Plover Bay Technologies Announces 2016 Interim Results

Net Profit Soars Approx.102.2% to Approx.US$2,801,000 (Approx.HK$21,718,000*) Gross Profit Margin Increases to Approx.65.8% Dividend Payout Ratio Reaches Approx.80% Strengthens Leadership in Internet Connectivity Technology Market

Results Highlights

- Revenue increased by approximately 12.1% to approximately US$12,033,000 (approx. HK$93,298,000*)
- Profit attributable to owners of the Company surged by approximately 102.2% to approximately US$2,801,000 (approx. HK$21,718,000*)
- Net profit margin increased by 10.4 ppts to approximately 23.3%
- Gross profit was approximately US$7,923,000 (approx. HK$61,431,000*), increased by approximately 33.2%, while gross profit margin increased from approximately 55.4% to approximately 65.8
- Interim dividend of HK 1.73 cents per share has been declared, representing a dividend payout ratio of approximately 80%
- Healthy financial position with cash and cash equivalents balance at approximately US$6,353,000 (approx. HK$49,258,000*)

(22 August 2016, 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 vendor today announced its first unaudited interim results for the six months ended 30 June 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 six months ended 30 June 2016, the revenue of the Group increased by approximately 12.1% to approximately US$12,033,000 (approx. HK$93,298,000*) against the same period last year, mainly attributed to the increase in revenue from warranty and support services and sales of software licences. Profit attributable to owners of the Company surged by approximately 102.2% to approximately US$2,801,000 (approx. HK$21,718,000*). Gross profit was approximately US$7,923,000 (approx. HK$61,431,000*), increased by approximately 33.2%, while gross profit margin increased from approximately 55.4% to approximately 65.8%. Basic earnings per share were approximately US 0.37 cents (approx. HK 2.87 cents*). The Group maintained a healthy financial position with cash and cash equivalents amounted to approximately US$6,353,000 (approx. HK$49,258,000*) as at 30 June 2016. The Board has declared payment of an interim dividend of HK 1.73 cents per share for the six months ended 30 June 2016.

Mr. Keith Chau, Chief Executive Officer of the Group, commented, "We are encouraged by the strong financial and business performance of the Group during the period under review, which mirrored the strong market demand for Internet connectivity technology in recent years. The capital raised from the listing has given a strong financial platform for the Group's development and, at the same time, also enhanced global awareness of our brand. Focused on providing innovative products and user-oriented solutions, the Group has been able to maintain a strong clientele and continuously expand business presence by applying first-mover advantages and seizing the immense market opportunities in the industry."

A specialist in design and development of wired and wireless SD-WAN routers, the Group offers both entry level and high-capacity SD-WAN routers to a wide range of industries, including public safety, transportation and construction. Its customer base includes major technology companies in the Silicon Valley, one of the world's leading airlines, as well as security and law enforcement agencies. These innovative and high quality products are empowered by the Group's patented technology known as SpeedFusion and can be managed via the Group's cloud service – InControl.

SD-WAN routers have emerged as an alternative to traditional routers and replaces 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 does not only help reduce enterprise network expenses, but can also increase the reliability, flexibility and bandwidth of the network. According to Quocirca, the global SD-WAN router market is expected to grow and increase to approximately US$1.51 billion (approx. HK$11.71 billion*) in terms of revenue by 2020, representing a CAGR of approximately 31.8% from 2015 to 2020. As more equipment providers look to add SD-WAN capabilities into their products and replacement rate of expensive leased lines increases, the global SD-WAN router market will account for approximately 38.0% of the global enterprise router market in revenue by 2020.

Mr. Alex Chan, Chairman of the Group, concluded, "The Group excels at delivering disruptive Internet connectivity technology. Leveraging its strength and expertise, the Group has delivered Unbreakable Mobility to major verticals such as transportation, maritime and Internet of things, which have increasingly stronger demand for highly reliable Internet connectivity. In addition, we will continue to strengthen our R&D capability and launch new models, products and cloud-based subscription services, which will enrich our product portfolio and further expand our income source."

1 In terms of revenue value in 2015
**Translated into Hong Kong dollars at the rate of US$1 to HK$7.7535, the exchange rate prevailing on 22nd August, 2016*

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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) router vendor (in terms of revenue value in 2015). Primarily engaged in developing and commercialising SD-WAN solutions under its own brands – "Peplink" and "Pepwave", the Group also grants software licences 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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