



PAX Global Technology Announces 2018 Interim Results
Overseas sales surge more than 45% becoming the Group's growth driver

HK\$ million	Six months ended 30 June		Change
	2018	2017	
Revenue	1,875.6	1,605.7	+16.8%
Gross profit	722.5	669.8	+7.9%
Gross profit margin	38.5%	41.7%	-3.2pp
EBITDA	312.7	305.7	+2.3%
Profit attributable to the owners of the Company	258.5	264.9	-2.4%
Basic earnings per share (HK\$)	0.235	0.238	-1.3%
Interim dividend per share (HK\$)	0.04	0.04	-

(Hong Kong, PRC, 8th August 2018) **PAX Global Technology Limited** ("PAX" or the "Company" or the "Group", HKSE stock code: 00327.HK), one of the world's leading providers of electronic payment terminal ("E-Payment Terminal") solutions and related services, is pleased to announce the unaudited interim financial results for the six months ended 30th June 2018 (the "Period").

Due to the increasing recognition of PAX products and rising awareness of PAX brand, the Group achieved impressive international growth during the period, contributing to the Group's revenue increase of 16.8% to HK\$1,875.6 million. Profit attributable to the owners of the Company decreased by 2.4% to HK\$258.5 million. The basic earnings per share was HK\$23.5 cents (1H2017: HK\$23.8 cents). The Board of Directors of the Company resolved to declare an interim dividend of HK\$0.04 per ordinary share.

Strong global presence drives exceptional growth

Turnover (HK\$ million)	Six months ended 30 June		Change
	2018	2017	
Latin America and the Commonwealth of Independent States ("LACIS")	894.1	569.7	+57.0%
Europe, the Middle East and Africa ("EMEA")	392.8	263.5	+ 49.1%
United States of America and Canada ("USCA")	152.8	149.4	+2.3%
Asia Pacific (except for Mainland China) ("APAC")	151.5	104.5	+ 45.0%
Total overseas markets	1,591.2	1,087.0	+46.4%

PAX has been consistently expanding its international footprint in recent years and the Group's overseas markets turnover proportion further jumped to 84.8% during the period. The Group's revenue from overseas markets increased significantly by 46.4% during the period, to HK\$1,591.2 million (1H2017: HK\$1,087.0 million), with particularly impressive performance coming from LACIS, EMEA and APAC regions.



LACIS

In LACIS, strong demand continued for all PAX terminal models, with strong sales recorded yet again in Brazil, where our wide distribution network further strengthened our market penetration. During the 2018 FIFA World Cup in Russia, PAX's mobile terminals enabled thousands of football enthusiasts to conduct cashless transactions at stadium locations. The Group also began deploying its family of new generation electronic cash register products, known as the E-series, in Russia as well as many other countries, which has been recognized by the market since the launch.

EMEA

PAX maintained steady growth momentum in Europe, the Middle East and Africa. More acquiring banks, payment service providers and retail groups switched to use PAX's innovative solutions, with particular interest growing for the innovative A-series series, a family of state-of-the-art Android payment terminals. The growing demand for our Linux platform payment terminals was enhanced by increasing popularity among merchants for MiniPOS devices, standalone compact 'paperless' terminals. In particular, large volume orders were placed for MiniPOS deployment in Poland where the government launched a 'cashless' initiative earlier this year. In the Middle East, PAX maintained a leading position. In Africa, we recorded growing market share. These markets shift towards usage of higher performing Android and MiniPOS terminals. The Group's PAXSTORE software solution, a combination of an open platform appstore marketplace with an advanced terminal management system, has been successfully piloting in more than 25 countries worldwide, most of which are within the EMEA region.

USCA

In the United States and Canada, stable orders continued to be taken for the E-series products which were launched in late 2017. During the first half of 2018, PAX was engaged in ongoing business negotiations with some potential new customers, and substantial orders are expected to materialise during the second half of this year.

APAC

In the Asia Pacific region, the newly formed subsidiary in Japan is developing a country-wide sales network, with the first orders being won during the first half of this year. We expect the Japanese market to become an important one for our future APAC region business. Following the acquisition of Kwang Woo Information & Communication Co., Ltd., a Korean E-payment Terminal provider, the Group leveraged its extensive sales network to tap into the Korean market, with plans now well underway to accelerate product integration and grow our local market share. Across most APAC countries, demand for our new-generation Android smart terminals continues to grow.

China Market

Shipments of PAX terminals in China demonstrated an upward trend in the first half of this year, where fast moving market changes are creating new opportunities for the Chinese payment terminal industry in general and intensifying competition in China market. Riding on the trend of mobile payments using Quick Response (QR) code technology, PAX successfully launched a new generation of QR code-reading payment terminals at the beginning of the year, delivering new and streamlined payment experiences to Chinese customers.



Merger & Acquisition Activities

PAX continues to proactively pursue merger & acquisition opportunities. The Group further optimized the business structure by enhancing the diversity of payment related products and services of the Group's hardware and software divisions. In 2017 and 2018, the Group completed a number of M&A projects, including subsidiary acquisitions, minority stake investment and fund investment in Korea, Italy, Sweden, Shanghai and Beijing, as well as establishing subsidiaries in Japan and India. In the first half of 2018, the Group increased its investment in a Beijing based fund to a total of RMB 85 million. This fund primarily invests in high-quality emerging technology and start-up projects. The Group believes that an increase in the fund's investment will help strengthen the financial technology advantages of PAX, so as to be better positioned to respond to the rapidly changing market environment in China.

Mr. Jack LU, Chief Executive Officer of PAX, commented, "As FinTech develops at a fast pace worldwide, the increasing popularity of innovative payment methods such as mobile wallets, Near Field Communication (NFC) and QR code payment is fuelling rapid growth in electronic transactions. As a leading company in today's global payment terminal industry, PAX is dedicated to the pursuit of excellence, adhering to a corporate culture of continuous innovation and excellence so that we can offer best-in-class product quality and a continually evolving product roadmap for our customers. During the first half of 2018, PAX launched a new family of smart Android terminals and QR code-reading devices, offering innovative features which are helping to deliver new payment experiences to consumers and merchants alike. The Group is now also deploying our new generation electronic cash register products, the E-series, in many countries around the world, delivering an all-in-one integrated retail payment solution to merchants. Looking to the future, the Group will continue to focus on product innovation to meet growing market demand, while flexibly grasp the opportunities presented by market development, thereby enabling us to expand global presence of business and enhance the Group's leading position in the international payments industry."

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About PAX Global Technology Limited

PAX Global Technology Limited (Stock Code: 00327.HK) is an innovative global provider of electronic payment terminals solutions. Building on its service excellence and proven leadership position, PAX is one of the fastest growing payment industry suppliers with state-of-the-art manufacturing facilities, excellent R&D capabilities and a worldwide network of sales and channel partners.