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**PAX Global Technology Limited**

**百富環球科技有限公司\***

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 327)**

**SALES ANNOUNCEMENT**

This announcement is made by PAX Global Technology Limited (“**PAX**” or the “**Company**”, and together with its subsidiaries, the “**Group**”), to provide the investors and shareholders of the Company with information regarding the following operational update on the Group’s business.

The board of directors of the Company (the “**Board**”) sets out in this announcement information regarding the unaudited consolidated revenue of the Group for the three months ended 31 March 2017 (the “**Period**”) for the Company’s investors’ and shareholders’ information.

**TURNOVER FOR THE THREE MONTHS ENDED 31 MARCH 2017**

The Group recorded unaudited consolidated revenue of HK\$685.5 million for the Period, representing an increase of approximately 14.5% in revenue from overseas markets, and a decrease of approximately 14.7% in revenue from the People’s Republic of China (excluding Hong Kong, Macau and Taiwan) market (“**China Market**”), compared to the corresponding period in 2016. Overall the Group’s total revenue during the Period increased by approximately 1.9%, compared to the corresponding period in 2016.

Major operational data (unaudited) of the Group by geographical region for the Period is set out below:

Turnover	For the three months ended			+ / (-) <i>(Local Currency Basis)</i>
	31 March		+ / (-) <i>(HK\$ Basis)</i>	
	2017 <i>(HK\$ million)</i>	2016 <i>(HK\$ million)</i>		
Overseas markets	<b>439.0</b>	383.5	+14.5%	+14.5%
China Market	<b>246.5</b>	288.9	-14.7%	-9.4%
Total turnover	<b>685.5</b>	672.4	+1.9%	N/A

\* *For identification purpose only*

Owing to the increasingly global nature of the Group's customer base, turnover is primarily driven by local market demand in different regions of the world, with customer orders varying in size depending on the specific time of year. Quarterly turnover is therefore not representative for the Group's full year performance.

#### **(1) Overseas markets**

During the Period, turnover generated from overseas markets increased by approximately 14.5% to approximately HK\$439.0million, compared with approximately HK\$383.5 million for the corresponding period in 2016.

PAX continues to gain more global market share and is recognized by payment system integrators, banks and merchants to offer the most innovative solutions in the industry today.

In Latin America and the Commonwealth of Independent States (“**LACIS**”), PAX achieved significant growth during the Period, compared to the corresponding period in 2016, with the Company leveraging its dominant position as the leading supplier of mobile E-payment Terminals (mPOS) to increase shipments, to Brazil in particular, of other traditional payment terminal models among the Group's extensive product portfolio. In Europe, the Middle East and Africa (“**EMEA**”), sales during the Period, increased by approximately 15.0% from the last quarter of 2016. In Asia Pacific (except for Mainland China) (“**APAC**”), PAX maintained sustainable growth, while India in particular has exceeded expectations. During the Period, PAX received sales orders for more than the total number of units that were sold in India last year. These will be delivered over the coming months and new sales orders are expected to follow, in line with the Indian government's nationwide demonetization initiative. In the United States of America and Canada (“**USCA**”), sales growth was slightly lower than forecast due to production delays of several shipments, but the ongoing Europay, MasterCard, and Visa (EMV) migration in the United States continues to create growing demand for PAX's payment solutions.

Turnover from overseas markets contributed approximately 64.0% of the total turnover of the Group for the Period, compared with 57.0% for the corresponding period in 2016, representing a sign of increasingly diversified global business and further international brand recognition for PAX.

Major operational data (unaudited) attributable to each respective overseas market for the Period is set out below:

<b>Turnover</b>	<b>For the three months ended</b>		
	<b>31 March</b>		
	<b>2017</b>	<b>2016</b>	<b>+ / (-)</b>
	<i>(HK\$ million)</i>	<i>(HK\$ million)</i>	<i>(HK\$ Basis)</i>
LACIS	<b>194.4</b>	70.7	+175.0%
EMEA	<b>125.8</b>	204.7	-38.5%
APAC	<b>60.1</b>	50.3	+19.5%
USCA	<b>58.7</b>	57.8	+1.6%
Total turnover in overseas markets	<b>439.0</b>	383.5	+14.5%

## (2) **China Market**

Turnover generated from the China Market decreased by approximately 14.7% to approximately HK\$246.5 million, compared with approximately HK\$288.9 million for the corresponding period in 2016. Service income from Shanghai New Kashuo Information Technology Company Limited amounted to approximately HK\$35.9 million and contributed over 5.2% of the Group's total revenue for the Period.

The implementation of new interchange rates policy since last September has created uncertainties for the Chinese payment industry and adversely affected the Group's performance in the China Market in last quarter of 2016 and first quarter of 2017. Slight recovery was however noticed after the Chinese Lunar New Year, as indicated by the Group having recorded the highest monthly shipment volume was recorded in March this year, since the enactment of the policy. During the Period, the China Market saw shipment volumes increase by approximately 30.0%, with the decrease in revenue mainly due to a product mix shift when compared to the corresponding period in 2016.

Turnover from the China Market contributed approximately 36.0% of the total turnover of the Group for the Period, compared with 43.0% for the corresponding period in 2016.

### ***Merger and Acquisitions and Investment Activities:***

As of the date of this announcement, the Group completed one minority stake investment and one acquisition in 2017:

- PAX subscribed for a 20% equity stake in Swedish company Onslip AB (“**Onslip**”), for a consideration of EUR2,100,000. Onslip principally engaged in developing and marketing a software-as-a-service (SaaS) platform for offering and managing payment and other value-added applications and deploying point-of-sale solutions to merchants globally.
- PAX acquired and subscribed for a 60% equity stake in Italian company CSC Italia S.r.l. (“**CSC Italia**”), for a consideration of EUR3,000,000. CSC Italia is one of Italy’s leading installation and service support companies for E-payment Terminals, personal computers, cash handling equipment and automatic teller machines.

The Board reckons that the investment and acquisition would strengthen the Group’s strategic cooperation with international channel partners and customers, allowing the Group to better position itself by offering diversified payment services in order to expand the provision of value-added services to merchants worldwide.

**It should be noted that the information contained in this announcement is only based on a preliminary review of the unaudited consolidated management accounts of the Group, which have not been reviewed or audited by the Company’s auditor. The above operating data does not constitute, represent or indicate the full picture of the Group’s total revenue or financial performance and the information contained in this announcement may be subject to change and adjustment. The Company’s shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.**

By Order of the Board  
**PAX Global Technology Limited**  
**Li Wenjin**  
*Executive Director*

Hong Kong, 27 April 2017

*As at the date of this announcement, the Board comprises three executive directors, namely Mr. Nie Guoming, Mr. Lu Jie and Mr. Li Wenjin and three independent non-executive directors, namely Mr. Yip Wai Ming, Dr. Wu Min and Mr. Man Kwok Kuen, Charles.*