



Goldpac Group Limited

金邦達實業控股有限公司

(Stock code: 03315.HK)

Goldpac Group Announces 2018 Annual Results

Steady Revenues and Net Profit Growth

Platform and Service Segment Advanced Further, Revenues increased 20% YoY

Final and Special Dividend of HK 16 cents

Full Year Dividend of HK 20 cents, Dividend Payout Ratio Up to 81.7%

(15 March 2019, Hong Kong) Goldpac Group Limited ('Goldpac' or the 'Group', stock code: 03315.HK) , a leading Fintech company in China, today announced the annual results for the year ended 31 December 2018.

As one of the earliest Fintech companies in China, the Group is committed to empowering the business growth of financial institutions with innovative technologies. The Group fully implemented its well-defined corporate strategies and maintained a stable and sound growth in 2018. Both revenues and net profit increased as compared with last year.

Stable and Sound Development

Despite various challenges, the implementation of the Group's well-defined corporate strategies provided the Group with the continuous improvement of business structure and healthy growth. In 2018, the revenues reached RMB 1,411 million and the net profit reached RMB175 million, representing an increase of 0.7% and 6.2% respectively as compared with last year. The EBITDA was recorded at RMB254 million, up 3.5% year-on-year. The basic and diluted earnings per share were both RMB0.21.

During the year, the shift of growth drivers between the two business segments gathered momentum. Benefiting from the increasing demands of intelligent terminals' market, the Platform and Services business segment made great strides with revenues of RMB301 million, increased 19.9% year on year, and the revenue ratio of this segment rose by 3.4 pts to 21.3%.

Though the growth of the Embedded Software and Secure Payment Products segment slowed down due to an adverse impact from the market competition, the Group still saw the considerable revenues high up

to RMB 1,110 million. The Group has distinguished itself with significant and differentiated competitive advantages compared to its peers in the high-end and fashionable products market.

Benefiting from the transformation of banks' retail business model, favorable policies and the rapid growth in the consumer credit market, the Group's credit card products and services maintained their momentum of growth. Product upgrade strategies were fully implemented and the revenue contribution from the high-end products consistently increased.

Firmly adhering to its core vision of technology-driven innovation and development, the Group's R&D expenses kept consistent growth with a compound annual growth rate of 19.0% over the past five years and reached RMB 114 million in 2018, up 4.4% year-on-year. R&D efforts were focused in the areas of secure chips, solutions as well as A.I. self-service kiosks.

Owing to years of healthy development, the Group's asset size continues to grow and maintains the sound cash flow. As at 31 December 2018, the net cash available was RMB 1.57 billion, offering strong support to the Group's strategic blueprints of innovative development, overseas expansion and the construction of Zhuhai Fintech Center.

The dividend amount increased continuously with an annual compound growth rate of over 40%. This demonstrates the Group's strong commitment to rewarding shareholders, whilst ensuring strategic development. The dividend policy for 2018 was stable. The Board proposed to declare a final dividend of HK 10 cents and a special dividend of HK 6 cents per ordinary share. If this proposal is approved by the shareholders of the Company at the forthcoming annual general meeting, the total dividend paid during the year, together with the interim dividend, will be HK 20 cents per ordinary share, and the total dividend payout ratio for the year would be 81.7%. The total dividends declared since the IPO is to reach HKD 723 million.

Outlook 2019

The Group will follow the trend regards to banking card products upgrade, focus on high-end products and step up products innovation and portfolio improvement, so as to strengthen its competitive advantages and enhance its profitability.

The demand for A.I. self-service kiosks is growing rapidly across a wide range of sectors including financial, social security, medical care, and public services. The Group's proprietary A.I. self-service kiosks have been chosen by several tenders for citizen card projects in China. Moreover, these kiosks have been receiving strong attention in international markets and are expected to become a new growth driver of the Group.

The rapid development of the Guangdong-Hong Kong-Macao Greater Bay Area will present new opportunities for the Group's growth. The Group is committed to pursuing the integration and advancement of interconnectivity through technology so that the transportation and social welfare systems can be seamlessly connected and integrated within the Greater Bay Area. In the future, the Group will make persistent efforts to advance interconnectivity in various sectors including social security, welfare, and business travel. The Group will surely benefit from the numerous opportunities presented by the cross-border integration of the Greater Bay Area.

In 2019, underpinned by the development of the Greater Bay Area and cooperation of the "Belt and Road" initiative, the Group's overseas market expansion will be reaching out to more countries and regions around the world. The Group will continue to create synergies with China UnionPay's globalization and make advances in "Product + Service" total solutions to penetrate into international sectors such as overseas governments, transportation, entertainment, insurance, education, and property. The Group will continue to strive for breakthroughs in overseas markets.

With the authorization of the Zhuhai municipal government, the Group has officially commenced construction of Zhuhai Fintech Center. The aim is to explore new horizons and eco-systems for Fintech innovation in the Guangdong-Hong Kong-Macao Greater Bay Area. It is anticipated to be completed in 2020. The center is planned to be a catchment area for innovative ideas, attract companies, capital, projects and talents so as to contribute to the cross-border linkage and the opening-up of the Greater Bay Area.

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

With 25 years of successful experience and a leading global technology portfolio, and committed to its core vision of Making Transactions More Secure and Convenient, Goldpac is specialised in delivering embedded software, secure payment products and Artificial Intelligence Financial Self-service Kiosks for global customers while leveraging innovative Fintech to provide data processing service, system platform and other total solutions for a wide business range of financial, government, healthcare, transportation, and retails.

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

If you do not wish to receive any more email messages from us, please email Jilly at jilly.li@goldpac.com to unsubscribe.