



PAX

Your Payment Partner of Choice

2017 Interim results



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Agenda

- 1. 2017 Interim financial highlights & results**
- 2. Full year guidance**

2017 Interim financial highlights & results

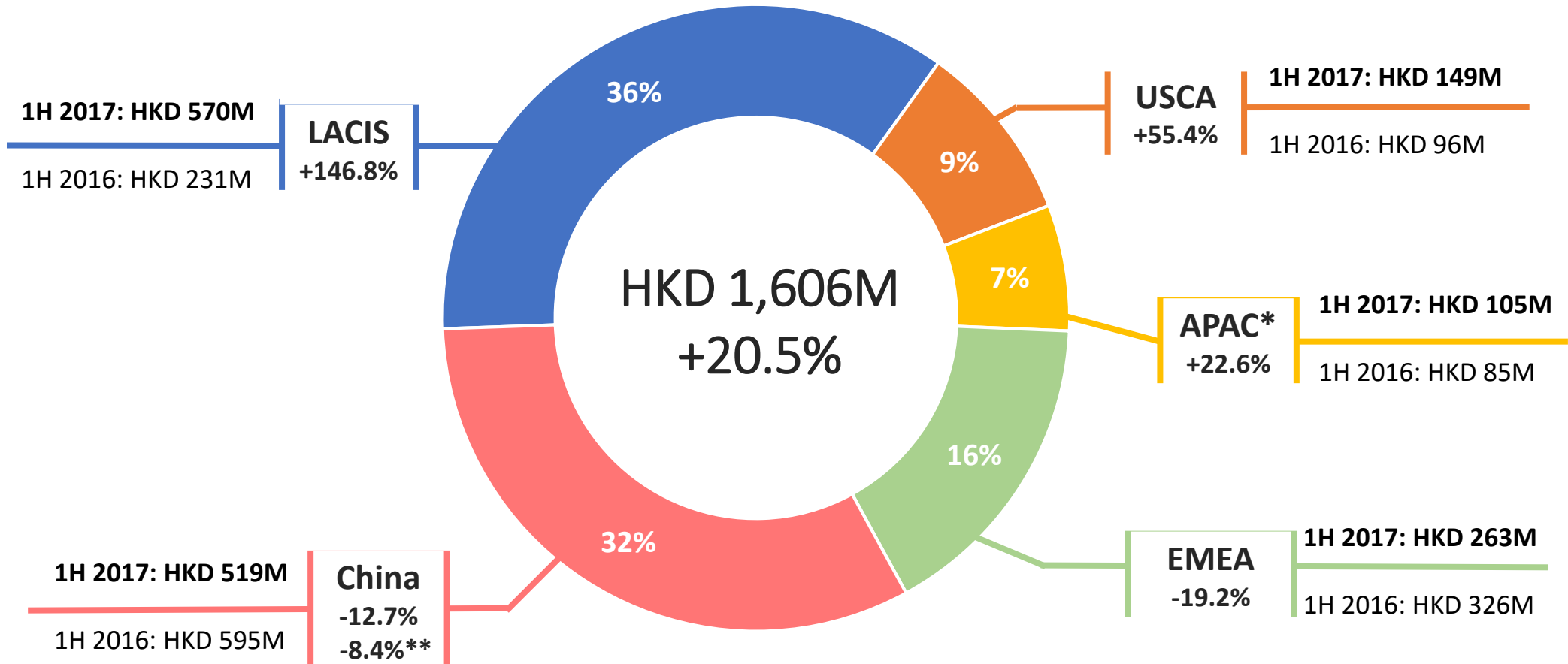


2017 interim highlights

- **Interim revenue: HKD 1,606M**
 - YoY change: +20.5%
 - Overseas market, YoY change: +47.2%
- **Interim gross profit margin: 41.7%**
 - YoY change: -190 basis points
- **Interim R&D expenses: HKD 119M**
 - YoY change: +92.1%
- **Interim profit attributable to the owners of the Company: HKD 265M**
 - YoY change: -14.7%
- **2017 1H M&A activities**
 - 4 completed/ contracted transactions
- **Proposed 2017 interim dividend: HKD 0.04 per ordinary share**



Financial results – Revenue by region

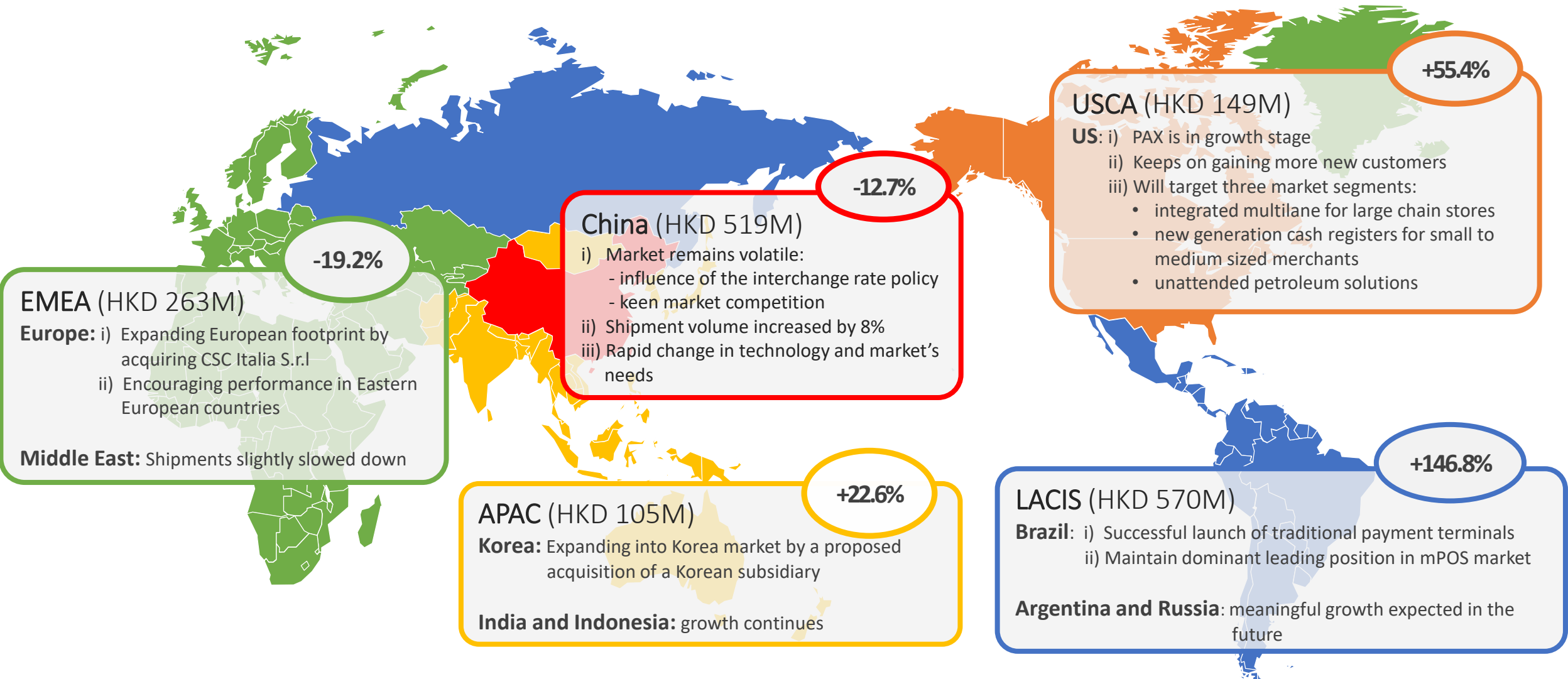


*Exclude China;

**Constant currency basis



Financial highlights – Regional updates



Notes: APAC (Asia Pacific exclude mainland China); LACIS (Latin America and Commonwealth Independent States); EMEA (Europe Middle East and Africa); USCA (the United States of America and Canada); China (the People's Republic of China exclude Taiwan, Hong Kong, Macau).



Financial results – Operating expenses

	For the period ended 30 June 2017 (HKD '000)	For the period ended 30 June 2016 (HKD '000)	+/-
Selling expenses	195,083	125,759	+55.1%
Administrative expenses	209,885	132,917	+57.9%
R&D expenses <i>(included in administrative expenses)</i>	119,290	62,105	+92.1%

- **Selling expenses +55.1%**

- Increase in sales and after-sales service staff headcounts
1H17 average headcounts: approximate 600; 1H16 average headcounts: approximate 400
- Increase in advertising expense

- **Administration expenses +57.9% (R&D expenses +92.1%)**

- Increase in R&D staff headcounts
1H17 average headcounts: approximate 950; 1H16 average headcounts: approximate 600
- Increase in certification expense



Financial results – Key balance sheet items movement

Key Items	As at 30 June 2017	As at 31 December 2016		As at 30 June 2016	
	(HKD '000)	(HKD '000)	+/-	(HKD '000)	+/-
Trade and bills receivables	1,743,572	1,347,446	+29.4%	1,453,756	+19.9%
Goodwill	87,026	64,583	+34.8%	69,157	+25.8%
Prepayment for land use rights	83,333	-	n/a	-	n/a
Available-for-sale financial asset	18,282	-	n/a	-	n/a

- **Trade and bills receivables +29.4%**
 - Comparing to the balance as at 30 June 2016, the increase is mainly driven by sales growth
 - No significant change in credit risk and repayment pattern
- **Goodwill +34.8%**
 - Acquisition of 60% equity stake of CSC Italia S.r.l
- **Prepayment for land use rights**
 - Entered into an agreement on purchasing land use rights of a land at Shenzhen (will be China headquarters of the Group)
- **Available-for-sale financial asset**
 - Invested in 20% equity stake of Onslip AB (a Sweden company providing software and solution services)

Full year guidance



FY 2017 guidance

- **Topline: +5-15%**
- **Gross profit margin: 40%~42%**
- **Operating profit: approximate the trend as interim**

Q & A



Appendix: New products & services

QR 55



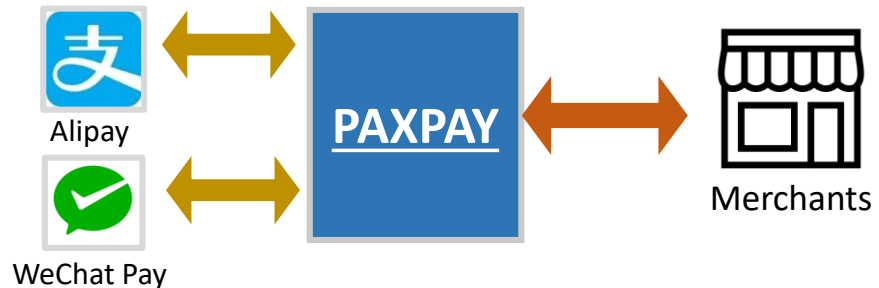
- Launched in 1H 2017
- Configured with camera & color screen
- Target NFC & QR code payment market

E500



- Launching by 2H 2017
- Facing small and medium merchants
- Address customers' need for one-stop payment platform with payment functions

Omni-payment gateway service – PAXPAY



- Easily integrated with APPs
- Provides SDK for applications directing to WeChat Pay or Alipay for payment

Secured cloud-based SaaS platform – PAXSTORE



- A secured cloud-based (SaaS) platform based on amazon web services
- Key features
 - Application management
 - Terminal management
 - Value-added services



Investor relations – IR contacts

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