



PLASTEC TECHNOLOGIES REPORTS 2014 FIRST QUARTER FINANCIAL RESULTS

Hong Kong – May 13, 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 unaudited financial results for the three months ended March 31, 2014. 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.

Financial and Operating Highlights for the Three Months Ended March 31, 2014 (all comparisons to prior year)

- Sales of \$35.2 million, a decrease of 6.9% as a result the Company reducing lower margin product orders from existing customers
- Gross margin of 24.0%, compared to 20.7%, resulting primarily production of higher margin products
- Adjusted EBITDA of \$8.3 million, compared to \$7.1 million
- Net income of \$7.9 million, or \$0.62 per diluted share based on 12.9 million diluted shares outstanding, compared to \$1.6 million, or \$0.12 per diluted share based on 13.8 million diluted shares outstanding
- \$8.8 million in cash from operations for the three months ended March 31, 2014

Balance Sheet Highlights

- \$67.3 million in working capital at March 31, 2014, compared to \$58.0 million at March 31, 2013
- Book value per share of \$8.35 at March 31, 2014

Subsequent Events

On April 10, 2014, Plastec’s Board of Directors declared a one-time cash dividend of \$0.20 per ordinary share. The dividend was paid on or about May 9, 2014 to shareholders of record as of April 25, 2014.

Management Comments

Mr. Kin Sun Sze-To, Chairman of Plastec, stated, “Our first quarter results were strong in relation to challenging sales conditions in a number of the consumer industries we serve. We continued to focus on bottom line performance, avoiding lower margin orders for the sole benefit of increasing sales.”

Selected Financial Highlights			
<i>(USD in millions, except number of shares and per share data)</i>			
<i>(Results and percentages rounded to the nearest tenth)</i>			
	3 months ended March 31, 2014	3 months ended March 31, 2013	Percentage Change
Sales	\$35.2	\$37.8	-6.9%
Cost of Revenues	\$26.7	\$30.0	-10.8%
Gross Profit	\$8.4	\$7.8	7.9%
<i>Gross Profit Ratio</i>	<i>24.0%</i>	<i>20.7%</i>	
Income from Operations	\$8.7	\$2.9	195%
<i>Operating Margin</i>	<i>24.7%</i>	<i>7.8%</i>	<i>216%</i>
Net Income	\$7.9	\$1.6	405.5%
<i>Net Margin</i>	<i>22.4%</i>	<i>4.1%</i>	
Weighted Average Number of Diluted Shares Outstanding	12,938,128	13,785,561	
Diluted EPS	\$0.62	\$0.12	
Adjusted EBITDA*	\$8.3	\$7.1	16.7%

* Reconciliation table at end of release

Balance Sheet Highlights (USD in Millions)			
	<u>3/31/2014</u>	<u>12/31/2013</u>	Percentage Change
Cash and Cash Equivalents	\$57.0	\$44.7	27.5%
Total Current Assets	\$103.5	\$96.6	7.2%
Total Assets	\$150.7	\$148.1	1.8%
<i>Working Capital</i>	\$67.3	\$58.0	16.1%
Total Long-term Debt	6.4	6.4	
Total Liabilities	\$42.6	\$45.0	-5.4%
Shareholders' Equity	\$108.1	\$103.0	4.9%
Total Liabilities and Shareholders' Equity	\$150.7	\$148.1	1.8%

Financial Review

- Total sales for three months ended March 31, 2014 decreased to \$35.2 million from \$37.8 million in the prior-year period. The decline in total sales was largely due to a reduction in lower margin product orders.
- The Company's gross profit increased by 7.9% to \$8.4 million during the period ended March 31, 2014, and gross profit margin improved to 24.0% from 20.7% for the prior-year period. 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 \$8.7 million, or 24.7% of revenues, during period ended March 31, 2014, compared to \$2.9 million, or 7.8%, in the prior-year period.
- Adjusted EBITDA for the three months ended March 31, 2014 was \$8.3 million, compared to \$7.1 million in the prior-year period.
- Net income for the period ended March 31, 2014 was \$7.9 million or \$0.62 per share based on approximately 12.9 million weighted average diluted shares outstanding, compared to \$1.6 million, or \$0.12 per share based on approximately 13.8 million weighted average diluted shares, in the prior-year.

Securities Repurchase Update

The Company has a 12-month repurchase plan in place 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 ordinary shares and no warrants under the current plan.

The Company also announced today that it will expand the scope of the repurchase plan further to include Plastec's units (under ticker "PLTEF"), with all other terms of the repurchase plan remaining unchanged.

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)

	For the 3-month period ended March 31,	
	2014	2013
	HK\$	HK\$
Revenues	274,253	294,686
Cost of revenues	(208,547)	(233,772)
Gross profit	<u>65,706</u>	<u>60,914</u>
Operating income/(expenses), net		
Selling, general and administrative expenses	(29,850)	(37,944)
Other income	57	86
Gain on disposal of a subsidiary	32,162	-
Written-off of property, plant and equipment	(440)	-
Gain/(loss) on disposal of property, plant and equipment	188	(67)
Total operating income/(expenses), net	<u>2,117</u>	<u>(37,925)</u>
Income from operations	67,823	22,989
Interest income	167	51
Interest expense	(420)	(388)
Income before income tax expense	<u>67,570</u>	<u>22,652</u>
Income tax expense	(6,005)	(10,474)
Net income	<u>61,565</u>	<u>12,178</u>
Other comprehensive income/(expenses)		
Foreign currency translation adjustment	(2,151)	1,318
Comprehensive income attributable to Plastec Technologies, Ltd.	<u>59,414</u>	<u>13,496</u>
Net income per share:		
Weighted average number of ordinary shares	<u>12,938,128</u>	<u>13,785,561</u>
Weighted average number of diluted ordinary shares	<u>12,938,128</u>	<u>13,785,561</u>
Basic income per share attributable to Plastec Technologies, Ltd.	<u>HK\$4.8</u>	<u>HK\$0.9</u>
Diluted income per share attributable to Plastec Technologies, Ltd.	<u>HK\$4.8</u>	<u>HK\$0.9</u>

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

	(Unaudited) March 31, 2014 HK\$	(Audited) December 31, 2013 HK\$
ASSETS		
Current assets		
Cash and cash equivalents	444,811	348,901
Trade receivables, net of allowances for doubtful accounts of HK\$nil, and HK\$nil as of December 31, 2013 and March 31, 2014 respectively	237,548	269,419
Inventories	91,539	107,058
Deposits, prepayment and other receivables	33,626	28,139
Total current assets	807,524	753,517
Property, plant and equipment, net	330,018	364,149
Prepaid lease payments, net	20,838	22,167
Other assets	2,517	2,325
Deferred tax assets	13,853	12,225
Intangible assets	438	438
Total assets	1,175,188	1,154,821
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Bank borrowings	33,485	37,782
Trade payables	87,979	105,428
Other payables and accruals	95,712	116,608
Dividend payables	20,183	-
Tax payable	44,984	41,389
Total current liabilities	282,343	301,207
Bank borrowings	50,000	50,000
Total liabilities	332,343	351,207
Commitments and contingencies	-	-
Shareholders' equity		
Ordinary shares (US\$0.001 par value; 100,000,000 authorized 12,938,128 and 12,938,128 shares issued and outstanding as of December 31, 2013 and March 31, 2014 respectively)	101	101
Additional paid-in capital	26,455	26,455
Accumulated other comprehensive income	15,750	17,901
Retained earnings	800,539	759,157
Total shareholders' equity	842,845	803,614
Total liabilities and shareholders' equity	1,175,188	1,154,821

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

	For the 3-month period ended March 31,	
	2014	2013
	HK\$	HK\$
Operating activities		
Net income	61,565	12,178
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	28,550	32,217
Gain on disposal of a subsidiary	(32,162)	-
Loss on written-off of property, plant and equipment	440	-
Loss/(gain) on disposal of property, plant and equipment	(186)	67
Deferred tax charge	(985)	-
Changes in operating assets and liabilities:		
Trade receivables	31,871	21,523
Inventories	15,519	16,323
Deposits, prepayment and other receivables	(5,513)	(8,087)
Trade payables	(17,449)	(27,353)
Other payables and accruals	(20,308)	(26,788)
Tax payables	6,990	10,474
Net cash provided by operating activities	<u>68,332</u>	<u>30,554</u>
Investing activities		
Purchase of property, plant and equipment	(8,925)	(11,954)
Proceeds from disposal of a subsidiary	46,052	-
Proceeds from disposal of property, plant and equipment	220	350
Deposits for purchase of property, plant and equipment	(2,517)	(116)
Net cash provided/(used) in investing activities	<u>34,830</u>	<u>(11,720)</u>
Financing activities		
Repurchases of securities	-	(28,080)
Net repayment of bank borrowings	(4,297)	(19,587)
Net cash used in financing activities	<u>(4,297)</u>	<u>(47,667)</u>
Effect of exchange rate changes on cash and cash equivalents	(2,955)	1,318
Net increase/(decrease) in cash and cash equivalents	98,865	(28,833)
Cash and cash equivalents, beginning of the period	348,901	309,862
Cash and cash equivalents, end of the period	<u>444,811</u>	<u>282,347</u>
Supplementary disclosures of cash flow information:		
Interest paid, net	254	337
Income taxes paid	-	-

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

		Three Months Ended	
		March 31	March 31
		2014	2013
		HKD	HKD
Net Income (note)		29,598	12,159
Plus	Interest expenses	420	388
Minus	Interest income	(167)	(51)
Plus	Income tax expenses	6,005	10,474
Income from operations		35,856	22,970
Plus	Depreciation and Amortization	28,550	32,217
Adjusted EBITDA		64,406	55,187

Note: Excl. other income 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