



## **Peak Files 2018 Year End Results and Operating Highlights**

**Montreal, Quebec--(Newsfile Corp. - April 18, 2019)** - Peak Positioning Technologies Inc. (CSE: PKK) ("Peak" or the "Company") today announced its financial results and reviewed highlights for the year ended December 31, 2018. All amounts expressed are in Canadian dollars.

### **Financial Highlights:**

- Total revenue of \$1.68M
- Net loss of \$3.61M
- Reduction of \$1.8M in liabilities as a result of surrender of debentures to exercise share purchase warrants
- Total assets of \$24.68M
- \$760,000 of capital raised through private placement financings

### **Operating Highlights:**

- Creation of ASFC financial services subsidiary
- Over 1,500 loans extended by ASFC to Chinese SMEs
- First two non-Peak-related lenders join ASFC on Cubeler Lending Hub platform
- First transactions by non-Peak-related lenders on Cubeler Lending Hub platform
- Continued enhancements of Cubeler Lending Hub platform including AI-based credit analysis and support for WeChat Pay and Alipay payment gateways
- Creation of ASCS subsidiary
- Takeover of Wenyi Financial Services Ltd. operations by ASCS

### **Review of 2018**

In 2018 Peak concluded its transition to becoming a company with the ability to impact small and medium sized business lending in China. Several milestones, as highlighted above, were achieved during the year to confirm that Peak and its group of companies are now in a position to do that. The Company was able to achieve most of its objectives for the year and was able to take advantage of an unexpected business opportunity that led to the creation of a new subsidiary and a new revenue stream.

First on the Company's "To Do" list in 2018 was the establishment of its own fully-licensed financial services company. That mission was accomplished with the creation of Asia Synergy Financial Capital ("ASFC") in the second quarter of 2018. With the launch of ASFC, the Company became one of very few foreign companies to control a licensed financial services company in China with the ability to lend and provide financial services to businesses and consumers. In a little over seven months of operation, ASFC extended more than 1,500 loans to Chinese SMEs without a single loan default.

After launching the Cubeler Lending Hub platform in China in the second quarter of 2017, the Company's Asia Synergy Data Solutions ("ASDS") welcomed the first two non-Peak-related lenders to the platform in 2018. Those lenders provided valuable feedback which helped contribute to the continued enhancement of the platform to better fit the needs of the Chinese commercial lending space. Some of the enhancements made to Cubeler in 2018 included an artificial intelligence based credit analysis feature capable of taking into account various financial, social media and other input variables, and support for China's two most popular payment gateways. By the end of 2018, the new Cubeler lenders had conducted their first transactions on the platform and Cubeler was poised to make a name for itself as a platform that helps lenders quickly and efficiently find, qualify and lend to Chinese SMEs while limiting loan default risk.

Other than the establishment of ASFC, perhaps the most significant event that occurred in 2018 for the Company was the transfer of the operation of Wenyi Financial Services Ltd. ("Wenyi") to the Company's

Asia Synergy Credit Solutions ("ASCS") subsidiary, which was created specifically for that purpose. The transfer of Wenyi's operations also brought to ASCS relationships with lenders whose loans Wenyi had been servicing and, at the time of the transfer, ongoing negotiations between Wenyi, Wuxi Union SME Guarantee Co. Ltd ("Wuxi Union") and the Wuxi Rural Commercial Bank ("WRCB"). ASCS eventually entered into a three-way agreement with Wuxi Union and WRCB whereby Wuxi Union will guarantee WRCB loans serviced by ASCS for an amount of up to \$1B. The revenue stream generated by the services provided by ASCS amounted to an approximate 6% annual fee of the value of the loans it serviced.

The Company wrapped up 2018 with a total of four operating subsidiaries (AST, ASDS, ASFC and ASCS) each fulfilling a specific need in the Chinese commercial lending space, from simply providing loans (ASFC), to providing cutting edge technology to make lending safer and more efficient (ASDS), to providing complete loan outsourcing solutions to banks and other lenders (ASCS), to offering purchase order financing solutions (AST). With most of the R&D heavy lifting behind them, the Company and its group of subsidiaries are of the opinion that they are well-positioned to begin to impact the SME lending space in China.

### **Outlook for 2019**

The Company will be looking to repurpose AST's Gold River product procurement platform in 2019 to offer purchase order financing services and referring such requests to the Cubeler Lending Hub. The Company's expectations for 2019 are:

- for ASFC to continue to provide revenue stability and predictability to the Company;
- for AST to slowly begin to contribute to the revenue stream by the second quarter; and
- for ASCS and ASDS to increasingly begin to account for a greater percentage of the Company's revenue.

ASCS and ASDS should be able to reach agreements with banks and insurance companies with national reach and to expand their respective service offerings beyond Jiangsu province.

As the capital available to be loaned on the Cubeler Lending Hub continues to increase with the expected expansion to other markets in China, it will be increasingly important to find quality loan candidates to ensure that a lack of such candidates does not hinder the Company's revenue generating ability. This is just one of the reasons why the Company plans to continue to pursue the establishment of an agreement with at least one Canadian financial institution that would provide loan guarantees in Canada for loans made to Chinese operating subsidiaries of Canadian companies. Such an agreement would not only provide the Company with a pool of loan candidates able to command higher average loan amounts, but it would also position the Company as a true bridge for business development from the perspective of both the Chinese and the Canadian governments.

### **Fiscal 2018 financial results summary**

The Company generated \$1,679,569 in revenue almost exclusively from ASFC (compared to \$7,475,402 in a combination of mostly the sale of raw material products and a few financial services in fiscal 2017). The significant difference in revenue between fiscal 2017 and fiscal 2018 can be attributed to the Company's shift in business model going from transactions involving the sale of raw materials generating large revenues and equally large costs of sales resulting in smaller profit margins, to focusing on financial services transactions generating smaller revenues but larger profit margins.

Expenses (excluding the cost of sales) for fiscal 2018 amounted to \$5,290,454, compared to \$3,499,265 in 2017.

The net loss for the year was \$3,608,920 compared to \$3,456,230 in 2017. When removing non-cash items such as depreciation, impairment of intangible assets and share-based compensation that amount comes to \$1,297,622 in 2018 compared to \$2,251,429 in 2017. Full details of the Company's 2018 financial results can be found in the Audited Consolidated Financial Statements and Management's Discussion and Analysis (MD&A) for the years ended December 31, 2018 and 2017, which are available at [www.sedar.com](http://www.sedar.com).

Peak Positioning Technologies Inc. is an IT portfolio management company whose mission is to assemble, finance and manage a portfolio of promising companies and assets in some of the fastest-growing tech sectors in China, including fintech, e-commerce and cloud-computing. Peak provides a bridge for North American investors who wish to participate in the continued digitization of China's industrial sectors through the latest advancements in technology. For more information: <http://www.peakpositioning.com>

**YouTube:** [Peak Positioning](#)

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