



Plover Bay Technologies Announces 2016 Annual Results

Profit Attributable to Owners of the Company Surges 56.1% to US\$5.2 million

Named Top 5 Nominee for GSM Association's Best Mobile Technology Breakthrough Award

Reflecting High Market Recognition

Result Highlight

- Revenue rose by around 29.7% to approximately US\$28,358,000 (approximately HK\$220,095,000*)
- Gross profit increased by around 41.4% to approximately US\$17,945,000 (approximately HK\$139,277,000*), while gross profit margin improved by 5.2 pts to around 63.3%
- Profit attributable to owners of the Company surged by around 56.1% to approximately US\$5,240,000 (approximately HK\$40,669,000*), while net profit margin improved 3.1 pts to around 18.5%
- The Board recommended a second interim dividend of HK 1.93 cents per share
- Total dividend payout ratio for financial year 2016 is approximately 90%¹

(28 February 2017, Hong Kong) Plover Bay Technologies Limited ('Plover Bay Technologies' or the 'Group', stock code: 1523), a world-leading internet connectivity technology company and the world's fifth largest SD-WAN router vendor² today announced its first annual results for the year ended 31 December 2016 (the 'period under review')

since its listing on the Main Board of The Stock Exchange of Hong Kong Limited in July 2016.

For the year ended 31 December 2016, the revenue of the Group was approximately US\$28,358,000 (approximately HK\$220,095,000*), representing an increase of around 29.7% from approximately US\$21,859,000 (approximately HK\$169,654,000*) for the year ended 31 December 2015. The increase in revenue was mainly attributable to an overall increase in revenue from all of our product and service categories including sale of SD-WAN routers, provision of warranty and support services, and sale of software licences during the period under review. Gross profit for the period under review was approximately US\$17,945,000 (approximately HK\$139,277,000*) (year ended 31 December 2015: approximately US\$12,693,000 or approximately HK\$98,514,000*). Gross profit margin was around 63.3% increasing around 5.2 ppt (year ended 31 December 2015: around 58.1%) The gross profit margin increase was mainly due to the increase in revenue derived from the sale of higher margin wireless models (mainly MAX HD series) in our product mix during the period under review, as well as revenue from our high gross profit margin subscription business including warranty and support services and software licences.

Profit attributable to owners of the Company for the period under review increased by approximately 56.1% to approximately US\$5,240,000 or approximately HK\$40,669,000* (year ended 31 December 2015: approximately US\$3,357,000 or approximately HK\$26,055,000*). The increase was mainly due to

the increase in revenue fueled by enhanced global awareness of our brand and SD-WAN technology as well as strong market demand for high performance Internet connectivity, and the increase in gross profit derived from sale of high margin products and services which was partially offset by the increase in income tax expenses and operating expenses due to expansion of our business scale.

The Group maintained a healthy financial position with cash and cash equivalents amounting to approximately US\$19,193,000 (approximately HK\$148,963,000*) as at 31 December 2016. The Board has declared the payment of a second interim dividend of HK 1.93 cents per share for the six months ended 31 December 2016. Together with a first interim dividend of HK 1.73 cents per share paid for the six months ended 30 June 2016, the total dividend for the year will be HK 3.66 cents per share, representing a dividend payout ratio of 90%.

Mr. Keith Chau, Chief Executive Officer of the Group, said, 'We are delighted to see that the Group continued to deliver strong financial results during the period under review, highlighted by an impressive 56.1% surge in the net profit. Our sales to North America and Asia experienced remarkable growth in 2016, with year-on-year increases of approximately 50.9% and 23.2%, respectively. With a strong clientele accumulated over the years, the greater number of SD-WAN routers sold would translate into strong demand for our software licences and warranty and support services, fueling future growth. We are confident about the prospects of the Group and the wider internet connectivity industry in the coming years and we look forward to creating more value for our shareholders.'

SD-WAN routers have emerged as an alternative to traditional routers and replace expensive leased lines using multiple affordable wired or wireless WAN connections, enabling the best performing WAN connections to be automatically defined by the router software. This not only helps reduce enterprise network expenses, but can also increase the reliability, flexibility and bandwidth of the network. The Group's InControl cloud services help users manage their devices in a centralised manner and remotely monitor the entire network. The one-of-a-kind SpeedFusion™ technology enables connections among different service providers with enhanced connection capacity and prioritised WAN usage based on availability. This makes unbreakable internet connectivity for mobile and smart connection devices a dream comes true. The Group's client base includes major technology companies in Silicon Valley, one of the world's leading airlines and security and law enforcement agencies.

Plover Bay Technologies' SpeedFusion™ SD-WAN Multi-Cellular Bonding Technology has recently been selected among the top 5 nominees by the GSM Association (GSMA) for the 'Best Mobile Technology Breakthrough Award' at the 2017 Global Mobile (Glomo) Awards. The prestigious award celebrates the greatest achievements and innovations across the mobile industry.

Mr. Keith Chau concluded, 'We pride ourselves on being at the vanguard of the internet connectivity technology industry and are truly thrilled and honoured to be recognised by the authoritative GSM Association. I would like to take this opportunity to thank our staff for their dedication to excellence over the years, without which we would not be leading the industry today. Moving forward, we will further enhance our research and development capabilities. New product categories and cloud-based subscription services will be launched in the coming year. Meanwhile, we will step up our sales and marketing efforts in tandem, in order to raise our brand profile and capture additional market share in overseas markets.'

1 Dividend payout ratio is calculated by dividing total dividend declared for the year ended 31 December 2016 by profit attributable to owners of the Company for the year ended 31 December 2016

2 In terms of revenue value in 2015

** Translated into Hong Kong dollars at the rate of US\$1 to HK\$7.7613, the exchange rate prevailing on 28 February 2017*

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About Plover Bay Technologies Limited

Plover Bay Technologies (stock code: 1523) is a world leading Internet connectivity technology company and the world's fifth largest SD-WAN (Software-Defined WAN) technology vendor (in terms of revenue value in 2015). Primarily engaged in developing and commercializing SD-WAN solutions under its own brands – “Peplink” and “Pepwave”, the Group also grants software licenses and provides warranty as well as support services in connection with its SD-WAN solutions. The Group sells its own branded products to an extensive network of more than 400 distributors in approximately 70 countries. For more details, please visit: www.ploverbay.com.

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