



Goldpac Group Limited

金邦達實業有限公司

(股份代号: 03315.HK)

Goldpac Announces 2016 Annual Results

Stable and Adequate Profit

Continually Increased Dividend Payout Ratio

- **Profit for the Year Amounts to RMB 205 Million**
- **Final and Special Dividend of HK 13 cents**
- **Full Year Aggregate Dividend of HK 17 cents, Increases 13.3% YOY**

(21 March 2017, HK) the world's fourth largest and China's top ranked payment solutions provider Goldpac Group Limited ("Goldpac" or the "Group", stock code: 03315.HK) today released its annual results for the year ended 31 December 2016.

As the financial industry gradually returned to a more orderly pattern of development, the Group's performance took a favorable turn and the year on year gap in turnover and net profit narrowed progressively towards the second half of 2016. The Group's turnover and net profit for the year ended 31 December 2016 amounted to RMB 1,394 million (-17.3% YOY) and RMB205 million (-15.3% YOY). The earnings per share for the year 2016 amounted to RMB 24.6 cents, maintaining a key performance advantage above that of its peers in the industry.

The Group retains its strong, continuous profitability and generous dividend policy over the last few years. Since its IPO in 2013, the Group has achieved an aggregate net profit of RMB801 million and distributed dividends of over RMB 200 million in aggregate. In 2016, the Group further improved its profit margin, through its growing innovative products business and improvements to its product portfolio as well as operational cost reductions attributed to operation process digitization and intellectualization. The gross profit margin and net profit margin were 30.1% and 14.7%, representing an increase of 3.7 percentage points and 0.3 percentage points respectively compared to 2015. The Board proposed to declare a final dividend of HK 7 cents and a special dividend of HK 6 cents per ordinary share. The aggregate dividends for the year of 2016 will amount to HK17 cents, increasing 13.3% year on year. If the proposal is approved by the shareholders of the Company at the forthcoming annual general meeting, the aggregate dividend paid since its IPO would be HK 46.8 cents per ordinary share.

Over the past 20 years, the Group has built a healthy financial position and adequate cash flow. The funds available at 31 December 2016 was recorded at RMB 1.76 billion. This healthy financial position ensures that there is lower risk of exposure for the Group and will help the Group to fully tap into potential markets and to boost the Group's profit growth and sustainable development.

Consolidate Core Payment Business and Maintain a Leading Market Share

Mr. HOU Ping, CEO of Goldpac said, "Smart secure payment devices are pegged to be the global payment industry's mainstream development vehicle. In long term, the Group remains confident in the sustainable and stable growth of the secure payment market both in China and the world. It is the long-term and core strategy of the Group to capitalize on the enormous opportunities offered by the industry's development." In 2016, by capitalizing on the competitiveness of its technologies, services and marketing capabilities for instance, the Group was ranked No. 1 once again in China UnionPay's annual shipment index, increasing its market share by 0.5 percentage points. The Group distinguished itself in its credit card business through the further increase in turnover and market share. The Group fully believes that the credit card remains a key tool for banks to explore the consumer finance market, and that it will embark on a trend of fast-growing opportunities, encouraged by the favorable external environments such as opening of the clearing house market as well as new credit card regulatory policies. This will no doubt contribute to the Group's performance growth.

Stable and Incremental Change, Business Diversification to Maximize Profitability

In the midst of maintaining steady forward momentum and the pursuit of profitability, the Group proceeded to accelerate the development of its innovative platforms and services in accordance with its payment diversification strategy. Investment in R&D increased to RMB 98.05 million, a rise of 23% YOY. To grasp emerging market opportunities, the GCaaS cloud platform and a variety of next generation payment wearables were launched during the year. Wearables featured heavily in 2016. A complete product line has been developed to meet diverse customer and end-user needs while a wide base of cooperation with a number of wearables brands has reinforced the Group's advantages in the industry. The turnover generated from wearables in 2016 reached the level of RMB 10 million. In 2016, technologies and business models were further advanced in the solutions sector. Solutions utilizing the one-card pass entered prototype phases and were embedded with innovative payment technologies that will enhance payment security by factoring in identity authentication and thus create a new secure payment paradigm. This will bring forth new opportunities in the fields of smart communities, smart cities, smart tourism, smart transportation and smart logistics.

Steady Expansion in Overseas Markets and Continuous Breakthroughs in the Core Businesses

In 2016, overseas markets maintained a steady momentum of development. By the end of 2016, the Group's products and services have been delivered to 23 countries and regions, increasing by 4 compared to 2015. Benefiting from China's the Belt and Road initiatives, the Group made inroads to Africa, providing exclusive payment products and solutions to the China Congo Cooperative Bank. Capitalizing on the EMV migration opportunities in Southeast Asia, the Group achieved significant turnover growth in the Philippines. In 2016, the Group established a subsidiary in Singapore and also consolidated Hong Kong's position as the Group's global headquarters to expand business scale and attract highly-qualified talents in R&D, marketing, capital operations and strategies. In the future, the Group will work synchronously with China UnionPay's overseas strategies to promote global development. Additionally, the Group will deliver its industry leading technology platforms, managerial experiences and operations models through opportunities such as mergers and acquisition and partnerships.

Looking towards the future, the financial industry in China will continue its rational return to steady growth. Although challenges do exist, the Group is confident in its preparations for the coming years. The Group will continue to adjust and improve its development strategies to boost its profit growth.

About Goldpac Group Limited (Stock Code: 03315.HK)

With more than 20 years of successful experience and a leading global technology portfolio, Goldpac is honored to be ranked China's No.1 and the world's No. 4 corporation in the secure payment industry.

Committed to its core vision of Making Transactions More Secure and Convenient, Goldpac is specialised in delivering embedded software and secure payment products for global customers while leveraging innovative Fintech to provide personalisation service, system platform and other total solutions for customers in a wide business range including financial, government, healthcare, transportation, and retails.

Inspired by the China government's Belt and Road initiative, Goldpac is now extending its superior solutions and services to an even wider geographical network, delivering convenient, secure payment experiences to people around the globe.

For more information, please visit <http://www.goldpac.com/cn/> or contact at goldpac@goldpac.com