



PLASTEC TECHNOLOGIES REPORTS FISCAL 2013 FINANCIAL RESULTS

Hong Kong – April 25, 2014 – Plastec Technologies, Ltd. - (OTCBB: PLTYF (ordinary shares), PLTWf (warrants), **PLTEF (units)**) (“**Plastec**” or the “**Company**”), an integrated plastic manufacturing services provider that operates in the People’s Republic of China and Thailand, today reported audited financial results for the fiscal 2013 year ended December 31, 2013. See attached tables at the end of this release in Hong Kong dollars (HKD). All other amounts in this press release are presented in U.S. dollars (USD) with a conversion rate of US\$1.0: HK\$7.8.

FY 2013 Financial and Operating Highlights (all comparisons to prior year)

- Sales of \$149.6 million, a decrease of 11.2% as a result of a reduction in lower margin product orders from existing customers
- Gross margin of 22.9%, compared to 12.9%, resulting primarily from a more favorable product mix
- Adjusted EBITDA of \$28.8 million, compared to \$29.5 million
- Net income of \$10.4 million, or \$0.77 per diluted share based on 13.5 million diluted shares outstanding, compared to \$9.0 million, or \$0.63 per diluted share based on 14.4 million diluted shares outstanding
- \$20.3 million in cash from operations for the year ended December 31, 2013

Balance Sheet Highlights (at December 31, 2013)

- \$58.0 million in working capital at December 31, 2013, compared to \$39.9 million at December 31, 2012
- Company repurchased 1,354,100 shares and 85,000 warrants during the twelve months ended December 31, 2013
- Book value per share of \$7.96 at December 31, 2013

Management Comments

Mr. Kin Sun Sze-To, Chairman of Plastec, stated, “Throughout 2013, we were focused primarily on expanding our margins in light of a challenging macro environment in the consumer products sector. We are pleased to have improved our gross margins by avoiding the acceptance of projects for the sole purpose of increasing the top line. Plastec’s specialty is on precision molding design and finishing services, primarily concentrated in the new models of our clients’ product lines. Plastec’s primary value-proposition has been an expertise in this specific niche, and we are pleased to leverage our reputation in this regard to achieve incremental margin enhancement from our clients.”

Mr. Sze-To continued, “We have continued to invest heavily in our company, both in terms of upgrading our assets and selectively repurchasing our securities. In addition, we declared a dividend as a measure of rewarding our shareholders for their continued support of Plastec. Our goal is to continue to generate free cash flow and then use that capital to position Plastec to grow at times when the economic cycle is favorable. We feel that we have the infrastructure in place to handle additional demand from our current clientele, many of whom have now worked with our Company for years. We believe that as we continue to improve production facilities, expand our capacity, explore international opportunities and further strengthen our precision molding abilities, we will be able to retain and attract new multinational customers. We feel there are numerous avenues for potential growth, including expansion into new industries, either organically or through complementary acquisitions.”

Selected Financial Highlights			
<u>(USD in millions, except number of shares and per share data)</u>			
<u>(Results and percentages rounded to the nearest tenth)</u>			
	12 months ended December 31, 2013	12 months ended December 31, 2012	Percentage Change
Sales	\$149.6	\$168.4	-11.2%
Cost of Revenues	\$115.4	\$146.8	-21.4%
Gross Profit	\$34.2	\$21.6	58.6%
<i>Gross Profit Ratio</i>	22.9%	12.9%	
Income from Operations	\$11.0	\$10.1	8.0%
<i>Operating Margin</i>	7.3%	6.0%	
Net Income	\$10.4	\$9.0	15.2%
<i>Net Margin</i>	6.9%	5.3%	
Weighted Average Number of Diluted Shares Outstanding	13,503,623	14,446,515	
Diluted EPS	\$0.77	\$0.63	22.2%
Adjusted EBITDA*	\$28.8	\$29.5	-2.6%

* Reconciliation table at end of release

Balance Sheet Highlights (USD in Millions)			
	<u>12/31/2013</u>	<u>12/31/2012</u>	Percentage Change
Cash and Cash Equivalents	\$44.7	\$39.7	12.6%
Total Current Assets	\$96.6	\$89.8	7.6%
Total Assets	\$148.1	\$151.2	-2.1%
<i>Working Capital</i>	\$58.0	\$39.9	45.5%
Total Long-term Debt	6.4	0	
Total Liabilities	\$45.0	\$51.4	-12.4%
Shareholders' Equity	\$103.0	\$99.8	3.3%
Total Liabilities and Shareholders' Equity	\$148.1	\$151.2	-2.1%

2013 Financial Review

- Total sales for the year ended December 31, 2013 decreased to \$149.6 million from \$168.4 million in the prior-year. The decline in total sales was largely due to a reduction in lower margin product orders.
- The Company's gross profit increased by 58.6% to \$34.2 million during the year ended December 31, 2013, and gross profit margin improved to 22.8% from 12.9% for the prior year. The increase in gross profit and margin was due to a number of factors including a focus on new models from existing customers, which typically carry a much higher margin than second generation orders, and a reduction in costs of revenues resulting from the Company's efforts to further streamline its manufacturing process.
- Income from operations was \$11.0 million, or 7.3% of revenues, during the year ended December 31, 2013, compared to \$10.1 million, or 6.0%, in the prior-year period.
- Adjusted EBITDA for the year ended December 31, 2013 was \$28.8 million, compared to \$29.5 million in the prior year.

- Net income for the year ended December 31, 2013 was \$10.4, or \$0.77 per share based on approximately 13.5 million weighted average diluted shares outstanding, compared to \$9.0 million, or \$0.63 per share based on approximately 14.4 million weighted average diluted shares, in the prior-year.

Share and Warrant Repurchase Update

In September 2013, the Company announced the completion of its previously announced repurchase plan of up to \$5 million of its ordinary shares and warrants, which was scheduled to expire on December 9, 2013. At the completion of the plan, Plastec had repurchased 832,765 shares and 85,000 warrants thereunder. The Company subsequently announced a new 12-month repurchase plan through September 25, 2014, allowing Plastec to purchase up to \$5 million of its ordinary shares and warrants in both open market and privately negotiated transactions at the discretion of the Company's management and as market conditions allow. As of the date of this press release, Plastec had repurchased 586,010 shares and no warrants under the current plan.

About Plastec

Originally founded in 1993 by Chairman and CEO, Mr. Kin Sun Sze-To, Plastec is an integrated plastic manufacturing services provider that operates in the People's Republic of China and Thailand through its wholly owned subsidiaries. With over 4,700 employees, Plastec provides precision plastic manufacturing services from mold design and fabrication, plastic injection manufacturing to secondary-process finishing, as well as parts assembly.

Forward Looking Statements

This press release contains "forward-looking statements." These forward-looking statements involve significant risks and uncertainties that could cause the actual results to differ materially from the expected results. Actual results may differ from expectations, estimates and projections and, consequently, you should not rely on these forward looking statements as predictions of future events. Words such as "expect," "estimate," "project," "budget," "forecast," "anticipate," "intend," "plan," "may," "will," "could," "should," "believes," "predicts," "potential," "continue," and similar expressions are intended to identify such forward-looking statements.

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

	Year ended April 30,		8-month Period ended December 31,	Year ended December 31,
	2011 HK\$	2012 HK\$	2012 HK\$	2013 HK\$
Revenues	1,323,533	1,291,223	933,888	1,167,115
Cost of revenues	(1,074,880)	(1,142,653)	(807,104)	(899,400)
Gross profit	<u>248,653</u>	<u>148,570</u>	<u>126,784</u>	<u>267,715</u>
Operating expenses, net				
Selling, general and administrative expenses	(83,584)	(81,557)	(66,330)	(166,969)
Other income	4,711	2,431	6,266	2,508
Write-off of property, plant and equipment	(1,791)	(690)	(4,058)	(14,920)
Gain / (Loss) on disposal of property, plant and equipment	1,315	938	1,898	(2,836)
Total operating expenses, net	<u>(79,349)</u>	<u>(78,878)</u>	<u>(62,224)</u>	<u>(182,217)</u>
Income from operations	169,304	69,692	64,560	85,498
Interest income	124	218	166	276
Interest expense	(3,008)	(2,695)	(1,559)	(1,160)
Income before income tax expense	<u>166,420</u>	<u>67,215</u>	<u>63,167</u>	<u>84,614</u>
Income tax expense	(33,106)	(16,811)	(3,344)	(3,734)
Net income	<u>133,314</u>	<u>50,404</u>	<u>59,823</u>	<u>80,880</u>
Other comprehensive income				
Foreign currency translation adjustment	218	7,408	(990)	3,377
Comprehensive income attributable to Plastec Technologies, Ltd.	<u>133,532</u>	<u>57,812</u>	<u>58,833</u>	<u>84,257</u>
Net income per share:				
Weighted average number of ordinary shares	<u>7,891,754</u>	<u>15,944,233</u>	<u>14,303,544</u>	<u>13,503,623</u>
Weighted average number of diluted ordinary shares	<u>7,891,754</u>	<u>15,944,233</u>	<u>14,303,544</u>	<u>13,503,623</u>
Basic income per share attributable to Plastec Technologies, Ltd.	<u>HK\$16.9</u>	<u>HK\$3.2</u>	<u>HK\$4.2</u>	<u>HK\$6.0</u>
Diluted income per share attributable to Plastec Technologies, Ltd.	<u>HK\$16.9</u>	<u>HK\$3.2</u>	<u>HK\$4.2</u>	<u>HK\$6.0</u>

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

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,		8-month Period ended December 31,	Year ended December 31,
	2011 HK\$	2012 HK\$	2012 HK\$	2013 HK\$
Operating activities				
Net income	133,314	50,404	59,823	80,880
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation and amortization	143,640	157,219	103,513	123,741
Net gain on disposal of property, plant and equipment	(1,315)	(938)	(1,897)	2,836
Net gain on disposal of prepaid leases	(3,799)	-	-	-
Write-off of property, plant and equipment	1,791	690	4,058	14,920
Impairment on inventories	6,095	6,920	4,108	7,037
Deferred tax charge	-	(652)	(2,732)	(23,854)
Changes in operating assets and liabilities:				
Trade receivables	(28,666)	(12,106)	25,553	(12,120)
Inventories	(49,530)	(17,574)	26,812	(16,628)
Deposits, prepayment and other receivables	3,382	(12,158)	(13,772)	7,332
Trade payables	(8,027)	(6,023)	29,472	(46,008)
Other payables and accruals	27,044	34,299	12,212	891
Tax payables	37,711	16,547	416	19,276
Net cash provided by operating activities	<u>261,640</u>	<u>216,628</u>	<u>247,566</u>	<u>158,303</u>
Investing activities				
Purchase of property, plant and equipment	(225,904)	(126,167)	(87,224)	(54,436)
Proceeds from disposal of property, plant and equipment	2,405	5,252	29,665	6,634
Proceeds from disposal of prepaid leases	3,919	-	-	-
Deposits for purchase of property, plant and equipment	(8,001)	(12,813)	(15,690)	(2,325)
Net loss on disposals of subsidiaries	-	-	(165)	-
Net cash used in investing activities	<u>(227,581)</u>	<u>(133,728)</u>	<u>(73,414)</u>	<u>(50,127)</u>
Financing activities				
Net cash inflow from the merger transaction	58,160	-	-	-
Repurchases of shares	-	(92,025)	(2,841)	(63,404)
Proceeds from bank borrowings	464,651	379,465	220,809	195,214
Repayment of bank borrowings	(408,917)	(392,309)	(280,783)	(204,324)
Repayment of capital lease obligations	(9,718)	(5,311)	(303)	-
Dividends paid	(70,000)	-	-	-
Net cash provided by (used in) financing activities	<u>34,176</u>	<u>(110,180)</u>	<u>(63,118)</u>	<u>(72,514)</u>
Effect of exchange rate changes on cash and cash equivalents	218	7,341	(990)	3,377
Net increase (decrease) in cash and cash equivalents	68,235	(27,280)	111,034	35,662
Cash and cash equivalents, beginning of year	151,304	219,757	199,818	309,862
Cash and cash equivalents, end of year	<u>219,757</u>	<u>199,818</u>	<u>309,862</u>	<u>348,901</u>
Supplementary disclosures of cash flow information:				
Interest paid, net	2,883	2,477	1,393	886
Income taxes paid	<u>(4,605)</u>	<u>916</u>	<u>5,660</u>	<u>8,312</u>

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

	8-month		Year ended December 31,	
	Period 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

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

		12 Months Ended	
		December 31	December 31
		2012	2013
		HKD	HKD
Net Income (note)		65,165	96,128
Plus	Interest expenses	2,374	1,160
Minus	Interest incomes	(212)	(276)
Plus	Income tax expenses	6,777	3,734
Income from operations		74,104	100,746
Plus	Depreciation and Amortization	156,337	123,741
Adjusted EBITDA		230,441	224,487

Note: Excl. other incomes and gain/(loss) on disposals/written-off

This press release includes financial information (EBITDA) not derived in accordance with generally accepted accounting principles or international financial reporting standards. Plastec believes that the presentation of such financial information provides more useful information to investors as it indicates more clearly Plastec's future performance. EBITDA was derived by taking earnings before interest expense (net), taxes, depreciation and amortization