



**PAX Global Technology Announces 2019 Interim Results**  
**Continued outstanding overseas sales with an increase of nearly 40%**  
**Profit attributable to the owners of the Company surges 26% to HK\$ 325 million**

HK\$ million	Six months ended 30 June		Change
	2019	2018	
Revenue	<b>2,366.3</b>	1,875.6	+26.2%
Gross profit	<b>914.4</b>	722.5	+26.6%
Gross profit margin	<b>38.6%</b>	38.5%	+0.1pts
EBITDA	<b>395.3</b>	312.7	+13.9%
Profit attributable to the owners of the Company	<b>325.5</b>	258.5	+25.9%
Basic earnings per share (HK\$)	<b>0.296</b>	0.235	+25.9%
Interim dividend per share (HK\$)	<b>0.04</b>	0.04	-

(Hong Kong, PRC, 12<sup>th</sup> August 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 the unaudited interim financial results for the six months ended 30<sup>th</sup> June 2019 (the “Period”).

PAX payment terminal solutions continue to receive widespread global recognition, with the Group achieving impressive growth in overseas markets during the period, contributing to the Group’s revenue increase of 26.2% to HK\$ 2,366.3 million. Profit attributable to the owners of the Company increased significantly by 25.9% to HK\$ 325.5 million. The basic earnings per share was HK\$ 29.6 cents (1H2018: HK\$ 23.5 cents). The Board of Directors of the Company has resolved to declare an interim dividend of HK\$ 0.04 per ordinary share.

Turnover (HK\$ million)	Six months ended 30 June		Change
	2019	2018	
Latin America and the Commonwealth of Independent States (“LACIS”)	<b>1,338.9</b>	894.1	+49.7%
Europe, the Middle East and Africa (“EMEA”)	<b>462.1</b>	392.8	+17.6%
Asia Pacific (except for Mainland China) (“APAC”)	<b>239.2</b>	151.5	+57.9%
United States of America and Canada (“USCA”)	<b>166.8</b>	152.8	+9.1%
Total overseas markets	<b>2,206.9</b>	1,591.2	+38.7%

As one of the leading global suppliers of E-payment Terminals solutions, PAX is committed to expanding its global footprint and strengthening its brand recognition. Many leading acquiring banks and payment service providers (PSPs) around the world are now using PAX solutions. During the period, the Group’s overseas markets turnover proportion further surged to 93.3%. In the first half of 2019, the Group’s revenue from overseas markets increased significantly by 38.7% to HK\$ 2,206.9 million (1H2018: HK\$ 1,591.2 million), with particularly impressive performance coming from the LACIS and APAC regions, where growth was approximately 50%. The revenue contribution from our smart payment terminals continued to increase, with over 300,000 Android terminals alone shipped in the first half of 2019.



PAX's Android-based terminal portfolio, comprising SmartPOS, SmartECR and SmartKiosk solutions, continues to be very well received by merchants since the global launch. More acquiring organizations and PSPs around the world are now cooperating with PAX. The innovative PAXSTORE platform delivers an array of value-added applications, thereby enabling a more modern approach to terminal estate administration, customer relationship management and data analysis. PAXSTORE ecosystem already has more than 70 marketplaces operating worldwide. These PAX's comprehensive and innovative solutions are taking the world of payment to new heights.

#### Latin America and the Commonwealth of Independent States (LACIS)

In the LACIS region, the Group recorded strong revenue growth of 50%. According to the Nilson report, PAX ranked No.1 in terms of shipments in Latin America. Driven by the ongoing expansion of the Brazilian payment market, the robust growth of electronic payments has fueled demand for terminals by merchant acquirers. The prospect in Brazil continues to look promising, with more merchant acquirers entering into strategic partnership with PAX. During the period, Android SmartPOS terminals generated considerable revenue for the Group in Brazil. In other Latin American countries such as Argentina and Mexico, we experienced encouraging sales growth during the first half of 2019.

In Russia, the government's drive toward adoption of the national Mir payment card as well as a number of financial inclusion initiatives, have been contributing to the increasing popularity of debit card usage. During the period, PAX shipped over 150,000 terminals to Russia.

#### Europe, Middle East and Africa (EMEA)

Across the EMEA region, PAX continued to steadily grow revenue and market share. In Europe, notable market growth was recorded in several key countries, including the United Kingdom, Germany, Poland and Italy. During the first half of 2019, important software certifications were also obtained in Spain and France, positioning PAX for potentially impressive performance in these markets going forward. Demand for PAX's Android SmartPOS and SmartECR solutions has been particularly strong from European PSPs and acquiring banks, with a view to enhance their competitiveness to merchants by rolling out Android SmartPOS and Smart ECR solutions.

In Africa and the Middle East, demand for PAX solutions was strong driven by a combination of certain government initiatives to promote cashless societies and the general trend of acquiring banks switching to more modern Android based terminal solutions. During the period, the Group recorded large-volume sales in North Africa, while in sub-Saharan Africa, where high mobile phone penetration has fostered the development of financial inclusion and mobile banking, PAX entered new markets in east and west Africa.

#### Asia Pacific (APAC)

Across the Asia Pacific region, demand continued for the latest generation PAX payment terminal solutions, where government efforts to advocate financial inclusion for the unbanked population and the popularity of smartphones continues to reshape how consumers transact electronically. PAX experienced remarkably strong growth in India, Indonesia and Vietnam. In India, more acquiring banks and payment services companies began working with PAX, where over 200,000 payment terminals were shipped during the first half of 2019. The Group also successfully deployed large volumes of Android terminals in India, Indonesia, Hong Kong, Thailand and the Philippines. The Group believes emerging markets will become the principal sales growth driver in the APAC region in the coming years.



### United States of America and Canada (USCA)

PAX is focusing on providing best-in-class solutions to top tier chain merchants in the USA. Solutions such as the innovative software management suite and the latest Android smart tablet terminals have been well received by the market. PAX is working with major US payment processors to market the innovative Android terminal range to their nationwide network of ISOs (Independent Sales Organizations).

The Group further strengthened its partnerships with third-party application providers to deliver more high-quality and diversified payment solutions through PAXSTORE. In the first half of 2019, the Group also integrated pay-at-the-table solutions into PAX's payment terminals, enhancing the payment experience for restaurant and hospitality customers alike.

### China Market

Since the beginning of 2018, the global economy has been encountering uncertainties due to the international trade disputes and domestic companies have continued to face challenges. The Chinese government and international organizations have lowered China's forecasted GDP growth rate for 2019.

In view of the intensifying market competition and increasing credit risk of some of the market participants, the Group has made specific adjustments to its strategy and structure in response to changes in Chinese market. The Group will focus primarily on serving reputable and strong customers, establishing much solid partnership and further strengthening risk management. The Group will also optimize and streamline the operating structure of China business, thereby improving cost structure while maintaining the Group's competitiveness in the Chinese market. Through strategic and structural adjustments, these are expected to positively impact the Group's overall profitability in the long run and strengthen the risk assessment and management procedures of our China business.

**Mr. Jack LU, Chief Executive Officer of PAX**, commented, "Now firmly at the forefront of the electronic payment terminal industry, PAX gives top priority to R&D, innovation and the pursuit of superior product quality. We seek to continuously enrich the Group's comprehensive product portfolio. As local governments accelerate financial inclusion around the world and market demand shifts to highly flexible Android-based platform with revolutionary terminal hardware design integrating more smartphone-like features, we expect demand to continue to grow for PAX's innovative suite of terminal hardware and related software solutions. The Group maintains a prudently optimistic regarding the prospect of the international electronic payment terminal industry. Our new generation of Android-based SmartPOS terminals, SmartECRs and SmartKiosks are attracting much interest. Looking to the future, PAX will continue to strengthen its partnerships with channel partners, acquiring banks, PSPs and merchants worldwide, so that we can further expand our global sales pipeline and explore new market segments. PAX is committed to carrying forward the sustainable development of the Group, creating greater value for our shareholders."

### About PAX Global Technology Limited

PAX Global Technology Limited (Stock Code: 00327.HK) incorporated in Bermuda with limited liability, is an innovative global provider of electronic payment terminals solutions. 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.