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PAX GLOBAL TECHNOLOGY LIMITED

百富環球科技有限公司*

(Incorporated in Bermuda with limited liability)

(Stock code: 327)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2025

FINANCIAL HIGHLIGHTS			
	Six months ended 30 June		
	2025	2024	+/(–)
RESULTS (in HK\$'000)			
Revenue	2,716,164	3,013,241	-9.9%
Gross profit	1,272,545	1,409,236	-9.7%
Operating profit	470,997	537,525	-12.4%
Profit for the period	391,351	459,760	-14.9%
Profit attributable to the owners of the Company	390,877	454,583	-14.0%
Research and development costs (included in administrative expenses)	(305,174)	(304,219)	+0.3%
PER SHARE (in HK\$)			
Earnings per share			
– Basic	0.369	0.425	-13.2%
– Diluted	0.363	0.416	-12.7%
Interim dividend per ordinary share	0.25	0.24	+4.2%
	As at	As at	
	30 June	31 December	
	2025	2024	+/(–)
KEY BALANCE SHEET ITEMS (in HK\$'000)			
Total current assets	7,708,931	7,646,119	+0.8%
Total assets	9,208,715	9,169,505	+0.4%
Net current assets	6,400,937	6,130,960	+4.4%
Total equity	7,805,146	7,564,587	+3.2%

* For identification purpose only

The board (the “Board”) of directors (the “Directors”) of PAX Global Technology Limited (“PAX” or the “Company”) is pleased to announce the unaudited condensed consolidated interim results of the Company and its subsidiaries (the “Group”) for the six months ended 30 June 2025 together with the unaudited comparative figures for the corresponding period in 2024 as follows:

INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT

		Unaudited	
		Six months ended 30 June	
		2025	2024
	<i>Notes</i>	HK\$'000	HK\$'000
Revenue	4	2,716,164	3,013,241
Cost of sales	6	(1,443,619)	(1,604,005)
Gross profit		1,272,545	1,409,236
Other income	4	29,568	36,851
Other (losses)/gain	4	(9,871)	1,589
Selling expenses	6	(302,663)	(346,978)
Administrative expenses	6	(515,821)	(576,796)
Net (impairment losses)/reversal of impairment losses on financial assets	6	(2,761)	13,623
Operating profit		470,997	537,525
Finance costs		(2,446)	(2,908)
Share of results of investments accounted for using the equity method		(2,601)	4,686
Profit before income tax		465,950	539,303
Income tax expense	8	(74,599)	(79,543)
Profit for the period		391,351	459,760
Profit attributable to:			
Owners of the Company		390,877	454,583
Non-controlling interests		474	5,177
		391,351	459,760
		HK\$	HK\$
		per share	per share
Earnings per share for profit attributable to the owners of the Company:			
– Basic	9(a)	0.369	0.425
– Diluted	9(b)	0.363	0.416

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Unaudited	
	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
Profit for the period	391,351	459,760
Other comprehensive income/(loss), net of tax		
<i>Item that may be subsequently reclassified to profit or loss</i>		
Exchange differences arising on translation of the financial statements of foreign subsidiaries	119,159	(77,283)
<i>Item that will not be reclassified to profit or loss</i>		
Exchange differences arising on translation of the financial statements of foreign subsidiaries	4,491	(1,416)
Total comprehensive income for the period, net of tax	515,001	381,061
Total comprehensive income attributable to:		
Owners of the Company	510,036	377,300
Non-controlling interests	4,965	3,761
	515,001	381,061

INTERIM CONDENSED CONSOLIDATED BALANCE SHEET

		Unaudited As at 30 June 2025 <i>HK\$'000</i>	Audited As at 31 December 2024 <i>HK\$'000</i>
	<i>Notes</i>		
ASSETS			
Non-current assets			
Property, plant and equipment		954,541	939,396
Right-of-use assets		203,762	207,281
Intangible assets		135,729	117,832
Financial asset measured at fair value		83,005	88,242
Investments accounted for using the equity method		17,351	44,838
Other non-current assets		3,402	3,940
Deferred income tax assets		101,994	121,857
Total non-current assets		1,499,784	1,523,386
Current assets			
Inventories		1,517,960	1,587,039
Other current assets		105,018	90,273
Other financial assets at amortised cost		71,662	58,581
Trade and bills receivables	11	2,754,513	2,543,884
Current tax assets		89,807	96,042
Restricted cash		28,137	24,212
Short-term bank deposits		165,776	162,490
Cash and cash equivalents		2,976,058	3,083,598
Total current assets		7,708,931	7,646,119
Total assets		9,208,715	9,169,505
EQUITY			
Equity attributable to the owners of the Company			
Share capital		105,964	106,170
Reserves		7,659,683	7,423,883
		7,765,647	7,530,053
Non-controlling interests		39,499	34,534
Total equity		7,805,146	7,564,587

INTERIM CONDENSED CONSOLIDATED BALANCE SHEET

		Unaudited As at 30 June 2025 <i>HK\$'000</i>	Audited As at 31 December 2024 <i>HK\$'000</i>
	<i>Notes</i>		
LIABILITIES			
Non-current liabilities			
Lease liabilities		67,253	69,606
Deferred income tax liabilities		24,160	15,462
Other non-current liabilities		4,162	4,691
Total non-current liabilities		<u>95,575</u>	<u>89,759</u>
Current liabilities			
Trade payables	12	832,910	937,211
Other payables and accruals		455,173	540,768
Current tax liabilities		2,060	18,961
Lease liabilities		17,851	18,219
Total current liabilities		<u>1,307,994</u>	<u>1,515,159</u>
Total liabilities		<u>1,403,569</u>	<u>1,604,918</u>
Total equity and liabilities		<u><u>9,208,715</u></u>	<u><u>9,169,505</u></u>

Notes:

1 GENERAL INFORMATION

PAX Global Technology Limited (the “Company”) is an investment holding company and together with its subsidiaries (collectively referred to as the “Group”) are principally engaged in the development and sales of electronic funds transfer point-of-sale (“E-payment Terminals”) products, provision of maintenance and installation and payment solution services (collectively, referred to as the “E-payment Terminals solutions business”).

The Company is a limited liability company incorporated in Bermuda. The address of its registered office is Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda.

The Company’s shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 20 December 2010.

This interim condensed consolidated financial information is presented in thousands of units of Hong Kong dollars (HK\$’000), unless otherwise stated.

This interim condensed consolidated financial information was approved for issue by the Board of Directors of the Company on 18 August 2025.

This interim condensed consolidated financial information has not been audited.

2 BASIS OF PREPARATION

This interim condensed consolidated financial information for the six months ended 30 June 2025 has been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” as issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”).

This interim condensed consolidated financial information does not include all the notes of the type normally included in annual consolidated financial statements. Accordingly, this interim condensed consolidated financial information is to be read in conjunction with the annual consolidated financial statements for the year ended 31 December 2024, which have been prepared in accordance with HKFRS Accounting Standards.

3 ACCOUNTING POLICIES

The accounting policies adopted are consistent with those of the annual consolidated financial statements for the year ended 31 December 2024, as described in those annual consolidated financial statements, except for the estimation of income tax and the adoption of amended standards as set out below. Taxes on income in the interim periods are accrued using the tax rate that would be applicable to the expected total annual earnings.

3.1 Amended standards adopted by the Group

A number of amended standards became applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these amended standards.

3 ACCOUNTING POLICIES (Continued)

3.2 New and amended standards and interpretation not yet adopted by the Group

Certain new accounting standards and amendments to accounting standards and interpretation have been published that are not mandatory for this reporting period and have not been early adopted by the Group.

HKFRS 18 will replace HKAS 1 “Presentation of Financial Statements”, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though HKFRS 18 will not impact the recognition or measurement of items in the consolidated financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the consolidated income statement and providing management-defined performance measures within the consolidated financial statements.

Management is currently assessing the detailed implications of applying the new standard on the Group’s consolidated financial statements. The Group expects to apply the new standard from its mandatory effective date of 1 January 2027. Retrospective application is required, and so the comparative information for the financial year ending 31 December 2026 will be restated in accordance with HKFRS 18.

In addition to the abovementioned changes in presentation and disclosures, the Group is in the process of assessing the impact of adopting other new accounting standards and amendments to accounting standards and interpretation on its current or future reporting periods and on foreseeable future transactions.

4 REVENUE, OTHER INCOME AND OTHER (LOSSES)/GAIN

The Group is principally engaged in the development and sales of E-payment Terminals products, provision of maintenance and installation and payment solution services. Revenue, other income and other (losses)/gain recognised during the period are as follows:

	Unaudited	
	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
Revenue		
Sales of E-payment Terminals products	2,544,491	2,849,245
Provision of services	171,673	163,996
	<u>2,716,164</u>	<u>3,013,241</u>
Other income		
Interest income	9,480	9,928
Government subsidies (<i>note (i)</i>)	1,142	2,691
Value-added tax refunds (<i>note (ii)</i>)	8,011	11,426
Others	10,935	12,806
	<u>29,568</u>	<u>36,851</u>
Other (losses)/gain		
Fair value (loss)/gain on an investment at fair value through profit or loss	(7,873)	1,589
Fair value loss on a contingent consideration payable	(1,998)	–
	<u>(9,871)</u>	<u>1,589</u>

Notes:

- (i) The amounts mainly represent the Group's entitlement to government subsidies in relation to sales and research and development of self-developed software products in the People's Republic of China (the "PRC"). There are no unfulfilled conditions or other contingencies attaching to these government subsidies.
- (ii) The amounts mainly represent the Group's entitlement to value-added tax refunds from the tax bureaus of the PRC. There are no unfulfilled conditions or other contingencies attaching to these value-added tax refunds.

5 SEGMENT INFORMATION

The chief operating decision maker reviews the Group's internal reporting in order to assess performance and allocate resources. The Group has determined the operating segments based on the internal reports reviewed by the chief operating decision maker to make strategic decisions. The Group is principally engaged in the E-payment Terminals solutions business and considers that it operates in one single business segment.

The chief operating decision maker assesses the performance of the Group from a geographic perspective based on the locations of the subsidiaries in which revenues are generated and the performance of the operating segments is assessed based on the measurement of segmental operating profit/(loss).

The Group primarily operates in Hong Kong, the PRC (excluding Hong Kong, Macau and Taiwan), the United States of America (the "US") and Italy.

An analysis of the Group's revenue and results for the period by segment is as follows:

Unaudited Six months ended 30 June 2025						
	PRC, excluding Hong Kong, Macau and Taiwan HK\$'000	Hong Kong and others HK\$'000	US HK\$'000	Italy HK\$'000	Elimination and corporate expenses HK\$'000	Total HK\$'000
Revenue from external customers	184,447	1,810,711	498,033	222,973	–	2,716,164
Inter-segment revenue	1,311,489	210,104	–	–	(1,521,593)	–
Total revenue	<u>1,495,936</u>	<u>2,020,815</u>	<u>498,033</u>	<u>222,973</u>	<u>(1,521,593)</u>	<u>2,716,164</u>
Segmental earnings/(losses) before interest expense, taxes, depreciation and amortisation ("EBITDA"/"LBITDA")	96,261	336,418	(130,807)	11,457	211,914	525,243
Depreciation (Note 6)	(29,140)	(5,450)	(8,853)	(5,466)	–	(48,909)
Amortisation (Note 6)	–	(4,591)	–	(746)	–	(5,337)
Segmental operating profit/(loss)	67,121	326,377	(139,660)	5,245	211,914	470,997
Finance costs						(2,446)
Share of results of investments accounted for using the equity method						(2,601)
Profit before income tax						465,950
Income tax expense						(74,599)
Profit for the period						<u>391,351</u>

5 SEGMENT INFORMATION (Continued)

Unaudited Six months ended 30 June 2024						
	PRC, excluding Hong Kong, Macau and Taiwan HK\$'000	Hong Kong and others HK\$'000	US HK\$'000	Italy HK\$'000	Elimination and corporate expenses HK\$'000	Total HK\$'000
Revenue from external customers	242,308	2,152,979	358,719	259,235	–	3,013,241
Inter-segment revenue	1,938,047	184,965	–	–	(2,123,012)	–
Total revenue	<u>2,180,355</u>	<u>2,337,944</u>	<u>358,719</u>	<u>259,235</u>	<u>(2,123,012)</u>	<u>3,013,241</u>
Segmental earnings/(losses) before interest expense, taxes, depreciation and amortisation ("EBITDA"/"LBITDA")	429,685	177,111	(81,184)	29,373	28,600	583,585
Depreciation (Note 6)	(26,705)	(5,228)	(8,387)	(4,145)	–	(44,465)
Amortisation (Note 6)	–	(863)	–	(732)	–	(1,595)
Segmental operating profit/(loss)	402,980	171,020	(89,571)	24,496	28,600	537,525
Finance costs						(2,908)
Share of results of investments accounted for using the equity method						<u>4,686</u>
Profit before income tax						539,303
Income tax expense						<u>(79,543)</u>
Profit for the period						<u>459,760</u>

The segment assets and liabilities as at 30 June 2025 and additions to non-current assets for the six months ended 30 June 2025 are as follows:

Unaudited As at 30 June 2025						
	PRC, excluding Hong Kong, Macau and Taiwan HK\$'000	Hong Kong and others HK\$'000	US HK\$'000	Italy HK\$'000	Elimination HK\$'000	Total HK\$'000
Segment assets	<u>7,955,740</u>	<u>5,017,025</u>	<u>750,929</u>	<u>406,235</u>	<u>(4,921,214)</u>	<u>9,208,715</u>
Segment liabilities	<u>1,431,594</u>	<u>2,948,902</u>	<u>1,603,552</u>	<u>277,982</u>	<u>(4,858,461)</u>	<u>1,403,569</u>

5 SEGMENT INFORMATION (Continued)

Unaudited Six months ended 30 June 2025						
PRC, excluding Hong Kong, Macau and Taiwan HK\$'000	Hong Kong and others HK\$'000	US HK\$'000	Italy HK\$'000	Elimination HK\$'000	Total HK\$'000	
Additions to non-current assets (excluding financial instruments and deferred income tax assets)	2,353	16,463	2,998	15,064	–	36,878

The segment assets and liabilities as at 31 December 2024 and additions to non-current assets for the six months ended 30 June 2024 are as follows:

Audited As at 31 December 2024						
PRC, excluding Hong Kong, Macau and Taiwan HK\$'000	Hong Kong and others HK\$'000	US HK\$'000	Italy HK\$'000	Elimination HK\$'000	Total HK\$'000	
Segment assets	7,625,984	5,608,909	1,191,934	447,990	(5,705,312)	9,169,505
Segment liabilities	1,420,252	3,489,007	1,904,796	336,890	(5,546,027)	1,604,918

Unaudited Six months ended 30 June 2024						
PRC, excluding Hong Kong, Macau and Taiwan HK\$'000	Hong Kong and others HK\$'000	US HK\$'000	Italy HK\$'000	Elimination HK\$'000	Total HK\$'000	
Additions to non-current assets (excluding financial instruments and deferred income tax assets)	42,644	1,133	6,311	12,091	–	62,179

For the six months ended 30 June 2025, additions to non-current assets mainly comprise additions to property, plant and equipment, intangible assets and right-of-use assets (six months ended 30 June 2024: additions to property, plant and equipment and right-of-use assets).

For the six months ended 30 June 2025, revenue of approximately HK\$232,419,000 (six months ended 30 June 2024: HK\$430,983,000) is derived from the largest customer, representing 8.6% (six months ended 30 June 2024: 14.3%) of the total revenue, which is attributable to the Hong Kong operating segment (six months ended 30 June 2024: same); revenue of approximately HK\$177,620,000 (six months ended 30 June 2024: HK\$152,665,000) is derived from the second largest customer, representing 6.5% (six months ended 30 June 2024: 5.1%) of the total revenue, which is attributable to the US operating segment (six months ended 30 June 2024: Hong Kong operating segment).

Information provided to the Executive Directors is measured in a manner consistent with that in the interim condensed consolidated financial information.

5 SEGMENT INFORMATION (Continued)

The Group is mainly domiciled in Hong Kong, the PRC, the US and Italy.

The Group's non-current assets by geographical location, which is determined by the geographical location in which the assets are located, are as follows:

	Unaudited As at 30 June 2025 HK\$'000	Audited As at 31 December 2024 HK\$'000
Non-current assets		
PRC, excluding Hong Kong, Macau and Taiwan	1,187,089	1,177,473
Hong Kong and others	199,690	245,116
US	36,008	41,837
Italy	76,997	58,960
	<u>1,499,784</u>	<u>1,523,386</u>

6 EXPENSES BY NATURE

Expenses included in cost of sales, selling expenses, administrative expenses and net impairment losses/(reversal of impairment losses) on financial assets are analysed as follows:

	Unaudited Six months ended 30 June 2025 HK\$'000	2024 HK\$'000
Costs of inventories sold	1,327,135	1,529,980
Provision for obsolete inventories	62,347	4,590
Employee benefit expenses (including directors' emoluments) (Note 7)	404,538	392,024
Research and development costs	305,174	304,219
Sales commission	60,960	74,808
Depreciation of property, plant and equipment	34,811	29,197
Depreciation of right-of-use assets	14,098	15,268
Short-term lease expenses	7,093	6,345
Amortisation of intangible assets	5,337	1,595
Remuneration to the Company's auditor		
– Group's annual audit and other audit related services	1,250	1,250
– non-audit services	15	301
Remuneration to other auditors	427	434
Net foreign exchange (gains)/losses	(43,385)	32,273
Net impairment losses/(reversal of impairment losses) on financial assets	<u>2,761</u>	<u>(13,623)</u>

7 EMPLOYEE BENEFIT EXPENSES (INCLUDING DIRECTORS' EMOLUMENTS)

	Unaudited	
	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
Wages and salaries	376,269	364,481
Social security and pension costs	28,269	27,543
	<u>404,538</u>	<u>392,024</u>

8 INCOME TAX EXPENSE

	Unaudited	
	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
Current income tax on profit for the period		
– China corporate income tax	27,361	69,971
– Hong Kong profits tax	36,004	20,180
– Overseas profits tax	11,597	11,389
Tax incentives for research and development expenses available for the subsidiaries incorporated in the PRC (<i>note (a)</i>)	(30,946)	(27,632)
Under provision in prior years, net	<u>–</u>	<u>688</u>
Total current income tax	44,016	74,596
Deferred income tax	<u>30,583</u>	<u>4,947</u>
Income tax expense	<u>74,599</u>	<u>79,543</u>

Hong Kong profits tax has been provided for at the rate of 16.5% (six months ended 30 June 2024: same) on the estimated assessable profit for the six months ended 30 June 2025.

Taxes on overseas profits have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

8 INCOME TAX EXPENSE (Continued)

Notes:

- (a) The Group obtained an incentive from the PRC tax authority relating to the research and development expenses of the subsidiaries in the PRC. Under such tax incentive rule, the Group may claim an additional tax deduction up to 100% of the relevant research and development expenses incurred (“R&D Tax Incentive”).
- (b) Pursuant to the Corporate Income Tax Law of the PRC effective from 1 January 2008 (the “CIT Law”), companies in the PRC are subject to income tax of 25% unless preferential rate is applicable.

Pursuant to Caishui Circular 49 of 2016 jointly released by the Ministry of Finance, the State Taxation Administration, the National Development and Reform Commission and the Ministry of Industry and Information Technology of the PRC and the amendments of the relevant tax rules and requirements of the eligibility for the tax incentives, management performed self-assessment for Pax Computer Technology (Shenzhen) Co., Ltd. (“Pax Computer Shenzhen”), a wholly-owned subsidiary of the Group located in the Shenzhen Special Economic Zone, on the eligibility for the tax incentives. Pax Computer Shenzhen was accredited as High and New Technology Enterprises (“HNTE”) and is entitled to a preferential tax rate of 15%. As such, the applicable corporate income tax rate of Pax Computer Shenzhen was 15% for the six months ended 30 June 2025 (six months ended 30 June 2024: same).

9 EARNINGS PER SHARE

(a) Basic

Basic earnings per share is calculated by dividing the profit for the period attributable to the owners of the Company by the weighted average number of ordinary shares outstanding during the period.

	Unaudited	
	Six months ended 30 June	
	2025	2024
Profit attributable to the owners of the Company (<i>HK\$'000</i>)	390,877	454,583
Weighted average number of ordinary shares outstanding (<i>thousand shares</i>)	1,060,685	1,070,525
Basic earnings per share attributable to the owners of the Company (<i>HK\$ per share</i>)	0.369	0.425

9 EARNINGS PER SHARE (Continued)

(b) Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all potentially dilutive ordinary shares. The Company has one category of potentially dilutive ordinary shares: share options. For the share options, a calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average market share price of the Company's shares for the period) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options.

For the six months ended 30 June 2025 and 2024, the calculation of diluted earnings per share was based on the profit attributable to the owners of the Company and the adjusted weighted average number of ordinary shares outstanding assuming the conversion of all potentially dilutive ordinary shares, which was calculated as follows:

	Unaudited Six months ended 30 June	
	2025	2024
Profit attributable to the owners of the Company (<i>HK\$'000</i>)	<u>390,877</u>	<u>454,583</u>
Weighted average number of ordinary shares outstanding (<i>thousand shares</i>)	1,060,685	1,070,525
Adjustments for share options (<i>thousand shares</i>)	<u>14,659</u>	<u>22,022</u>
Weighted average number of ordinary shares for diluted earnings per share (<i>thousand shares</i>)	<u>1,075,344</u>	<u>1,092,547</u>
Diluted earnings per share attributable to owners of the Company (<i>HK\$ per share</i>)	<u>0.363</u>	<u>0.416</u>

10 DIVIDENDS

The Board has resolved to declare an interim dividend of HK\$0.25 per ordinary share for the six months ended 30 June 2025 (six months ended 30 June 2024: HK\$0.24 per ordinary share), amounting to approximately HK\$264,961,000 (six months ended 30 June 2024: HK\$254,809,000) (assuming there will be no change in the number of shares in issue on or before the record date for determining the entitlement of interim dividend) payable on 25 September 2025 to shareholders of the Company whose names appear on the register of members of the Company at the close of business on 11 September 2025. The amount of interim dividend declared was calculated based on the number of ordinary shares in issue at the date of approval of the interim condensed consolidated financial information.

11 TRADE AND BILLS RECEIVABLES

	Unaudited As at 30 June 2025 HK\$'000	Audited As at 31 December 2024 HK\$'000
Trade receivables (<i>note (a)</i>)	2,839,136	2,625,573
Less: provision for impairment of trade receivables	<u>(85,296)</u>	<u>(81,959)</u>
Trade receivables, net	2,753,840	2,543,614
Bills receivables (<i>note (b)</i>)	<u>673</u>	<u>270</u>
Trade and bills receivables	<u><u>2,754,513</u></u>	<u><u>2,543,884</u></u>

(a) Trade receivables

The Group's credit terms to trade debtors range generally from 0 to 180 days. However, credit terms of more than 180 days may be granted to customers on a case-by-case basis upon negotiation. As at 30 June 2025 and 31 December 2024, the ageing analysis of the trade receivables based on invoice date is as follows:

	Unaudited As at 30 June 2025 HK\$'000	Audited As at 31 December 2024 HK\$'000
Up to 90 days	1,368,447	1,242,756
91 to 180 days	488,607	430,039
181 to 365 days	605,099	714,843
Over 365 days	<u>376,983</u>	<u>237,935</u>
	<u><u>2,839,136</u></u>	<u><u>2,625,573</u></u>

As at 30 June 2025, trade receivables included retention money receivables of HK\$9,268,000 (31 December 2024: HK\$16,989,000), which represents approximately 2% to 5% (31 December 2024: same) of the relevant contract sum granted to certain number of the customers in the PRC that has a retention period of three to seven years (31 December 2024: same). As at 30 June 2025, retention money receivables aged over 365 days amounted to HK\$8,589,000 (31 December 2024: HK\$16,426,000).

11 TRADE AND BILLS RECEIVABLES (Continued)

(b) Bills receivables

The balance represents bank acceptance notes with the maturity profile as follows:

	Unaudited As at 30 June 2025 HK\$'000	Audited As at 31 December 2024 HK\$'000
Up to 90 days	–	270
91 to 180 days	673	–
	<u>673</u>	<u>270</u>

12 TRADE PAYABLES

	Unaudited As at 30 June 2025 HK\$'000	Audited As at 31 December 2024 HK\$'000
Trade payables		
Trade payables	832,910	935,193
Amount due to a related party	–	2,018
	<u>832,910</u>	<u>937,211</u>

The ageing analysis of the trade payables and amount due to a related party based on invoice date is as follows:

	Unaudited As at 30 June 2025 HK\$'000	Audited As at 31 December 2024 HK\$'000
Up to 90 days	716,651	787,430
91 to 180 days	113,235	145,394
181 to 365 days	3,024	4,387
	<u>832,910</u>	<u>937,211</u>

The average credit period granted by the Group's suppliers ranges from 0 to 180 days.

13 CAPITAL COMMITMENT

Significant capital expenditure contracted for at the end of the reporting period but not recognised as liabilities are as follows:

	Unaudited	Audited
	As at	As at
	30 June	31 December
	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
Property, plant and equipment in the PRC	<u>6,962</u>	<u>8,110</u>

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL HIGHLIGHTS

Revenue

i) Sales by Geographical Region

	Six months ended 30 June		+ / (-)
	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>	
Europe, the Middle East and Africa (“EMEA”)	1,083,949	1,103,965	-1.8%
Latin America and the Commonwealth of Independent States (“LACIS”)	684,151	1,069,814	-36.0%
United States of America and Canada (“USCA”)	498,679	358,721	+39.0%
Asia Pacific Region (“APAC”)	449,385	480,741	-6.5%
Total	<u>2,716,164</u>	<u>3,013,241</u>	<u>-9.9%</u>

Revenue decreased by 9.9% to HK\$2,716.2 million for the six months ended 30 June 2025 from HK\$3,013.2 million for the six months ended 30 June 2024. The decline in revenue was primarily due to the drop in purchase orders in certain markets during the period, which is mainly attributed to the global economic uncertainty.

ii) Sales by Product Category

	Six months ended 30 June		+ / (-)
	2025 HK\$'000	2024 HK\$'000	
Sales of E-payment Terminals products	2,544,491	2,849,245	-10.7%
Provision of services	<u>171,673</u>	<u>163,996</u>	<u>+4.7%</u>
Total	<u>2,716,164</u>	<u>3,013,241</u>	<u>-9.9%</u>

Sales of E-payment Terminals products

E-payment Terminals products include Android smart E-payment solutions, unattended solutions, classic E-payment solutions and other products.

Revenue from the sales of E-payment Terminals products decreased by 10.7% to HK\$2,544.5 million for the six months ended 30 June 2025 from HK\$2,849.2 million for the six months ended 30 June 2024. The decrease was mainly due to the drop in purchase orders in certain markets during the period.

Provision of services

Services income mainly consists of the income generated from the provision of maintenance and installation services and the payment solution services, e.g. SaaS (Software as a Service) solutions.

Revenue from provision of services increased by 4.7% to HK\$171.7 million for the six months ended 30 June 2025 from HK\$164.0 million for the six months ended 30 June 2024. The increase in revenue from provision of services was mainly due to the growing demand for the SaaS solutions.

Gross Profit Margin

Gross profit margin for the six months ended 30 June 2025 and 2024 remained relatively stable at 46.9% and 46.8%, respectively.

Other Income

Other income comprises primarily interest income, government subsidies and value-added tax refunds. It decreased by 19.8% to HK\$29.6 million for the six months ended 30 June 2025 from HK\$36.9 million for the six months ended 30 June 2024, mainly due to the decrease in value-added tax refunds.

Selling Expenses

Selling expenses decreased by 12.8% to HK\$302.7 million for the six months ended 30 June 2025 from HK\$347.0 million for the six months ended 30 June 2024. The decrease was mainly driven by the decrease in sales commission and transportation costs arising from the distribution of goods.

Administrative Expenses

Administrative expenses decreased by 10.6% to HK\$515.8 million for the six months ended 30 June 2025 from HK\$576.8 million for the six months ended 30 June 2024. The decrease was primarily due to favourable foreign exchange impacts, for instance, Japanese Yen, European dollar and Renminbi, partially offset by the increase in employee benefit and other expenses.

Net (Impairment Losses)/Reversal of Impairment Losses on Financial Assets

The Group recognised net impairment losses on financial assets of HK\$2.8 million and net reversal of impairment losses on financial assets of HK\$13.6 million during the six months ended 30 June 2025 and 2024 respectively. The amount recognised consisted of the expected credit losses assessed on both individual and collective basis.

Profit for the Period and Profit Attributable to the Owners of the Company

As a result of the foregoing, profit for the period was HK\$391.4 million, representing a decrease of 14.9% compared to HK\$459.8 million for the six months ended 30 June 2024. Profit for the period attributable to the owners of the Company decreased by 14.0% to HK\$390.9 million for the six months ended 30 June 2025 from HK\$454.6 million for the six months ended 30 June 2024.

BUSINESS OVERVIEW AND INDUSTRY TRENDS

Market Analysis and Industry Trends

With the increasing popularity of digital payments, cashless transactions are emerging as a global trend. Meanwhile, the fast-paced advancement of blockchain technology is creating new opportunities for the payment sector. In 2025, the regulatory environment continued to be supportive, with the enactment of the U.S. GENIUS Act and Hong Kong's Stablecoins Ordinance coming into effect. The establishment of regulatory frameworks for payment stablecoins is ushering in a new landscape for the payment industry. Driven by both policy tailwinds and growing market demand, global digital transformation is accelerating and unlocking vast potential for the payment terminal sector. The Group is actively capitalizing on these trends, with PAX payment terminals now support stablecoins and other emerging payment methods across multiple markets. Leveraging our global presence and technological expertise, PAX is committed to delivering diversified, secure, and efficient payment solutions to merchants worldwide.

In the first half of 2025, the Group leveraged its global footprint, optimised resource allocation and targeted high-potential markets to drive resilient business development across regions. During the period, the Group recorded revenue of HK\$2,716.2 million. By implementing a diversified market strategy, PAX maintained a stable gross profit margin of 46.9%. Profit for the period reached HK\$391.4 million, with a net profit margin of 14.4%, demonstrating PAX's enterprise-wide resilience and strong risk management capabilities.

Leading global payment security standards and setting a new industry benchmark

Positioned at the forefront of the global payment terminal industry, PAX is committed to investing in technological innovation and product security. In the first half of 2025, PAX was once again appointed to the PCI SSC Board of Advisors, as the only Asian payment terminal provider among over 60 global members. As a member of the Board of Advisors, PAX will collaborate closely with global leaders to advance payment security standards and foster innovation, delivering secure and next-generation payment experiences for merchants and consumers.

As payment technologies rapidly evolve and global compliance standards become more stringent, the Group has continued to strengthen its compliance and security capabilities, achieving significant milestones in international payment certifications. During the period, the A920Pro smart terminal successfully achieved EMVCo C-8 certification, paving the way for industry shift to next-generation contactless standards. The A77 Android MiniPOS became the world's first payment terminal to receive PCI PTS POI v7.0 certification, the highest security benchmark for PIN-entry devices. This achievement highlights PAX's strong commitment to payment security and its leading R&D capabilities.

Driving global adoption of Android smart payment terminals and unlocking diverse verticals

The global shift toward digital transformation continues to boost demand for secure and efficient payment solutions. Capitalising on these market opportunities, PAX has strengthened collaborations with acquiring banks, Payment Service Providers (“PSPs”) and distribution partners worldwide. PAX Android smart payment terminals play an increasing vital role in multiple verticals, powering payments in diverse market segments, including retail, hospitality, quick-service restaurant chains, transportation, vending, theme parks, tourist attractions and electric vehicle (EV) charging. During the period, Android products accounted for over 65% of the Group’s total revenue.

Growing SaaS ecosystem with MAXSTORE cloud-based platform reaching 15-million terminal milestone

The Group continues to accelerate investment in its flagship SaaS solution, MAXSTORE, delivering scalable and high-performance solutions to clients worldwide. As of 30 June 2025, MAXSTORE achieved a milestone of 15 million connected terminals, offering a diverse selection of over 16,000 applications.

Analysis of Global Regions

EMEA

The Group delivered robust results in the EMEA region, with sales reaching HK\$1,083.9 million, continuing to be PAX’s largest revenue-contributing region.

In Europe, key markets like Italy, the United Kingdom and France achieved significant sales, despite individual market slowdowns. Flagship Android models the A920Pro and A35 are highly preferred by leading acquiring banks and PSPs, with widespread adoption across sectors such as retail, hospitality and transportation. Strategic partnerships with EV charging providers also fueled sales growth for our unattended payment terminal model IM30.

In the Middle East, growth momentum in the UAE remained strong. Across Africa, PAX strengthened partnership with local PSPs to drive digital payment adoption and financial inclusion. During the period, Egypt achieved strong double-digit growth while Sub-Saharan shipments continued to rise steadily.

The Group continues to strengthen its payment security services in EMEA. During the period, PAX Remote Key Injection (“RKI”) service in Italy successfully renewed PCI PIN and PCI P2PE certifications, highlighting PAX’s commitment to upholding the highest industry standards. This achievement further solidifies our leadership in payment security across EMEA.

LACIS

In the first half of 2025, PAX faced pressure on its sales in key Latin American markets as a result of economic uncertainty, currency fluctuations and intensified industry competition, particularly in Brazil.

Across other Latin American countries, the Group has further strengthened its local partnership networks. In Panama, the Group made steady progress with the deployment of Android smart terminals, achieving notable sales growth during the period.

USCA

In the first half of 2025, the North American market showed steady recovery with rising order volumes, driving sales growth of 39.0% year-on-year.

The Group's flagship payment products such as the A920Pro, A3700, A35 and A800 are widely deployed across high-traffic sectors like cinemas, telecom operators, convenience retail and quick-service restaurant chains, driving stronger market penetration. Demand surged for the IP67-rated PDA A6650 while the A920MAX officially entered commercial use in North America.

In the Android commercial POS ("EPOS") field, the Group made notable inroads with Workstation orders rising steadily. To capture the growing market demand for EPOS products, we will increase investment in direct sales channels for retail and hospitality, while strengthening product localisation capabilities to address the distinct needs of market segments across North America.

APAC

In the Asia Pacific region, the Group continues to strengthen its presence with diversified market strategy. Despite extended sales cycles in certain markets, PAX is ramping up investment in high-potential markets, driving steady development in the region.

In Japan, PAX doubled the sales during the period, driven by accelerated deployment of smart payment terminals. New models such as the A920MAX and A8700 have secured multiple new projects, including a landmark partnership with one of Japan's largest retail chains for a large-scale A8700 rollout. This marks a significant breakthrough for PAX in Japan's retail sector.

In Australia, the post-acquisition integration of a local distributor progressed smoothly. PAX will strengthen its local sales and support presence, while expanding its software and value-added service capabilities. In the first half of 2025, the newly established RKI service in Australia successfully obtained PCI PIN certification, further strengthening the Group's payment security capabilities in the Asia Pacific region and delivering more efficient and localised security service for partners.

Management Strategy

Riding the stablecoin wave and seizing market opportunities

2025 marks a landmark year for stablecoin payments. With the enactment of the U.S. GENIUS Act and the implementation of Hong Kong's Stablecoins Ordinance, the payment landscape is entering a new phase. The rapid evolution of stablecoins and blockchain technology is reshaping the global financial payment ecosystem, driving payment transactions toward even greater efficiency.

PAX is actively embracing these emerging digital currency payment options, providing merchants worldwide with more diversified, secure, and efficient payment solutions. Leveraging our global sales network and SaaS ecosystem, PAX will continue to harness its technological innovation and collaborate with partners to capture new opportunities in stablecoin payments.

Optimising payment terminals portfolio with a focus on high-potential Android models

PAX places innovation and quality at the heart of its strategy, empowering global acquiring banks, PSPs and independent sales organisations to serve merchants with greater efficiency and intelligence. To strengthen competitiveness and respond swiftly to evolving demand, PAX is strategically optimising resource allocation to drive cost reduction and improve efficiency. The Group will streamline its payment terminal portfolio, focusing resources on high-demand and high-value Android models to strengthen its brand presence.

Strengthening the SaaS ecosystem to enhance value-added service capabilities

To fully unlock the potential of Android smart terminals, the Group is advancing its next-generation SaaS ecosystem. Our suite of value-added services includes AirViewer for remote support, GoInsight for big data analysis, Cyberlab for cloud-based payment application testing, and the PCI-certified RKI platform for secure key management. Meanwhile, PAX is also accelerating the integration of artificial intelligence (AI) to enhance intelligent support and data applications, laying the foundation for the next generation of smart payment infrastructure.

Looking ahead, PAX will continue to drive innovation and collaborate with global partners to unlock new business opportunities, further reinforcing its leadership in the global payment terminal sector.

Liquidity and Financial Resources

As at 30 June 2025, the Group had cash and cash equivalents of HK\$2,976.1 million (31 December 2024: HK\$3,083.6 million), United States dollar denominated short-term bank deposits of HK\$165.8 million (31 December 2024: HK\$162.5 million) and no borrowing (31 December 2024: same). As at 30 June 2025, the Group reported net current assets of HK\$6,400.9 million (31 December 2024: HK\$6,131.0 million). For the six months ended 30 June 2025, net cash generated from operating activities was HK\$153.7 million (six months ended 30 June 2024: HK\$430.7 million). As at 30 June 2025, the Group had no borrowing, therefore the gearing ratio is not applicable (31 December 2024: same).

Capital Structure and Details of Charges

As at 30 June 2025, the Group had no significant borrowing and banking facility (31 December 2024: same) and no charge on any assets (31 December 2024: same).

As at 30 June 2025 and 31 December 2024, the Group's cash and cash equivalents were denominated in the following currencies:

	As at 30 June 2025 <i>HK\$'000</i>	As at 31 December 2024 <i>HK\$'000</i>
Renminbi ("RMB")	2,133,922	1,726,723
United States dollar ("US\$")	589,405	982,728
Hong Kong dollar ("HK\$")	76,001	138,012
European dollar ("EUR")	74,367	113,772
Indian Rupee ("INR")	48,738	53,517
Japanese Yen ("JPY")	37,415	36,171
Others	16,210	32,675
	<u>2,976,058</u>	<u>3,083,598</u>

Significant Investment

The Group had no significant investment held as at 30 June 2025 (31 December 2024: Nil).

Material Acquisition and Disposal of Subsidiaries, Associates and Joint Ventures

Save as disclosed in this announcement, the Group did not have any material acquisition or disposal of subsidiaries, associates and joint ventures during the six months ended 30 June 2025 (six months ended 30 June 2024: same).

Future Plans for Material Investments or Capital Assets

Save as disclosed in this announcement, there was no specific plan for material investments or capital assets as at 30 June 2025 (31 December 2024: same).

Exchange Rates Exposure

The Group derives its revenue, makes purchases and incurs expenses denominated mainly in RMB, HK\$, US\$, EUR, INR and JPY. The majority of assets and liabilities are denominated in RMB, HK\$, US\$, EUR, INR and JPY, and there are no significant assets and liabilities denominated in other currencies. Currently, the Group has not entered into agreements or purchased instruments to hedge the majority of the Group's exchange rate risks. Any material fluctuation in the exchange rates of HK\$ or RMB may have an impact on the operating results of the Group.

The management considers the foreign exchange risk with respect to US\$ is not significant as HK\$ is pegged to US\$ and transactions denominated in US\$ are mainly carried out by entities with the functional currency of HK\$ or US\$.

The Group manages foreign exchange risk by closely monitoring the movement of foreign currency rates.

Contingent Liabilities

The Group had no material contingent liabilities as at 30 June 2025 (31 December 2024: Nil).

Human Resources and Remuneration Policies

The total number of employees of the Group as at 30 June 2025 was 1,500 (31 December 2024: 1,509). The following table shows a breakdown of employees of the Group by function as at 30 June 2025 and 31 December 2024:

	As at 30 June 2025	As at 31 December 2024
Management	12	12
Sales and after-sales services and marketing	284	292
Research and development	882	881
Quality assurance	87	89
Administration and human resources	91	93
Accounting	43	41
Production, procurement and inventory control	101	101
	<u>1,500</u>	<u>1,509</u>

The Group ensures that its remuneration packages are comprehensive and competitive. Directors are entitled to fixed director's fee, discretionary bonus and other benefits, which are determined with reference to the performance of the individual and the Company, market practice and conditions as well as the Group's corporate goals and objectives in accordance with the remuneration policy of the Company. Employees are remunerated with fixed monthly income plus discretionary annual performance related bonuses. Share options are granted to certain Directors and employees of the Group as long-term incentives to reward their contributions under the share option scheme of the Company, details of which are set out in the Company's 2025 interim report. The Group also sponsors selected employees to attend external training courses that suit the needs of the Group's businesses.

Disclaimer:

Non-GAAP measures

Certain non-GAAP (generally accepted accounting principles) measures are used for assessing the Group's performance. These non-GAAP measures are not expressly permitted measures under GAAP in Hong Kong and may not be comparable to similarly titled measures for other companies. Accordingly, such non-GAAP measures should not be considered as an alternative to operating income as an indicator of the operating performance of the Group or as an alternative to cash flows from operating activities as a measure of liquidity. The use of non-GAAP measures is provided solely to enhance the overall understanding of the Group's current financial performance. Additionally, because the Group has historically reported certain non-GAAP results to investors, the Group considers the inclusion of non-GAAP measures provides consistency in our financial reporting.

INTERIM DIVIDEND

The Board has resolved to declare an interim dividend of HK\$0.25 per ordinary share for the six months ended 30 June 2025 (six months ended 30 June 2024: HK\$0.24 per ordinary share) payable on 25 September 2025 (Thursday) to shareholders of the Company ("Shareholders") whose names appear on the register of members of the Company (the "Register of Members") at the close of business on 11 September 2025 (Thursday).

CLOSURE OF REGISTER OF MEMBERS

For determining the Shareholders' entitlement to interim dividend, the Register of Members will be closed from 9 September 2025 (Tuesday) to 11 September 2025 (Thursday), both days inclusive, during which period no transfer of shares will be registered. In order to qualify for interim dividend, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on 8 September 2025 (Monday).

PURCHASE, SALE OR REDEMPTION OF SHARES

During the six months ended 30 June 2025, the Company repurchased an aggregate of 2,162,000 ordinary shares for a total consideration of HK\$9,863,740. All of the 2,162,000 ordinary shares were purchased on the Stock Exchange as follows:

Date of repurchase	Number of shares repurchased	Consideration per share		Total consideration paid HK\$
		Highest HK\$	Lowest HK\$	
24 March 2025	392,000	5.01	4.92	1,946,710
7 April 2025	<u>1,770,000</u>	4.50	4.33	<u>7,917,030</u>
Total	<u><u>2,162,000</u></u>			<u><u>9,863,740</u></u>

The Board believes that the share repurchases are in the best interests of the Company and its shareholders and would lead to an enhancement of the net assets value per share and/or earnings per share of the Company. As at the date of this announcement, all of the above repurchased shares were cancelled and the issued share capital of the Company was reduced by the nominal value of these shares accordingly and the balance of consideration was charged against the share premium account.

Save as disclosed above, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's shares or other listed securities (including sale of treasury shares) during the six months ended 30 June 2025.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS

The Group has adopted a written code regulating the securities transactions of Directors and executive officers named in the Company's annual report (the "Securities Transaction Code"), on terms no less exacting than the Model Code in Appendix C3 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules").

Specific enquiries had been made to all Directors whereas each of them has confirmed compliance with the required standard set out in the Model Code and the Securities Transaction Code throughout the six months ended 30 June 2025 and up to the date of this announcement.

The Company has also established written guidelines on terms no less exacting than the Model Code regulating the Directors, senior management and employees, who because of his/her office or employment is likely to possess inside information in relation to the Company or its securities, in respect of their transactions of securities of the Company.

CORPORATE GOVERNANCE PRACTICES

The Company's corporate governance practices are based on the principles of good corporate governance (the "Principles") and code provisions (the "Code Provisions") in the Corporate Governance Code ("CG Code") as set out in Appendix C1 to the Listing Rules.

In formulating and implementing its corporate governance practices, the Company has applied the Principles and complied with all applicable Code Provisions for the six months ended 30 June 2025.

Code Provision C.2.1

Following the appointment of Mr. Nie Guoming as the Chief Executive Officer effective from 3 July 2025, he has assumed the roles of both the Chairman of the Board and the Chief Executive Officer of the Company. Such practice deviates from code provision C.2.1 of the CG Code. The Board believes that vesting the roles of both the Chairman of the Board and the Chief Executive Officer of the Company in the same person can facilitate the execution of the Group's business strategies and boost the effectiveness of its operations. Therefore, the Board considers that the deviation from the code provision C.2.1 of the CG Code is appropriate in such circumstances. In addition, under the supervision of the Board, which is comprised of three executive Directors and four independent non-executive Directors, the Board is appropriately structured with a balance of power to provide sufficient checks to protect the interests of the Company and the shareholders of the Company.

REVIEW OF INTERIM RESULTS BY AUDIT COMMITTEE

The Audit Committee together with the management has reviewed the accounting principles and practices adopted by the Group and together with the Directors reviewed the risk management, internal control and financial reporting matters including the unaudited interim condensed consolidated financial information for the six months ended 30 June 2025.

PUBLICATION OF RESULTS ANNOUNCEMENT AND INTERIM REPORT

This results announcement is published on the Company's website at www.paxglobal.com.hk and the website of the Stock Exchange at www.hkexnews.hk. The Company's 2025 interim report will be despatched to Shareholders and available on the above websites in due course.

The interim financial information set out above does not constitute the Group's statutory financial statements for the six months ended 30 June 2025. Instead, it has been derived from the Group's unaudited interim condensed consolidated financial information for the six months ended 30 June 2025, which will be included in the Company's 2025 interim report.

By Order of the Board
PAX Global Technology Limited
Cheung Shi Yeung
Executive Director and Company Secretary

Hong Kong, 18 August 2025

As at the date of this announcement, the Board comprises three Executive Directors, namely Mr. Nie Guoming, Mr. Li Wenjin and Mr. Cheung Shi Yeung and four Independent Non-Executive Directors, namely Mr. Yip Wai Ming, Dr. Wu Min, Mr. Man Kwok Kuen, Charles and Mr. Fok Wai Shun, Wilson.