part of the publicly announced repurchase plans
February 2012	-	4,000	-
June 2012	-	60,675	-
January 2013	-	600,000	-
June 2013	80,000	94,100	-
August 2013	5,000	-	-
September 2013	-	73,990	-
October 2013	-	586,010	-
August 2014	547,600	-	-

* Each period covers the full calendar month indicated. There were no repurchases made in omitted months. Repurchases for September 2013 and earlier months were under the 2011 Repurchase Program. Repurchases for October 2013 onward were under the 2013 Repurchase Program.

In addition to the purchases made pursuant to the 2011 and 2013 Repurchase Programs, the Company also repurchased 1,570,000 ordinary shares held by Sun Yip Industrial Company Limited, an entity controlled by Mr. Sze-To, pursuant to a purchase agreement on December 1, 2011 at a price of U.S.$7.5 per share or approximately U.S.$11.8 million in cash, which shares were cancelled.

Further, pursuant to the mandatory redemption terms of an escrow agreement (as amended on December 16, 2011), a total of 806,293 ordinary shares held in escrow on account of the Company's initial shareholders were automatically repurchased by the Company at the close of business on March 16, 2012 for an aggregate consideration of U.S.$0.01, which redeemed shares were likewise cancelled.

2. Summary of Significant Accounting Policies

Principles of consolidation

The consolidated financial statements, prepared in accordance with generally accepted accounting principles in the United States of America ("US GAAP"), include the assets, liabilities, revenues, expenses and cash flows of all subsidiaries. All significant intercompany balances, transactions and cash flows are eliminated on consolidation.

Foreign currency translation

The functional currency of the Company is United States Dollar. The functional currency of the subsidiaries other than the subsidiaries in the PRC and the Thailand is Hong Kong dollar. The subsidiaries in the PRC and Thailand have their local currency, Renminbi, Thai Baht as their functional currencies.

2. Summary of Significant Accounting Policies - Continued

In the individual financial statements of the consolidated entities, foreign currency transactions are translated into the functional currency of the individual entity using the exchange rates prevailing at the dates of the transactions. At the reporting date, monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at the reporting date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the reporting date retranslation of monetary assets and liabilities are recognized in the consolidated statement of income. Aggregate net foreign currency transaction gain (loss) were HK$10,127, HK$2,102, (HK$8,206) and (HK$5,223) for the year ended April 30, 2012, the 8-month period ended December 31, 2012 and for the years ended December 31, 2013 and 2014, respectively.

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined and are reported as part of the fair value gain or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

In the consolidated financial statements, all individual financial statements originally presented in a currency different from the Company's reporting currency have been converted into Hong Kong dollars. Assets and liabilities have been translated into Hong Kong dollars at the closing rates at the reporting date. Income and expenses have been converted into the Hong Kong dollars at the exchange rates ruling at the transaction dates, or at the average rates over the reporting period provided that the exchange rates do not fluctuate significantly. Any differences arising from this procedure have been recognized in other comprehensive income and accumulated separately in the shareholders' equity.

Use of estimates

The preparation of consolidated financial statements in conformity with the US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting periods. The most significant estimates relate to allowances for doubtful accounts, inventory valuation, useful lives of property, plant and equipment, valuation allowance for deferred tax assets and contingencies. Actual results could differ from those estimates made by management.

Cash and cash equivalents

Cash and cash equivalents include cash at bank and in hand and demand deposits with banks with original maturities of three months or less that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade receivables

Trade receivables are stated at the amount management expects to collect from balances outstanding at reporting period end. Based on management's assessment of the credit history with customers having outstanding balances and current relationships with them, it has concluded that realization losses on balances outstanding at reporting period end will be immaterial.

Allowance for doubtful account

The Company regularly monitors and assesses the risk of not collecting amounts owed to the Company by customers. This evaluation is based upon a variety of factors including: ongoing credit evaluations of its customers' financial condition, an analysis of amounts current and past due along with relevant history and facts particular to the customer. Trade receivables are written off if reasonable collection efforts are not successful.

Inventories

Inventories are stated at the lower of cost or market. Cost is determined on using the first-in first-out method. Work-in-progress and finished goods comprises of raw materials, direct labour and overhead associated with the manufacturing process. Write down of potentially obsolete or slow-moving inventory are recorded based on management's analysis of inventory levels.

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

2. Summary of Significant Accounting Policies - Continued

Property, plant and equipment

Property, plant and equipment, other than construction in progress, are stated at acquisition cost less accumulated depreciation and impairment losses. The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Depreciation is provided to write off the cost less their residual values over their estimated useful lives, using the straight-line method, at the following rates per annum:

Buildings	4%-5%
Plant and machineries	20%-33.33 %
Furniture, fixtures and equipment	20%-33.33 %
Leasehold improvements	20%-33.33 %
Computer equipment	33.33%-50 %
Motor vehicles	20%
Moulds	33.33%-92 %

The assets' estimated residual values, depreciation methods and estimated useful lives are reviewed, and adjusted if appropriate, at each reporting date.

Construction in progress represents assets in the course of construction for production or for its own use purpose. It is stated at cost less any impairment loss and is not depreciated. Cost includes direct costs incurred during the periods on construction, installation and testing plus interest charges arising from borrowings used to finance these assets during the construction period, if any. Construction in progress is reclassified to the appropriate category of property, plant and equipment and depreciation commences when the construction work is completed and the asset is ready for use.

The gain or loss arising on retirement or disposal is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the consolidated statement of income.

All other costs, such as repairs and maintenance are charged to the operations during the financial period in which they are incurred.

Prepaid lease payments

Upfront payments made to acquire land held under an operating lease are stated at costs less accumulated amortization and any accumulated impairment losses. The determination if an arrangement is or contains a lease and the lease is an operating lease is detailed as below. Amortization is calculated on a straight line basis over the term of the lease/right of use except where an alternative basis is more representative of the time pattern of benefits to be derived by the Company from use of the land.

Leases

Leases are classified at the inception date as either a capital lease or an operating lease. For the lessee, a lease is a capital lease if any of the following conditions exist: a) ownership is transferred to the lessee by the end of the lease term, b) there is a bargain purchase option, c) the lease term is at least 75% of the property's estimated remaining economic life or d) the present value of the minimum lease payments at the beginning of the lease term is 90% or more of the fair value of the leased property to the lessor at the inception date. A capital lease is accounted for as if there was an acquisition of an asset and an incurrence of an obligation at the inception of the lease. All other leases are accounted for as operating leases. The Company has both capital leases and operating leases in the periods presented.

2. Summary of Significant Accounting Policies - Continued

Valuation of long-lived assets

The Company periodically evaluates the carrying value of long-lived assets to be held and used when events and circumstances warrant such a review. The carrying value of a long-lived asset is considered impaired when the anticipated undiscounted cash flow from such asset is separately identifiable and is less than its carrying value. In that event, a loss is recognized based on the amount by which the carrying value exceeds the fair market value of the long-lived asset. Fair market value is determined primarily using the anticipated cash flows discounted at a rate commensurate with the risk involved. Losses on long-lived assets to be disposed of are determined in a similar manner, except that fair market values are reduced for the cost to dispose.

Revenue recognition

Sales of goods are recognized when goods are shipped, title of goods sold has passed to the purchaser, the price is fixed or determinable as stated on the sales contract, and its collectability is reasonably assured. Customers do not have a general right of return on products shipped. The Company permits the return of damaged or defective products and accounts for these returns as deduction from sales. Products returns to the Company were insignificant during past years.

Comprehensive income

The Company presents comprehensive income in accordance with Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) 220 “Comprehensive Income”. FASB ASC 220 states that all items that are required to be recognized under accounting standards as components of comprehensive income be reported in the consolidated financial statements. The components of comprehensive income were the net income for the periods and the foreign currency translation adjustments.

Shipping and handling cost

Shipping and handling costs related to the delivery of finished goods are included in selling, general and administrative expenses. For the year ended April 30, 2012, the 8-month period ended December 31, 2012 and for the years ended December 31, 2013 and 2014, shipping and handling costs were HK$17,421, HK$12,474, HK$14,630 and HK$11,033, respectively.

Income taxes

The Company accounts for income taxes in accordance with FASB ASC 740 “Income taxes”, which requires an entity to recognize deferred tax assets and liabilities using the asset and liability method. Under this method, deferred income taxes are recognized for all temporary differences at enacted rates and classified as current or non-current based upon the classification of the related asset or liability in the consolidated financial statements. A valuation allowance is provided to reduce the amount of deferred tax assets if it is considered more likely than not that some portion of, or all, the deferred tax asset will not be realized.

FASB ASC 740 clarifies the accounting for uncertainty in income taxes recognized in an enterprise’s financial statements, and prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. It also provides accounting guidance on de-recognition, classification, interest or penalties, accounting in interim periods, disclosure and transition. Interest and penalties from tax assessments, if any, are included in income taxes in the consolidated statement of income.

Post-retirement and post-employment benefits

The Company contributes to a defined contribution retirement benefit plan under the Mandatory Provident Fund Schemes Ordinance for all of its Hong Kong employees who are eligible to participate in the Mandatory Provident Fund (“MPF”) Scheme. Contributions are made based on a percentage of the employees’ basic salaries.

2. Summary of Significant Accounting Policies - Continued

The employees of the Company's subsidiaries which operate in the PRC and Thailand are required to participate in a central pension schemes operated by the local municipal governments, respectively. PRC subsidiaries are required to contribute certain percentage of its payroll costs to the central pension scheme.

Contributions are recognized as an expense in consolidated statement of income as employees render services during the period. The Company's obligations under these plans are limited to the fixed percentage contributions payable.

Net income per share

Basic net income per share is computed by dividing net income available to ordinary shares by the weighted average number of ordinary shares outstanding during the period. Diluted net income per share gives effect to all dilutive potential ordinary shares outstanding during the period. The weighted average number of ordinary shares outstanding is adjusted to include the number of additional ordinary shares that would have been outstanding if the dilutive potential ordinary shares had been issued. In computing the dilutive effect of potential ordinary shares, the average stock price for the period is used in determining the number of treasury shares assumed to be purchased with the proceeds from the exercise of derivative securities.

Derivatives

Derivatives are carried at fair value and are reported as other current assets when the Company has a contractual right to receive cash from the counterparty that are potentially favorable to the Company and as accrued and other current liabilities where the Company has a contractual obligation to deliver cash to a counterparty that are potentially unfavorable to the Company.

If the derivative is designated as a fair value hedge, the changes in the fair value of the derivative and the hedged item are recognized in the consolidated statement of income and comprehensive income. If the derivative is designated as a cash flow hedge, changes in the fair value of the derivative are recorded in other comprehensive income and are recognized in the consolidated statement of income and comprehensive income when the hedged item affects net income. If a derivative does not qualify as a hedge, it is marked to fair value through the consolidated statement of income and comprehensive income.

Fair Value Measurements

The Company has adopted FASB ASC 820 "Fair Value Measurements and Disclosures" which defines fair value, establishes a framework for measuring fair value in the US GAAP, and expands disclosures about fair value measurements. It does not require any new fair value measurements, but provides guidance on how to measure fair value by providing a fair value hierarchy used to classify the source of the information.

Its establishes a three-level valuation hierarchy of valuation techniques based on observable and unobservable inputs, which may be used to measure fair value and include the following:

Level 1 - Quoted prices in active markets for identical assets or liabilities.

Level 2 - Inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

Classification within the hierarchy is determined based on the lowest level of input that is significant to the fair value measurement.

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

2. Summary of Significant Accounting Policies - Continued

Recently issued accounting pronouncements

In May 2014, the FASB issued ASU 2014-9, "Revenue from Contracts with Customers", (ASU 2014-09), which create a new Topic, Accounting Standards Codification Topic 606. The standard is principle based and provides a five-step model to determine when and how revenue is recognized. AUS 2014-09 requires entities to recognize revenue to depict the transfer of promised goods or services to customers in amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. ASU 2014-09 requires entities to disclose both qualitative and quantitative information that enables users of financial statements to understand the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers, including disclosure of significant judgements effecting the recognition of revenue. The accounting standard is effective for annual and interim periods beginning after December 15, 2016. Early adoption is not permitted. The Company is currently evaluating the impact of adopting this guidance.

In August 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2014-15, Presentation of Financial Statements – Going Concern (Subtopic 205-40): Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern, which defines management's responsibility to assess an entity's ability to continue as a going concern, and to provide related footnote disclosures if there is substantial doubt about its ability to continue as a going concern. The pronouncement is effective for annual report beginnings ending after December 15, 2016 with early adoption permitted. The adoption of this guidance is not expected to have a material impact on the Company's consolidated financial statements.

3. Inventories

Inventories consist of the following:

	April 30, 2012	December 31, 2012	December 31, 2013	December 31, 2014
	HK$	HK$	HK$	HK$
Raw materials	35,519	30,971	27,607	28,298
Work in progress	60,241	38,904	52,443	40,658
Finished goods	32,627	27,592	27,008	27,074
	128,387	97,467	107,058	96,030

The Company made allowances of HK$6,920, HK$4,108, HK$7,037 and HK$7,391 against the cost of inventories during the year ended April 30, 2012, the 8-month period ended December 31, 2012 and the years ended December 31, 2013 and 2014, respectively, based on the assessment of the lower of cost or market.

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

4. Deposits, Prepayment and Other Receivables

Deposits, prepayment and other receivables consist of the following:

	April 30, 2012 HK$	December 31, 2012 HK$	December 31, 2013 HK$	December 31, 2014 HK$
Prepaid insurance	1,067	833	912	3,372
Prepaid electricity	380	426	11	720
Prepaid renovation	1,188	1,188	355	131
Rental deposits / prepaid rent	7,825	7,618	6,223	12,908
Deposit for the import processing arrangement	314	320	2,986	1,616
Loans to workers	5,506	5,217	8,348	11,439
Other receivables	2,181	18,260	7,333	12,207
Others	2,053	1,609	1,971	7,811
	20,514	35,471	28,139	50,204

5. Property, Plant and Equipment

Property, plant and equipment consist of the following:

	April 30, 2012 HK$	December 31, 2012 HK$	December 31, 2013 HK$	December 31, 2014 HK$
Property, plant and equipment:				
Buildings	55,680	123,712	164,074	132,986
Plant and machineries	793,044	263,618	326,767	303,933
Furniture, fixtures and equipment	143,837	110,897	136,096	92,370
Leasehold improvements	8,379	8,108	8,108	1,244
Computer equipment	16,828	9,262	13,146	15,122
Motor vehicles	11,018	8,618	10,095	9,895
Moulds	22,714	8,231	-	-
	1,051,500	532,446	658,286	555,550
Accumulated depreciation and amortization	(634,642)	(139,519)	(294,137)	(272,050)
Construction in progress	107,279	47,456	-	-
Property, plant and equipment, net	524,137	440,383	364,149	283,500

As of April 30, 2012 and December 31, 2012, construction in progress mainly represents the new factory building and the staff dormitory located in Shenzhen under construction.

Depreciation and amortization of property, plant and equipment were HK$155,668, HK$102,749, HK$122,189 and HK$107,396 during the year ended April 30, 2012, the 8-month period ended December 31, 2012 and the years ended December 31, 2013 and 2014, respectively.

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

5. Property, Plant and Equipment - Continued

Property, plant and equipment recorded under capital leases consist of the following:

	April 30, 2012 HK$	December 31, 2012 HK$	December 31, 2013 HK$	December 31, 2014 HK$
Property, plant and equipment recorded under capital leases:				
Plant and machineries	5,362	-	-	-
Accumulated depreciation and amortization	(3,915)	-	-	-
Property, plant and equipment recorded under capital leases, net	1,447	-	-	-

Depreciation and amortization of property, plant and equipment recorded under capital leases were HK$1,072, HK$Nil, HK$Nil and HK$Nil for the year ended April 30, 2012, the 8-month period ended December 31, 2012 and for the years ended December 31, 2013 and 2014, respectively.

6. Prepaid Lease Payments

As of April 30, 2012, December 31, 2012 and 2013, prepaid lease payments represented the prepayment of land use right for land located in Heyuan (with an expiry date on March 26, 2054) and for another three pieces of lands located in Shenzhen (with expiry dates on December 31, 2037, December 31, 2037 and February 28, 2040, respectively). During fiscal 2014, the subsidiary, Heyuan Sun Line (which owned the land use right for land located in Heyuan), had been disposed of and as a result of which, prepaid lease payments only comprised of the prepayment of land use right for the aforesaid three pieces of lands located in Shenzhen as of December 31, 2014.

Amortization of prepaid lease payments were HK$1,551, HK$1,034, HK$1,552 and HK$1,531 for the year ended April 30, 2012, the 8-month period ended December 31, 2012 and for the years ended December 31, 2013 and 2014, respectively.

7. Bank Borrowings and Banking Facilities

The subsidiaries of the Company have credit facilities with various banks representing import loans, trust receipt, documentary credits, loans and overdraft. As of April 30, 2012, December 31, 2012, 2013 and 2014, these facilities totaled HK$414,221, HK$340,140, HK$420,200 and HK$380,200, respectively, of which HK$257,355, HK$243,248, HK$332,418 and HK$330,200 were unused as of April 30, 2012, December 31, 2012, 2013 and 2014, respectively. These facilities are granted with the provision of corporate and personal guarantees jointly by the Company, a subsidiary and a director of the Company to the banks.

As of April 30, 2012, December 31, 2012, 2013 and 2014, bank borrowings consisted of HK$79,194 import loans and HK$77,672 bank loans, and HK$69,093 import loans and HK$27,799 bank loans, and HK$30,282 import loans and HK$57,500 bank loans, and HK$Nil import loans and HK$50,000 bank loan respectively. All of the outstanding balances were supported by the facilities mentioned above. Import loans were granted from seven, six, six and five banks as of April 30, 2012, December 31, 2012, 2013 and 2014, respectively, as a kind of invoice financing with terms ranged from 3 to 6 months on top of the suppliers' credit terms or invoice date. The interest margin thereon ranged from 1.25% to 2.20% per annum. Details of the bank loans were set out as follows:

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

7. Bank Borrowings and Banking Facilities - Continued

During the year ended April 30, 2012, the 8-month period ended December 31, 2012 and the year ended December 31, 2013, Hang Seng Bank Limited granted the Company two loans including:

(i) A term loan of HK$40,000 which is repayable by 16 quarterly installments of HK$2,500 commencing on September 7, 2010 with repayment on demand clauses. The interest thereon is calculated based on 3.32% per annum (with interest rate swap selected). As of April 30, 2010, 2011, an amount of HK$35,000 and HK$25,000 was outstanding, respectively, which was fully paid on December 7, 2012.

(ii) A term loan of HK$17,500 which is repayable by 14 quarterly installments of HK$1,250 commencing on September 7, 2012 with repayment on demand clauses. The interest thereon is calculated based on 3.32% per annum (with interest rate swap selected). As of December 31, 2013, an amount of HK$7,500 was outstanding, which will be fully paid on June 6, 2016.

During the year ended December 31, 2013, the Bank of Tokyo-Mitsubishi UFJ, Ltd. granted the Company a term loan of HK$50,000, bearing an interest rate of 1.5% per annum above HIBOR. As of December 31, 2013, an amount of HK$50,000 was outstanding which is repayable by 7 quarterly installments of HK$7,143 commencing on April 29, 2015.

During the year ended December 31, 2014, under the term loan of HK$50,000 granted by the Bank of Tokyo-Mitsubishi UFJ, Ltd. bearing an interest rate of 1.5% per annum above HIBOR, an amount of HK$50,000 was outstanding which is repayable by 7 quarterly installments of HK$7,143 commencing on April 29, 2015.

The weighted average interest rates on the bank loans for the year ended April 30, 2012, the 8-month period ended December 31, 2012 and for the years ended December 31, 2013 and 2014 were 1.75%, 2.04%, 1.70% and 2.8% per annum, respectively.

8. Capital Lease Obligations

The Company entered into capital leases for items of machinery. The Company has the option to purchase the leased machineries at prices that are expected to be sufficiently lower than the fair values of the leased assets at the end of the lease. The lease terms are for 4 to 5 years.

The Company recorded these equipment at the present value of the total lease payments using a discount rate ranging from 4.47% to 6.31% as of April 30, 2012.

Future minimum lease payments under these leases are as follows:

	April 30, 2012	**December 31, 2012**	**December 31, 2013**	**December 31, 2014**
	HK$	**HK$**	**HK$**	**HK$**
Year ended April 30, 2012	306	-	-	-
Year ended December 31, 2013	-	-	-	-
	306	-	-	-
Less: Imputed interest	3	-	-	-
	303	-	-	-
Less: Current portion of capital lease obligations	303	-	-	-
Non-current portion of capital lease obligations	-	-	-	-

The Company recorded interest expense of HK$153, HK$380, HK$Nil and HK$Nil for the year ended April 30, 2012, the 8-month period ended December 31, 2012 and for the years ended December 31, 2013 and 2014, respectively.

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

9. Other Payables and Accruals

Other payables and accruals consist of the following:

	April 30, 2012	December 31, 2012	December 31, 2013	December 31, 2014
	HK$	HK$	HK$	HK$
Accrued salaries, wages and bonus	37,353	33,303	28,561	25,780
Accrued electricity and water	5,868	5,933	4,759	5,231
Deposit received	21,446	23,664	23,375	23,338
Provision for employees' retirement benefit	12,175	15,835	20,416	20,967
Accrued commission and bonus	7,354	7,412	8,640	4,916
Accrued transportation expense	2,204	1,673	1,224	503
Accrued audit and professional fees	3,395	3,068	2,568	1,756
Accrued sundries expenses	16,201	14,118	11,341	8,263
Other payables	4,010	3,162	12,446	10,742
Derivative liabilities	811	418	54	-
Others	4,292	7,129	3,224	2,080
	115,109	115,715	116,608	103,576

10. Income Taxes

The Company and its subsidiaries are subject to taxation in various jurisdictions including Hong Kong, PRC and Thailand. Pursuant to the rules and regulations of the Cayman Islands, the Company is not subject to any income tax in the Cayman Islands. The income of its subsidiaries which are incorporated in the BVI is not subject to taxation in the BVI under the current BVI law. Under the current Samoa law, subsidiary incorporated in Samoa is not subject to income tax as it has no business operations in Samoa. The subsidiary operating in Macao is exempted from income taxes as it is a qualified 58/99/M company. The subsidiaries operating in Thailand are subject to corporate income tax whereas Broadway Precision (Thailand) Co., Ltd. is exempted from corporate income tax for six years under Board of Investment privilege, and Broadway Industries (Thailand) Co., Ltd. is subject to corporate income tax at a prevailing rate of 20% under Board of Investment. The subsidiaries operating in Hong Kong and the PRC are subject to income taxes as described below.

The provision for current income taxes of the subsidiaries operating in Hong Kong has been calculated by applying the rate of taxation of 16.5%, 16.5%, 16.5% and 16.5% for the year ended April 30, 2012, the 8-month period ended December 31, 2012 and for the years ended December 31, 2013 and 2014, respectively, to the estimated income earned in or derived from Hong Kong if applicable.

Enterprise income tax in the PRC was generally charged at 33% of the assessable profit prior to January 1, 2008. From January 1, 2008, with the effect of the new PRC Enterprise Income Tax Law and Implementation Rules ("EIT Law"), the enterprise income tax rate on all domestic-invested enterprises and foreign investment enterprises in the PRC has been reduced from the rate of 33% to 25%, unless they qualify for certain exemptions.

Two of the PRC subsidiaries, Dongguan Sun Chuen and Heyuan Sun Line (disposed of during fiscal 2014), were granted with a five-year grandfather period in accordance with the PRC tax regulation, "GuoShuiFa (2007) No. 39" issued in 2007. Under the new EIT Law, they were entitled to a full exemption for two years starting from the first profit-making year followed by a 50% exemption for the next three years. For Dongguan Sun Chuen, the grandfather period started from January 1, 2007 as this was the first profit-making year and expired on December 31, 2011. Heyuan Sun Line had not been making profit so far, under the new EIT Law, the five-year grandfather period was deemed started on January 1, 2008 and expired on December 31, 2012.

10. Income Taxes - Continued

For years prior to January 1, 2013, Dongguan Sun Line Processing Factory was operated pursuant to the processing agreement entered into between Sun Line Industrial Limited, which is incorporated in Hong Kong, and the PRC counterparty approved by Dongguan City Foreign Trade and Economic Cooperation Bureau.

Under the processing agreement, Sun Line Industrial Limited was not considered by local tax authorities to be doing business in China. Accordingly, it was not subject to local taxes in China. The PRC counterparty was responsible for paying taxes it incurred as a result of its operation under the processing agreement. By the end of December 2012, Sun Line Industrial Limited ceased Dongguan operations so that the Dongguan operations are no longer conducted through the PRC counterparty.

In accordance with the Hong Kong Inland Revenue Departmental Interpretation and Practice Note No. 21, 50% of the related income for the year arising in Hong Kong under the processing agreement has been determined is not subject to Hong Kong profits tax. The calculation of Hong Kong Profits Tax has been based on such tax relief.

Prior to December 2011, the operations of our Shenzhen Broadway Processing Factory were conducted pursuant to a processing agreement entered into between one of our former subsidiaries, Broadway Industrial Holdings Limited ("Broadway Industrial (BVI)"), incorporated in BVI, and a PRC counterparty approved by Shenzhen City Baoan District Economic Development Bureau. In December, 2011, Broadway Precision Technology Ltd., another of our wholly-owned subsidiaries incorporated in BVI, took up the role of Broadway Industrial (BVI) under the processing agreement. Operations of Shenzhen Broadway Processing Factory ceased as the processing agreement come to an end in December 2012.

Due to the complexity involved with certain tax matters, the Company has engaged an independent tax advisor to perform assessment in accordance with FASB ASC 740 "Income Taxes" during the year . The Company's liability for income taxes includes the liability for unrecognized tax benefits, interest and penalty as estimated which relate to tax years still subject to review by taxing authorities. Review periods remain open until the statute of limitations has passed.

Uncertain tax positions of all PRC subsidiaries have been also assessed and in the opinion of the independent tax advisor, there are no significant uncertain tax positions except for the transactions in between the PRC subsidiaries and their holding companies being subject to transfer pricing rulings in the PRC. The Company has evaluated the possibility of being charged with the under pricing arrangement by the relevant authorities. Accordingly, provision has been made for the estimated transfer pricing tax liabilities.

The Company recognizes interest expense and penalties related to income tax matters in interest and penalties expense within income tax expense. The sum of accrued interest or penalties accrued on the consolidated balance sheets accumulated to HK$1,553 on the consolidated balance sheets as at December 31, 2014. The Company had no significant unrecognized tax benefits at December 2012, December 2013 and December 2014.

As of April 30, 2012, December 31, 2012, 2013 and 2014, board of directors considered that the Company had accounted for the uncertain tax positions affecting its consolidated financial position, results of operations or cash flows, and will continue to evaluate for any uncertain position in future. The Company's tax positions related to open tax years are subject to examination by the relevant tax authorities.

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

10. Income Taxes - Continued

The provision for income taxes consists of the following:

	Year ended April 30, 2012	8-month Period ended December 31, 2012	Year ended December 31, 2013	Year ended December 31, 2014
	HK$	HK$	HK$	HK$
Current tax				
- Hong Kong	3,637	1,800	23,550	22,020
- PRC	13,826	4,276	3,429	6,393
- Other countries	-	-	609	(2,252)
Deferred tax	(652)	(2,732)	(23,854)	(2,681)
	16,811	3,344	3,734	23,480

Reconciliations between the provision for income taxes computed by applying the Hong Kong profits tax to income before income tax expense are as follows:

	Year ended April 30, 2012	8-month Period ended December 31, 2012	Year ended December 31, 2013	Year ended December 31, 2014
	HK$	HK$	HK$	HK$
Provision for income taxes at Hong Kong profits tax rate	2,990	1,747	18,095	21,126
Effect of different tax rates in other jurisdictions	13,676	1,544	(5,456)	1,459
Effect of income not chargeable for tax purpose	(21)	(6)	(661)	(941)
Effect of expenses not deductible for tax purpose	818	19	12	126
Tax effect of unused tax losses not recognized	-	40	-	459
Tax effect of tax losses utilized	-	-	(593)	-
(Over)/under provision in previous years	(652)	-	(7,663)	1,251
	16,811	3,344	3,734	23,480

The components of deferred tax (liability)/asset recognized are as follows:

	April 30, 2012	December 31, 2012	December 31, 2013	December 31, 2014
	HK$	HK$	HK$	HK$
Deferred tax (liability)/asset:				
Net operating loss carry forwards	-	-	-	-
Reversal/(Accelerated) tax depreciation	(15,156)	(11,629)	12,225	14,212
Others	652	-	-	-
Net deferred tax (liability)/asset	(14,504)	(11,629)	12,225	14,212

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

11. Net Income Per Share

The following table sets forth the computation of basic and diluted income per share for the years indicated:

	Year ended April 30, 2012	8-month Period ended December 31, 2012	Year ended December 31, 2013	Year ended December 31, 2014
	HK$	HK$	HK$	HK$
Basic and diluted income per share				
Net income for the year – numerator	50,404	59,823	80,880	167,821
Weighted average number of basic and diluted ordinary shares outstanding - denominator	15,944,233	14,303,544	13,503,623	12,938,128
Basic and diluted income per share	HK$ 3.2	HK$ 4.2	HK$ 6.0	HK$ 13.0

In connection with the reverse acquisition and recapitalization, all share and per share amounts have been retroactively restated.

12. Commitments and Contingencies

Operating lease

The Company leases a number of properties under operating leases. Rental expenses under operating leases for the year ended April 30, 2012, the 8-month period ended December 31, 2012 and for the years ended December 31, 2013 and 2014, were HK$21,728, HK$16,480, HK$23,238 and HK20,391, respectively.

As of December 31, 2014, the Company was obligated under non-cancellable operating leases minimum rentals as follows:

	HK$
Years ending December 31,	
2015	13,653
2016	6,004
2017	4,030
Thereafter	4,463
Total minimum lease payments	28,150

Capital commitment

As of December 31, 2014, the Company had capital commitments for purchase of plant and machineries totaling HK$13,590, which are expected to be disbursed during the year ending December 31, 2015.

12. Commitments and Contingencies - Continued

Bonus Plan

The Company has established a bonus plan for the management/executive officers. Pursuant to the plan, in order for any bonus to be paid, the Company must achieve an annual net profit (excluding any extraordinary items) of HK$78,000 in any fiscal year, which is refer to as the "Net Profit Target". If the Net Profit Target is achieved in any fiscal year, a pool of 4% of any amount over the Net Profit Target will be set aside to provide bonuses to the management/executive officers. Of the bonus pool that is created, Kin Sun Sze-To, Chin Hien Tan and Ho Leung Ning would currently be entitled to 32%, 24% and 24%, respectively, of the available bonus, with the remaining amount being made available for distribution to the remaining officers, subject to adjustment at the discretion of the board. Payment of any bonuses under the plan will be in cash or ordinary shares (to be purchased in the open market), at the board's sole discretion. The plan has taken effect beginning with the fiscal year ended April 30, 2011. No bonuses were provided under the plan for the year ended April 30, 2012 and for the 8-month period ended December 31, 2012, as the Company did not meet the Net Profit Target for the year ended April 30, 2012 and there were only eight months operations for the 8-month period ended December 31, 2012. T he Company met the Net Profit Target for the year ended December 31, 2013 and accordingly paid bonuses in the total sum of HK$115 under the plan to its management/executive officers.

The Company will pay bonus in cash according to the bonus plan for the year ended December 31, 2014 as Net Profit Target was met for the year.

13. Employee Benefits

The Company contributes to a defined contribution retirement benefit plan under the Mandatory Provident Fund Schemes Ordinance, for all of its HK employees who are eligible to participate in the MPF Scheme. The total MPF contributions were HK$429, HK$330, HK$518 and HK$517 for the year ended April 30, 2012, the 8-month period ended December 31, 2012 and for the years ended December 31, 2013 and 2014, respectively.

Full time employees of the PRC and Thailand entities participate in government mandated multi-employer defined contribution plans pursuant to which certain pension benefits, medical care, unemployment insurance, employee housing fund and other welfare benefits are provided to employees. The total provisions for such employee benefits were HK$32,928, HK$21,550, HK$33,053 and HK$43,050 for the year ended April 30, 2012, the 8-month period ended December 31, 2012 and for the years ended December 31, 2013 and 2014, respectively.

14. Statutory Reserve Appropriation for PRC Subsidiaries

Pursuant to the laws and regulations applicable to the PRC, the Company's wholly foreign owned subsidiaries must make appropriations from after-tax profit to non-distributable reserves funds including: (i) the statutory surplus reserve and; (ii) the statutory public welfare fund. Subject to the law applicable to foreign invested enterprises in the PRC, they were required annual appropriations of the general reserve fund no less than 10% of after-tax profit (as determined under accounting principles generally accepted in the PRC at each year-end). These reserve funds can only be used for specific purposes of enterprise expansion and staff welfare and are not distributable as cash dividends. Dongguan Sun Chuen has made appropriation at 10% of its accumulated after-tax profit upto its PRC year ended December 31, 2009 in May 31, 2011, while it has been operating at loss thereafter. For other PRC subsidiaries, no appropriation had been made as a result of their accumulated after-tax losses incurred in those years.

15. Warrants and Unit Purchase Options

On November 25, 2009, the Company sold 3,600,000 units in its initial public offering (the "Offering") at an offering price of U.S.$10.00 per unit. Each unit consisted of one ordinary share, U.S.$0.001 par value, of the Company and one redeemable purchase warrant ("warrants"). Each warrant entitled the holder to purchase from the Company one ordinary share at an exercise price of U.S.$11.50. The warrants expired on November 18, 2014. As of April 30, 2012, December 31, 2012, 2013 and 2014, there were 4,781,122, 4,781,122, 4,696,122 and nil warrants outstanding.

15. Warrants and Unit Purchase Options - Continued

The Company agreed to pay the underwriters in the Offering an underwriting discount of 7.0% of the gross proceeds of the Offering. However, the underwriters had agreed that 4.0% of the underwriting discounts would not be payable unless and until the Company completed a business combination and had waived their right to receive such payment upon the Company's liquidation if it was unable to complete a business combination. The underwriters subsequently agreed to waive their deferred discounts upon consummation of the business combination with Plastec described above. The Company also issued a unit purchase option (the “UPOs”), for U.S.$100, to Cohen & Company Securities, LLC (“Cohen Securities”), the representative of the underwriters in the Offering, and its designees to purchase 360,000 units (10% of the total number of units sold in the Offering) at an exercise price of U.S.$15.00 per unit (150% of the public offering price). The units issuable upon exercise of the UPOs were identical to the units sold in the Offering. This option became exercisable on December 16, 2010 and expired on November 18, 2014. The Company accounted for the fair value of the unit purchase option, net of the receipt of the U.S. $100 cash payment, as an expense of the Offering resulting in a charge directly to shareholders' equity. The Company estimated the fair value of this unit purchase option, as of the date of issuance, was approximately U.S.$2.14 per unit using a Black-Scholes option-pricing model.

The fair value of the unit purchase option granted to the underwriter was estimated as of the date of grant using the following assumptions: (1) expected volatility of 35%, (2) risk-free interest rate of 2.59% and (3) expected life of 5 years.

No UPOs were exercised before the end of the reporting period. The Company repurchased 70,375 UPOs on April 23, 2012. Outstanding UPOs as of April 30, 2012, December 31, 2012, 2013 and 2014 were 289,625, 289,625, 289,625 and nil, respectively.

For the year ended April 30, 2012, the 8-month period ended December 31, 2012 and the years ended December 31, 2013 and 2014, potential ordinary shares of 4,781,122, 4,781,122, 4,696,122 and nil shares related to warrants and 579,250, 579,250, 579,250 and nil shares related to UPOs, retroactively and respectively are excluded from the computation of diluted net income per share as their exercise prices were higher than the average market price.

16. Financial Instruments and Derivatives

The Company adopted FASB ASC 820 “Fair Value Measurements and Disclosures” to measure its assets and liabilities. The fair value of a financial instrument is defined as the exchange price that would be received from an asset or paid to transfer a liability (as exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants at the measurement date. Except for the interest rate swap contracts described below, the carrying amounts of financial assets and liabilities, such as cash and cash equivalents, trade receivables, deposits, prepayment and other receivables, other current assets, trade payables, and other current liabilities, approximate at their fair values because of the short maturity of these instruments and market rates of interest.

As a result of the various floating rate bank borrowings being obtained during the period to support the Company's expansion, the Company entered into two interest rate swap contracts with two commercial banks to reduce the exposure to variability in future cash flows attributable to a portion of its borrowings. The Company did not use these derivative financial instruments for speculative or trading purpose, nor did it hold or issue leveraged derivative financial instruments. As of April 30, 2012 and December 31, 2012, the fair value of the two interest rate swap contracts amounted to HK$811 and HK$418, respectively. As of December 31, 2013, there was one interest rate swap contract outstanding and amounted to HK$54. During the year 2014, the outstanding interest rate swap contracts expired in September, 2014. The provision of the contract provides that the Company will pay the commercial banks a fixed rate of 2.07% p.a. and the commercial bank will pay the Company a variable rate equal to three-month HIBOR, which was 0.40%. The interest rate swap contracts were not designated as a hedging instrument under derivative accounting guidance, and gains and losses from changes in its fair value were therefore included in interest expenses. These interest rate swap contracts are classified as Level 2 in the fair value hierarchy under FASB ASC 820. The fair value of the interest rate swap contracts is arrived at by discounting the present value of the difference between the contractual swap rate and the current market swap rates on April 30, 2012, December 31, 2012 and 2013, respectively, utilizing the notional amounts and the remaining terms of the swap contracts.

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

16. Financial Instruments and Derivatives - Continued

The following table summarizes the Company's fair value of outstanding derivatives:

	Consolidated Balance Sheet Presentation	April 30, 2012	December 31, 2012	December 31, 2013	December 31, 2014
		HK$	HK$	HK$	HK$
Derivatives not designated as hedging instruments					
Fair value of interest rate swap contracts	Other payables and accruals	811	418	54	-

The impact on net income from derivatives activity for the year ended April 30, 2012, the 8-month period ended December 31, 2012, the years ended December 31, 2013 and 2014 are as follows:

	Presentation of gain or loss recognized on derivatives	Year ended April 30, 2012	8-month Period ended December 31, 2012	Year ended December 31, 2013	Year ended December 31, 2014
		HK$	HK$	HK$	HK$
Derivatives not designated as hedging instruments					
Interest rate swap contracts	Changes in fair value of derivatives included in administrative expenses	215	271	42	-

17. Operating risks

Concentrations of Major Suppliers

Three major suppliers provided approximately 27.4%, 23.3%, 29.0% and 23.6% of the Company's purchases of raw materials which are mainly resins for the year ended April 30, 2012, the 8-month period ended December 31, 2012 and for the years ended December 31, 2013 and 2014, respectively. A substantial percentage of the Company's trade payables are due to these suppliers which accounted for 21.7%, 13.9%, 12.8% and 26.5% of the total accounts payables as of April 30, 2012, December 31, 2012, 2013 and 2014, respectively.

Concentrations of Major Customers

A substantial percentage of the Company's sales are made to two customers and are typically sold on an open account basis. The sales to the two major customers accounted for 18.7% and 35.6%, 13.7% and 36.4%, 14.7% and 44.4%, 10.8% and 42.0% of the total net sales for the year ended April 30, 2012, the 8-month period ended December 31, 2012, and for the years ended December 31, 2013 and 2014, respectively.

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

17. Operating risks - Continued

Concentrations of Credit Risk

The largest trade receivables balances from the five customers as of April 30, 2012, December 31, 2012, 2013 and 2014 respectively accounted for 65.3%, 66.7%, 79.5% and 74.2% of total trade receivables of the time. The Company has not experienced any significant difficulty in collecting its trade receivables in the past and is not aware of any financial difficulties being experienced by its major customers. There were bad debt expenses of HK$Nil, HK$Nil, HK$Nil and HK$Nil for the year ended April 30, 2012, the 8-month period ended December 31, 2012 and for the years ended December 31, 2013 and 2014, respectively.

18. Operating Segment and Geographical Information

The Company uses the management approach model for segment reporting. The management approach model is based on the way a company's management organizes segments within the company for making operating decisions and assessing performance. The Company consists of one reportable business segment which is provision of integrated plastic manufacturing services. All of the Company's sales are from the manufacturing processes which are conducted in PRC and Thailand. The Company's sales to customers by geographic destination are analyzed as follows:

	Year ended April 30, 2012	8-month Period ended December 31, 2012	Year ended December 31 2013	Year ended December 31 2014
	HK$	HK$	HK$	HK$
Asia-Pacific Region	742,327	462,837	482,725	539,167
Europe	542,410	380,062	573,102	524,552
The United States	6,486	90,989	111,288	144,092
	1,291,223	933,888	1,167,115	1,207,811

The location of the Company's identifiable assets is as follows:

	April 30 2012	December 31, 2012	December 31, 2013	December 31, 2014
	HK$	HK$	HK$	HK$
PRC	723,210	616,777	598,889	514,260
Hong Kong	459,029	494,033	478,696	633,656
Macau	8,348	39,225	10,243	22,560
Thailand	3,142	27,396	62,899	97,034
United States	-	1,711	4,094	3,646
	1,193,729	1,179,142	1,154,821	1,271,156

19. Subsequent Events

On April 9, 2015, the Company announced that its board of directors had declared a final cash dividend of U.S.$0.20 per share for the year ended December 31, 2014 payable on or about May 1, 2015 to the shareholders of record as of April 24, 2015.

The Company has evaluated all other subsequent events through April 15, 2015, the date these consolidated financial statements were issued, and determined that there were no other subsequent events or transaction, apart from the above described events, that required recognition or disclosures in the financial statements.

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

20. Change in Fiscal Year End

On September 11, 2012, the Company determined to change its fiscal year end from April 30 to December 31. The change in fiscal year end was made so that the Company's fiscal year end would coincide with all the Company's operating subsidiaries in the People's Republic of China. The figures below for the 8-month period ended December 31, 2011 and year ended December 31, 2012 have not been audited and are presented for comparative purposes only.

	8-month Period ended December 31,		Year ended December 31,	
	2011	2012	2012	2013
	HK$ (Unaudited)	HK$ (Audited)	HK$ (Unaudited)	HK$ (Audited)
Revenues	911,294	933,888	1,313,818	1,167,115
Cost of revenues	(801,413)	(807,104)	(1,144,971)	(899,400)
Gross profit	109,881	126,784	168,847	267,715
Operating expenses, net				
Selling, general and administrative expenses	(56,498)	(66,330)	(94,743)	(166,969)
Other income	1,600	6,266	7,098	2,508
Write-off of property, plant and equipment	(690)	(4,058)	(4,058)	(14,920)
Gain/(loss) on disposal of property, plant and equipment	829	1,898	2,007	(2,836)
Total operating expenses, net	(54,759)	(62,224)	(89,696)	(182,217)
Income from operations	55,122	64,560	79,151	85,498
Interest income	172	166	212	276
Interest expense	(1,880)	(1,559)	(2,374)	(1,160)
Income before income tax expense	53,414	63,167	76,989	84,614
Income tax expense	(13,379)	(3,344)	(6,777)	(3,734)
Net income	40,035	59,823	70,212	80,880
Other comprehensive income				
Foreign currency translation adjustment	7,157	(990)	(911)	3,377
Comprehensive income attributable to Plastec Technologies, Ltd.	47,192	58,833	69,301	84,257
Net income per share				
Weighted average number of ordinary shares	16,540,951	14,303,544	14,446,515	13,503,623
Weighted average number of diluted ordinary shares	16,540,951	14,303,544	14,446,515	13,503,623
Basic income per share attributable to Plastec Technologies, Ltd.	HK$ 2.4	HK$ 4.2	HK$ 4.9	HK$ 6.0
Diluted income per share attributable to Plastec Technologies, Ltd.	HK$ 2.4	HK$ 4.2	HK$ 4.9	HK$ 6.0

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

21. Condensed financial information of Plastec Technologies, Ltd.

The condensed financial statements of Plastec Technologies, Ltd. have been prepared in accordance with accounting principles generally accepted in the United States of America.

Balance Sheets

	April 30, 2012	December 31, 2012	December 31, 2013	December 31, 2014
	HK$	HK$	HK$	HK$
Assets				
Current assets				
Cash and cash equivalents	28,980	23,787	31,048	163,336
Amounts due from subsidiaries	-	-	100,056	287,836
Prepaid expenses	574	-	-	1,076
Dividend receivable	-	-	-	70,000
Total current assets	29,554	23,787	131,104	522,248
Investment in subsidiaries	1	1	1	1
Total assets	29,555	23,788	131,105	522,249
Liabilities and shareholders' equity				
Current liabilities				
Account payable and accrued liabilities	369	369	609	416
Due to fellow subsidiaries	66,017	62,012	-	-
Tax payable	-	-	1,378	2,897
Total current liabilities	66,386	62,381	1,987	3,313
NET CURRENT ASSETS/(LIABILITIES)	(36,831)	(38,593)	129,118	518,936
TOTAL ASSETS AND LIABILITIES	(36,831)	(38,593)	129,118	518,936
Shareholders' equity				
Ordinary shares (US$0.001 par value; 100,000,000 authorized, 14,352,903, 14,292,228, 12,938,128 and 12,938,128 shares issued and outstanding as of April 30, 2012 and December 31, 2012, 2013 and 2014, respectively)	112	112	101	101
Retained earnings/(Accumulated losses)	(36,943)	(38,705)	129,017	518,835
Total shareholders' equity	(36,831)	(38,593)	129,118	518,936

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

21. Condensed financial information of Plastec Technologies, Ltd. – Continued

Statements of operations and comprehensive income

	Year ended April 30, 2012	8-month Period ended December 31, 2012	Year ended December 31, 2013	Year ended December 31, 2014
	HK$	HK$	HK$	HK$
Revenues	-	-	224,758	414,000
Other incomes	4,803	3,323	12,192	12,119
Administrative expenses	(4,163)	(2,243)	(4,455)	(4,101)
Finance costs	-	(3)	-	-
Income before income tax expense	640	1,077	232,495	422,018
Income tax expense	-	-	(1,379)	(1,519)
Total comprehensive income	640	1,077	231,116	420,499

Statements of cash flows

	Year ended April 30, 2012	8-month Period ended December 31, 2012	Year ended December 31, 2013	Year ended December 31, 2014
	HK$	HK$	HK$	HK$
Cash flows from operating activities				
Net income	640	1,077	231,116	420,499
Change in operating assets and liabilities				
Prepaid expenses	(272)	574	-	(1,076)
Accounts payable and accrued liabilities	-	1	239	(193)
Income tax	-	-	1,378	1,519
Net cash provided by operating activities	368	1,652	232,733	420,749
Cash flows from investing activity				
Increase in dividend receivable	-	-	-	(70,000)
Net cash used in investing activity	-	-	-	(70,000)
Cash flows from financing activities				
Increase/(decrease) in amount due to subsidiaries	65,868	(4,005)	-	-
Increase in amount due from subsidiaries	-	-	(162,068)	(187,780)
Proceeds used in repurchase of shares and warrants	(92,026)	(2,840)	(63,404)	(406)
Dividend paid	-	-	-	(30,275)
Net cash used in financing activities	(26,158)	(6,845)	(225,472)	(218,461)
Net increase/(decrease) in cash and cash equivalents	(25,790)	(5,193)	7,261	132,288
Cash and cash equivalents, beginning of year/period	54,770	28,980	23,787	31,048
Cash and cash equivalents, end of year/period	28,980	23,787	31,048	163,336

Corporate Information

Plastec Technologies, Ltd.
c/o Unit 01, 21/F, Aitken Vanson Centre, 61 Hoi Yuen Road
Kwun Tong, Kowloon, Hong Kong
Tel.: 852-21917155
Fax: 852-27796001

Transfer Agent
Continental Stock Transfer and Trust
17 Battery Place
8^{th} Floor
New York, NY 10004

Legal Counsel
Graubard Miller
405 Lexington Avenue
New York, NY 10174

Investor Relations
The Equity Group Inc.
800 Third Avenue
New York, NY 10022

Independent Auditors
Dominic K.F. Chan & Co.
Certified Public Accountants
Rooms 2105-06, 21/F.,
Office Tower, Langham Place,
8 Argyle Street, Mongkok,
Kowloon, Hong Kong.

Current Directors and Officers

Kin Sun Sze-To
Chairman of the Board and Chief Executive Officer

Chin Hien Tan
Chief Operating Officer

Ho Leung Ning
Chief Financial Officer

Eli D. Scher
Non-Executive Vice Chairman of the Board

J. David Selvia
Director

Chung Wing Lai
Director

Joseph Yiu Wah Chow
Director

Plastec Technologies, Ltd.

Unit 01, 21/F, Aitken Vanson Centre, 61 Hoi Yuen Road

Kwun Tong, Kowloon, Hong Kong