



## PAX Global Technology Announces 2018 Annual Results

Overseas sales surge more than 40%

Achieves record high shipment volume of over 10 million terminals worldwide

HK\$ million	For the year ended 31 December		Change
	2018	2017	
Revenue	<b>4,415.4</b>	3,591.1	+ 23.0%
Gross profit	<b>1,626.7</b>	1,457.6	+ 11.6%
EBITDA	<b>659.6</b>	635.1	+ 10.8%
Profit for the year	<b>515.4</b>	336.6	+ 53.1%
Profit attributable to the owners of the Company	<b>522.5</b>	407.5	+ 28.2%
Basic earnings per share (HK\$)	<b>0.475</b>	0.367	+ 29.4%
Proposed final dividend per share (HK\$)	<b>0.04</b>	0.04	-

(Hong Kong, PRC, 6<sup>th</sup> March 2019) **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 its annual results for the year ended 31<sup>st</sup> December 2018.

PAX has further expanded its global footprint and achieved remarkable success in overseas market business, contributing to the Group’s revenue increase of 23.0% to HK\$4,415.4 million. Profit for the year was HK\$515.4 million, representing a surge of 53.1% compared to 2017. Profit attributable to the owners of the Company increased by 28.2% to HK\$522.5 million. The basic earnings per share was HK\$47.5 cents (2017: HK\$36.7cents). The Board of Directors of the Company has recommended to declare a final dividend of HK\$0.04 per ordinary share.

PAX’s innovative products continue to be recognized by customers worldwide and the Group’s turnover from overseas markets now representing 84.5% of the total revenue, as compared to 72.5% last year. The Group’s revenue from overseas markets increased significantly by 43.4% to HK\$3,732.3 million (2017: HK\$2,602.5 million), with particularly impressive performance coming from LACIS and APAC regions. Shipments of PAX’s E-payment Terminals reached a record high of over 10 million units, out of which approximately 6 million units were shipped overseas.

Turnover (HK\$ million)	For the year ended 31 December		Change
	2018	2017	
Latin America and the Commonwealth of Independent States (“LACIS”)	<b>2,408.6</b>	1,480.0	+ 62.7%
Europe, the Middle East and Africa (“EMEA”)	<b>680.4</b>	609.3	+ 11.7%
Asia Pacific (except for Mainland China) (“APAC”)	<b>381.0</b>	258.5	+ 47.4%
United States of America and Canada (“USCA”)	<b>262.3</b>	254.7	+ 3.0%
Total overseas markets	<b>3,732.3</b>	2,602.5	+ 43.4%

**Mr. Jack LU, Chief Executive Officer of PAX**, commented, “As one of the world’s leading providers of E-payment terminal solutions, PAX continued to achieve outstanding results during 2018, winning more market share than ever before and continuing to deliver on an innovative product roadmap. The ongoing global transition toward an increasingly cashless society, and continuous payment industry security enhancements, have helped contribute to the Group’s excellent performance in numerous overseas markets.”

## LACIS

In LACIS region, the Group recorded significant revenue growth of over 50% for a second consecutive year. In Brazil, the development of third-party payment acquiring continues to drive demand for PAX solution from leading banks and payment service providers, some of which successfully launched IPOs in the United States during 2018, further strengthening PAX's brand image in this region. In 2018, PAX has begun deploying new generation Android smart terminals in Brazil, Mexico, Argentina and other South American countries. During the 2018 FIFA World Cup hosted in Russia, PAX solutions deployed in and around stadium locations, enabled thousands of fans with convenient cashless payments.

## EMEA

In EMEA region, the Group won further market share, with more acquiring banks and payment service providers now engaged in deploying PAX solutions. In 2018, PAX recorded steady sales growth in many European markets including Italy, Belgium, Germany and Poland. Meanwhile, there has been a decisive shift toward the adoption of Android terminal solutions and PAX achieved more country-specific product certifications, such as the French Carte Bancaire 5.5 certification, the Italian PagoBANCOMAT certification and Common. SECC approval in the United Kingdom, thus laying an ever stronger foundation for the Group's future growth across the EMEA region. In the Middle East and North Africa, PAX maintained its market leading position. In Egypt, PAX has recorded large volume sales for the second consecutive year. The Group continues to explore more opportunities in Western Africa, where E-payment Terminal solution are still relatively underdeveloped.

## APAC

Across the Asia Pacific region, the electronic payment is booming in various markets. As well as integrating the Group's newly acquired Korean E-payment Terminals supplier, Kwang Woo Information & Communication Co. Ltd., PAX has carried out further business expansion in the region through setting up local subsidiaries in Japan and India. In Japan, driven by the forthcoming 2019 Rugby World Cup and the 2020 Tokyo Olympics, as well as the promotion of EMV migration and cashless society by the local government, it is expected that the Japanese payment market will experience significant growth in coming years. Driven by Indian government's "Digital India" strategy, PAX has further partnered with numbers of the mainstream acquiring banks and payment service companies and recorded a strong sales growth during the year.

## USCA

In the United States and Canada region, PAX's reputation as an alternative supplier of high quality innovative payment terminal solutions continues to be well received by acquiring banks, independent sales organizations (ISOs) and merchants. With growing demand from chain store retailers for customer relationship management and data analytics systems, the Group has increased research and development ("R&D") investment and launched more diversified E-payment solutions and management platforms. In the past two years, PAX launched the new generation E-Series which has proven to be very popular with merchants across the region. Meanwhile, PAX has further strengthened the partnership with leading global merchant acquirers which have begun rolling out PAX's Android Smart terminals.

## China Market

In China, electronic payment continues to boom rapidly while the introduction of alternative payment methods via smartphone and NFC have greatly reshaped the Chinese payment landscape. Meanwhile, the People's Bank of China has implemented a series of policy reforms to promote the development of the payment industry, including establishment of NetsUnion Clearing Corporation to monitor third-party online payment transactions, and requirement for payment institutions to achieve 100% centralized deposit of clients' pending payments by mid-January 2019. Started from 2018, especially in the second half of the year, the escalating international trade disputes have created uncertainty in the Chinese



economy, domestic companies have been facing unprecedented challenges. The Group will continue to closely monitor and evaluate the rapidly changing market environment, as well as credit risk status of the customers. In 2018, PAX established a dedicated China Business Unit, with its own independent R&D, sales and marketing resources to strategically respond to the rapidly evolving Chinese market.

#### Merger & Acquisition Activities

With the aim of enhancing long-term shareholder value and the diversity of the portfolio of payment-related products and services, the Group continues to proactively pursue a variety of mergers and acquisitions investment opportunities.

In January 2019, the Group established a joint venture with CCV Group B.V. (“CCV”), one of Europe’s largest payment service and solution providers, focusing specifically on the development of unattended self-service terminals for public transportation, petroleum forecourts, parking and vending machines.

In 2018, the Group further increased its investment in a Beijing based fund to RMB 85 million. Through this fund, PAX invests in high quality emerging technology projects and start-ups to strengthen the Group’s competitive advantages in financial technology to capture the huge business opportunities in China’s payment industry.

**Mr. Jack LU, Chief Executive Officer of PAX**, concluded, "With growing market demand for a more diversified suite of instore payment acceptance solutions which combine with customer relationship management and data analysis, PAX will continue to invest in enhancing the Android-based A-series and E-series family of products, so as to meet the specific needs of different retail segments and business scenarios. We look forward to better serving our global network of partners and customers, creating greater value for our shareholders."

~ End ~

#### About PAX Global Technology Limited

PAX Global Technology Limited (Stock Code: 00327.HK) is an innovative global provider of electronic payment terminal 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.