



PAX Global Technology Announces 2020 Interim Results
Interim revenue hits a record high with an increase of 7.4% yoy to 2.5 billion
Profit attributable to owners of the company surges 18% to HK\$384 million

HK\$ million	Six months ended 30 June		Change
	2020	2019	
Revenue	2,540.8	2,366.3	+7.4%
Gross profit	1,056.7	914.4	+15.6%
Gross profit margin	41.6%	38.6%	+3.0pts
EBITDA	479.6	395.3	+21.3%
Profit attributable to the owners of the Company	384.1	325.5	+18.0%
Basic earnings per share (HK\$)	0.353	0.296	+19.3%
Interim dividend per share (HK\$)	0.07	0.04	+75.0%

(Hong Kong, PRC, 13 August 2020) **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 2020 (the “Period”).

In the first half of 2020, the COVID-19 pandemic swept across the globe and brought unprecedented economic impact and challenges to practically every country in the world. Thanks to the well-established sales network and cutting-edge payment products, PAX has maintained solid business momentum worldwide. In the first half of 2020, PAX’s revenue grew by 7.4% to HK\$2,540.8 million, a record high interim performance compared to previous years, proving PAX’s strong core competitiveness and risk-resistance capability. Driven by the increase in sales proportion of Android products and depreciation of Renminbi, PAX’s gross profit margin increased from 38.6% in the corresponding period of last year to 41.6%. Profit attributable to the owners of the Company was HK\$ 384.1 million, an increase of 18.0% compared to the same period in 2019. The basic earnings per share was HK\$ 35.3 cents (1H2019: HK\$ 29.6 cents). The Board of Directors of the Company has resolved to declare an interim dividend of HK\$ 0.07 per ordinary share.

Mr. Jack LU, Chief Executive Officer of PAX, stated, “Visa and Mastercard, the card associations have both reported significant increase in the use of NFC contactless payments globally, which in turn contributes to a surging demand for new-generation contactless payment terminals. We believe the COVID-19 pandemic is accelerating the widespread adoption of electronic payments and enabling faster transition towards a global cashless society. Global electronic payment terminals industry will usher in exciting development opportunities.”

Turnover (HK\$ million)	Six months ended 30 June		Change
	2020	2019	
Latin America and the Commonwealth of Independent States (“LACIS”)	1,265.3	1,338.9	- 5.5%
Europe, the Middle East and Africa (“EMEA”)	539.8	462.1	+16.8%
Asia Pacific (except for Mainland China) (“APAC”)	350.7	239.2	+46.6%
United States of America and Canada (“USCA”)	225.4	166.8	+35.2%
Total overseas markets	2,381.2	2,206.9	+7.9%



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 93.7%. In the first half of 2020, the Group's revenue from overseas markets increased significantly by 7.9% to HK\$ 2,381.2 million (1H2019: HK\$ 2,206.9 million). Particularly impressive performance coming from the APAC and USCA regions, with over 40% and 30% growth respectively. The revenue contribution from our smart payment terminals continued to increase. In the first half of 2020, sales of Android terminal solutions accounted for more than 25% of the Group's total revenue.

The Group's SaaS cloud-based application platform, PAXSTORE, continues to be an exciting driving force behind the overall success of PAX's wide portfolio of smart payment terminal products. PAXSTORE offers terminal estate management solutions to acquiring banks and payment service providers, whilst provides merchants with innovative value-added applications, cutting-edge terminal management system functionalities, customer relationship management (CRM) and data analysis tools. Now, PAXSTORE reaches out to over 100 marketplaces across the globe.

Latin America and the Commonwealth of Independent States (LACIS)

In Latin America and the CIS countries, Brazil continues to be the key market for PAX in this region. The acquiring business of the local merchant acquirers continues to boom, driving the demand for electronic terminals. PAX has entered into strategic partnerships with growing numbers of acquiring institutions. In the first half of the year, PAX launched more new-generation Android smart payment terminal models in the region, recording significant sales of models like the A50 Smart MiniPOS and the A930 SmartPOS. High compatibility feature of PAX's Android series enables perfect integration with merchants' diverse business applications, expands functions and services beyond payment, bringing unprecedented payment experience to merchants and consumers.

Europe, Middle East and Africa (EMEA)

In Europe, the Middle East and Africa, the Group continues to win new customers and expand market share in diversified merchant segments. During the period, the Group achieved 16.8% growth in EMEA region. PAX's A-series, E-series, IM-series and SK-series products are in high demand, driven by the advantages offered by the connectivity of the Group's PAXSTORE SaaS cloud-based application platform.

Investments in Europe are paying off handsomely with important breakthroughs. Many payment service providers and acquiring banks across Europe are now engaged with PAX in current and planned rollouts of the new-generation Android-based SmartPOS, SmartECR and SmartKiosk solutions. During the period, PAX obtained the ATEX (Atmospheres EXplosible) certification of the European Union for the Android based unattended payment terminal, IM30, for adoption in high-risk environments like petroleum forecourts.

Across Africa and the Middle East, efforts by governments to develop electronic payment infrastructure, together with the shift of acquiring banks to offer more modern Android terminal solutions for merchants, have continued to drive the demand for PAX's solutions.

Asia Pacific (APAC)

The electronic payment market in the Asia Pacific region is flourishing, driven by the ongoing economic growth, the rise of emerging markets, and the effort of payment institutions in promoting cashless economies. Amidst the COVID-19 pandemic, PAX maintained strong growth momentum across Asia Pacific with overall sales growth of 46.6%.

In Japan and India, PAX succeeded in expanding rapidly in both countries thanks to strategic cooperation with leading acquiring banks and payment service providers. Digital transformation is



accelerating across the retail, catering and other merchant segments in Asia Pacific, with rising market demand for PAX's Android payment terminals, which play an indispensable role in the provision of the latest payment technology and a suite of innovative value-added applications.

The Group continues to strengthen its business in potential Southeast Asian countries by working with mainstream acquiring banks and institutions in markets like Indonesia, Malaysia, Thailand and the Philippines, to speed up the deployment of integrated Android smart payment solutions among merchants such as quick service restaurants, convenience stores, supermarkets and retail chains.

United States of America and Canada (USCA)

As the leading provider of smart Android terminal solutions in the United States, the Group has successfully entered into strategic partnerships with mainstream payment processing companies in the United States to deploy PAX's innovative Android products through an extensive network of independent sales organizations. PAX's Android smart terminals enable merchants to operate business and manage payments in a smarter and more efficient manner, and the advantages continue to gain traction among North American merchants.

During the first half of 2020, PAX's Android terminals won the "2020 Visa U.S. Qualified Tap to Pay Point of Sale Program Award". In response to the ongoing COVID-19 pandemic, PAX partnered with AxiaMed, the industry leader in healthcare payment technology, to provide healthcare institutions with Android payment terminal solutions that support NFC contactless payment to handle patient payment in a more hygienic and convenient way.

China Market

Since early 2019, the Group has undertaken strategic and structural changes to its business in China, with increasing focus on serving reputable and strong customers. This initiative has revealed positive results in terms of strengthened risk assessment and management processes within the Group's China market business, as well as enhanced operational cost-effectiveness. In the first half of 2020, the Group's business in China stabilized, where reputable acquiring banks and payment service providers continue to deploy PAX's Android smart products. This strategic adjustment initiative has proven to be beneficial to the Group in maintaining its competitive advantage in the China market in the long run and bringing new impetus to the sustainable development of the China business.

Mr. Jack LU, Chief Executive Officer of PAX, commented, "During the first half of 2020, the COVID-19 pandemic raged across the world, forcefully impacting on the global economy and people's everyday lives. The Group is working closely with acquiring institutions and payment service providers worldwide, facilitating contactless and more efficient electronic payment transactions for merchants and customers. Looking ahead, as the COVID-19 pandemic began shaping new lifestyle in respect of social and consumption habits, new opportunities have emerged for the move towards cashless societies. We believe that market demand for terminal solutions will continue to blossom beyond the pandemic. 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 creating greater value for our shareholders."

- End -

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.