

For Immediate Release



Goldpac Group Limited
(Stock Code: 03315)

Goldpac Announces 2016 Interim Results

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Maintains its No. 1 position in the China Market
Declares First Interim Dividend

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| Financial Highlights (Unaudited) | | | |
|---|--------------|-------------|-----------------|
| <i>Unaudited Results for the 6 months ended 30 June</i> | | | |
| (RMB million) | 2016 | 2015 | Change |
| Turnover | 681.4 | 873.8 | -22.0% |
| Gross Profit | 205.6 | 235.2 | -12.6% |
| Gross Margin | 30.2 | 26.9 | +3.3ppts |
| Net Profit | 95.4 | 125.9 | -24.2% |
| Net Profit Margin | 14.0 | 14.4 | -0.4ppts |
| Basic EPS (RMB cents) | 11.5 | 15.2 | -24.3% |
| Interim Dividend Per Share (HK cents) | 4.0 | - | - |
| Dividend Payout | 29.6% | - | - |

(16 August 2016, Hong Kong) The world's fourth largest, and China's top ranked payment solutions provider, **Goldpac Group Limited** ("Goldpac" or the "Group", stock code:03315) announces its interim results for the six months ended 30 June 2016 (the "Reporting Period").

According to the statistics from China UnionPay, the Group ranked No. 1 in China for financial IC card shipments in the first half of 2016. The Group's turnover amounted to approximately RMB 681million, representing a year-on-year decrease of 22.0%, while the net profit witnessed a year-on-year decrease of 24.2% to approximately RMB95 million. The fluctuation of the Group's business performance during the Reporting Period was attributed mainly to both the effects of cost control measures from banks, stemming from China's overall economic downward pressure, and industry challenges brought about by government rectification and regulation, resulting in a slowdown in both the IC card migration and growth of the payment card market in China.

In spite of the market fluctuations, the Group proactively took effective countermeasures, optimizing its product portfolio, focusing on high value-added and high-margin products as well as further enhancing its intelligent digital operation. This

allowed the Group to record a notable increase in gross profit margin by 3.3 percentage points year-on-year to 30.2%. The Board has resolved an interim dividend of HK 4 cents per share, equivalent to a dividend payout ratio of 29.6%. This is the Group's first interim dividend since its listing.

The Group's overseas market also saw continuous growth with products and services being distributed in 19 countries and regions. The Group also initiated the establishment of its wholly-owned subsidiary in Singapore, laying a solid foundation for the expansion of its overseas business in the future.

Consolidation of the Core Business and Acceleration of Payment Diversification

During the Reporting Period, the Group continued to expand the fields of application of its core business and reaped the benefits of its efforts in digital ID authentication and e-Government. The Group secured e-ID technology approval from the China's Ministry of Public Security. Meanwhile, the Group's implementation of the first-ever China Business Registration e-License was honored by the State Council of China as one successful example of the eight best reform and innovation cases within the free trade zones of China. The Group further focused on its software and platform business and its testing technology platform was successfully selected by national authorities such as the China Financial Certification Authority (CFCA). At the same time, the Group continued to launch cross-field applications for different industries from petrol to retail.

In the first half of 2016, The Group leveraged its core advantages in embedded payment software and financial security systems to proactively enrich its financial technology product offering. The Group not only officially launched its third-generation wristband, fulfilling the demand for mobile payment devices within the China market, but also successfully introduced its SuperCOS, a secure payment module which is expected to enjoy immense market potential in fields such as wearables, IoT and the smart home.

Gaining Steady Progress and Performance in Overseas Markets

In the first half of 2016, the Group continued its overseas expansion. In Hong Kong and Macau markets, the Group launched innovative products and services such as the prepaid gift card and portable issuance solutions. In Southeast Asia, the Group secured an order of over three million financial IC cards from a leading Philippines bank. At the same time, the Group initiated the establishment of its wholly-owned subsidiary in Singapore, enhancing its strategic planning in the South and Southeast Asia markets to address a population of over 2 billion and continuing to speed up its overseas business.

Mr. Hou Ping, Chief Executive Officer of Goldpac, commented, "The rapid evolution of fintech is fueling innovation in the diversification of payment and security technology. The Group is confident of business development in the future and will proactively speed up the pace of business diversification. The opening up of the banking card clearing house in China will definitely encourage greater card issuance business as overseas payment associations become more involved in China. Meanwhile, the new

guidelines from the regulatory authorities will aid in the acceleration of IC card migration in China and bring expected market growth in the future.”

Mr. Hou Ping continued, “In the future, the Group will concentrate more R&D efforts on IoT, digital security authentication and Cloud technologies, whilst accelerating overseas expansion in-line with “The Belt and Road” initiative and the internationalization of the RMB. We believe that China’s smart payment market will move towards wider maturity and standardization after the temporary period of market fluctuation, and will be beneficial for us later to leverage our unique competitiveness and secure continuous and stable growth in the global smart payment market.”

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About Goldpac Group Limited (Stock Code: 03315)

With more than 20 years of successful experience and leading global technologies, Goldpac is honoured to be ranked China’s No.1 and the world’s No. 4 corporation in the secure payment industry.

Transforming from its traditional financial payment card business to an integrated secure payment services platform, Goldpac serves clients all over the world by providing secure payment systems, embedded software and payment products, and data processing services. Its customers cover a wide range of industries from financial services, social security and healthcare, to transport, retail, mobile payment, identification, third-party payment platforms and other security services domains.

Boosted by China government’s One Belt One Road strategic initiative, Goldpac is extending its superior solutions and services to an even wider geographical network. The Group will deliver convenient, secure payment experiences to people around the globe, and expects that overseas secure payment business will show the greatest growth potential.

For more information, please visit <http://www.goldpac.com>.

*Issued by Cornerstones Communications Ltd. on behalf of **Goldpac Group Limited**.*

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