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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)

RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2024

	Year ended 31 December		
	2024	2023	+/(−)
FINANCIAL HIGHLIGHTS			
RESULTS (in HK\$'000)			
Revenue	6,044,878	6,709,324	-9.9%
Gross profit	2,853,389	2,994,001	-4.7%
Operating profit	856,163	1,254,366	-31.7%
Profit before income tax	861,245	1,253,964	-31.3%
Profit for the year	720,922	1,165,103	-38.1%
Profit attributable to the owners of the Company	713,427	1,155,164	-38.2%
Research and development costs (included in administrative expenses)	(683,513)	(644,075)	+6.1%
PER SHARE (in HK\$)			
Earnings per share			
– Basic	0.669	1.075	-37.8%
– Diluted	0.658	1.051	-37.4%
Proposed final dividend per ordinary share	0.25	0.23	+8.7%
	As at 31 December		
	2024	2023	+/(−)
KEY BALANCE SHEET ITEMS (in HK\$'000)			
Total current assets	7,646,119	7,553,221	+1.2%
Total assets	9,169,505	9,075,329	+1.0%
Net current assets	6,130,960	6,064,406	+1.1%
Total equity	7,564,587	7,486,174	+1.0%

* For identification purpose only

The board of directors (the “Board”) of PAX Global Technology Limited (the “Company” or “PAX”) is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively, the “Group”) for the year ended 31 December 2024, with comparative figures for the year ended 31 December 2023.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Overview and Industry Trends

Maintaining profitability amid global economic headwinds

In 2024, the global economy maintained a slow recovery phase, with high interest rates and a strong U.S. dollar resulting in more cautious payment terminal deployments among international clients. With its long-term strategic vision, PAX proactively navigated market dynamics by driving payment technology innovation through Android smart payment terminals and Software as a Service (“SaaS”) solutions. PAX strengthened its collaboration with acquiring banks, Payment Service Providers (“PSPs”), and channel partners worldwide to explore more synergies, enhancing the agility and digital competitiveness of merchants.

While strengthening our global business footprint, PAX has adhered to implementing U.S. dollar settlement strategy to overseas businesses, effectively mitigated foreign exchange risks and strengthened the Group’s risk management capabilities. Moreover, PAX reinforced its financial resilience through stringent credit management strategy and shipment optimisation. During the year, the Group recorded revenue of HK\$6,044.9 million and profit for the year of HK\$720.9 million, with net profit margin of 11.9%. Net cash generated from operating activities reached HK\$1,162.7 million, reflecting our strong cash flow generation capability even amidst global market challenges.

Continuously strengthening the Android payment terminal portfolio to create versatile smart payment experience across multiple market segments

Leveraging its leading Android smart payment terminal technology, PAX is dedicated to enhancing merchant service capabilities for acquiring banks, PSPs and channel partners, driving intelligent and efficient upgrades in the payment industry. With a strong focus on innovation and high-quality products, the Group holds a leading position in the global Android smart payment terminal market, effectively meeting the needs of diverse sectors, including retail, hospitality, transportation, parking, electric vehicle charging stations, sports venues and tourism hotspots, creating great commercial values.

In 2024, PAX continued to strengthen its global market presence, with sales of Android smart terminals surpassing 60%. Flagship model A920Pro continues to be the most popular payment terminal, widely acclaimed by global acquiring banks and PSPs for its uniquely elegant design and robust features. PAX has maintained its commitment to product innovation, introducing a series of new smart payment terminals including the handheld models A8900 and A99 which will cater to retail and hospitality needs, and the unattended payment terminal model IM25, designed for self-service environments, providing robust support for diverse payment scenarios.

Steady sales growth of Android commercial POS (“EPOS”) business

Recognising the increasing demand for integrated business solutions across retail and hospitality, the Group is expanding into the Android EPOS market. The Elys series leverages the Android operating system to achieve seamless device synchronisation. This enables retailers and restaurants to optimise operations across the entire value chain – from front-end transactions to back-end management – significantly improving operation efficiency.

The Elys series has garnered strong market attention and demonstrated steady sales growth in North America. Moving forward, PAX is committed to increasing R&D investment and accelerating the global expansion of the Elys series, fueling new momentum for the Group’s long-term growth.

Harnessing the power of SaaS to create synergies across the payment ecosystem

The Group continues to unlock the potential of the payment market by offering cutting-edge SaaS solutions including terminal management platform, Remote Key Injection (RKI), and value-added operational services for acquiring banks, PSPs and merchants.

In 2024, revenue from our SaaS solutions reached HK\$138.2 million, showing a year-on-year growth of 30.5%. As of 31 December 2024, over 14 million payment terminals were connected to the MAXSTORE platform, enabling merchants to access more than 14,000 diverse software applications and value-added operational services.

Global Regional Analysis

EMEA

In 2024, Europe, the Middle East and Africa emerged as the Group’s largest revenue region, with annual sales reaching HK\$2,202.9 million. With years of strategic investment and commitment to the EMEA region, the PAX brand and its reputation for superior product quality have earned high praise and market recognition. The A920Pro smart payment terminals have been deployed en masse across most of the region’s countries, with growing market penetration.

The PAX business maintained strong momentum across Europe, however demand in a few countries such as Germany and Spain were volatile. During the year, significant sales were achieved in Italy, the United Kingdom, France and South Eastern Europe, the Group continued to achieve notable breakthroughs, with adoption of smart payment terminals across retail, transportation and sports venues, highlighting our strong brand recognition and growth potential in the market.

In the Middle East, sales in Saudi Arabia and other GCC countries continued to generate significant revenue contribution for PAX. In Africa, the Group is focusing on expanding its footprint in the UEMOA (The West African Economic and Monetary Union) region, with growing number of PSPs adopting the A920 payment terminal, certified to regional standards. As PAX accelerates the certification of other models, we expect that shipments in West Africa will see positive growth in the future.

LACIS

PAX performance in the LACIS region was affected by the sales slowdown in Brazil, while other South American markets delivered promising development. As Brazil's payment terminal industry transitioned from a high-growth period to a more stable development phase, compounded by macroeconomic pressures such as high-level of interest rate, resulting in overall procurement decline and posing challenges to PAX business in Brazil.

In other South American countries with growth potential, the Group has further strengthened cooperation with channel partners and PSPs, driving steady business expansion. Notably, Mexico and Argentina have emerged as new key contributors in Latin America.

In Mexico, market demand is gradually shifting from traditional terminals to Android smart payment solutions. The market showed growing demand for PAX A-series Android smart payment terminals, with the A910 proving to be the best-selling model with substantial shipments, expanding into diverse segments such as vending machines, self-service airport kiosks and public transit systems.

In the future, the Group will further strengthen its presence in Mexico and Argentina, with product portfolio enhancement and closer collaboration with local channel partners and PSPs. Meanwhile, PAX will devote more resources in South American countries such as Chile and Panama, striving to transform these potential markets into new business growth engines in the region.

APAC

The Group continues to strengthen its business presence across the Asia-Pacific region, achieving robust sales growth in India, Japan and Indonesia. However, macroeconomic uncertainties have caused market demand slowdown across certain Southeast Asian markets.

In India, PAX has maintained its leading position as local banks' preferred payment terminal provider, with sustained year-on-year sales growth. To capitalise on the surging demand for UPI QR code payments, PAX has introduced the soundbox CS70 and CS75, and successfully secured large-scale orders from leading acquiring banks and PSPs.

The Group's market expansion in Japan and Indonesia has achieved remarkable results, with record-high sales in both markets during the year. In Japan, the continued shift towards cashless payments fuelled robust demand for PAX Android smart payment terminals. The PAX A920 has gained widespread market adoption, while the new model A920MAX was successfully introduced for commercial use this year. In Indonesia, PAX maintains its market-leading position, with its A920Pro and A930 earning high recognition among acquiring banks, driving order volumes continue to rise.

To enhance our market share and brand presence in Australia and New Zealand, the Group fully acquired an Australian distributor Pax Technology Australia Pty Ltd. ("Pax Technology Australia") during the year. This acquisition will strengthen our ability to deliver localised solutions and value-added services, scaling up the deployment of Android payment terminals, driving business expansion in Australia and New Zealand.

USCA

In the first half of 2024, cautious investment strategies among retailers, independent sales organizations ("ISOs") and financial institutions resulted in slower payment terminal deployments, leading to a temporary slowdown in market demand. As market gradually recovered in the second half of the year, propelling a resurgence in orders and fueling sales growth in North America.

Leveraging a robust portfolio of Android smart payment terminals, the Group continues to strengthen its strategic partnerships with banks while actively expanding direct-to-retail sales channels. These efforts have extended segments, including cinemas, telecom providers, convenience stores, and quick-service restaurant chains, delivering efficient payment solutions tailored to diverse business needs. Flagship products such as A920Pro, A3700 and A80 have gained widespread market recognition, further solidifying the Group's leadership position in the Android smart payment terminal industry. Meanwhile, significant progress was made in product certifications with banks, laying a strong foundation for future deployment.

The Group has accelerated its strategic expansion in the Android-based EPOS market, facilitating the digital transformation of the retail and hospitality industries. PAX Elys series has gained strong traction among PSPs, with increasing deployment of the Elys Workstation, driving sustained sales growth.

Management strategy

As cashless payments gradually become the global commercial standard, PAX is dedicated to continuous innovation, precisely addressing market needs and delivering smarter, more efficient and high-quality payment solutions to clients worldwide. The Group continues to strengthen its footprint in key markets, focusing on value creation along the payment chain and collaborating with partners to capitalise on emerging business opportunities.

Focusing innovation with Android smart terminals and SaaS solutions

Amid the ongoing wave of evolution in the global payment landscape, PAX leverages its superior Android smart payment terminal technology to empower acquiring banks, PSPs and ISOs to enhance their merchant service capabilities. This accelerates the payment industry's transformation toward greater intelligence and efficiency, creating significant commercial value. In the future, we will continue to optimise A-series handheld terminals, IM and SK series unattended solutions, whilst devoting greater R&D investment in EPOS products and accelerating global promotion of the EPOS Elys series.

To fully harness the application potential of Android terminals, PAX is dedicated to expanding SaaS ecosystem, proactively collaborating with independent software vendors (ISVs) and partners to build innovative and industry-specific applications on the MAXSTORE. Meanwhile, the Group is strategically devoting more investment in strengthening value-added services, such as RKI, Cyberlab and AirViewer, so as to fully enhancing our service capabilities.

Strengthening global sales footprint and driving PAX solutions adoption across diverse sectors

PAX is dedicated to working closely with our global channel partners, with an aim to drive the widespread adoption of Android smart payment terminals worldwide. Focusing on long-term business expansion, the Group will devote more resources in high-potential markets such as the United States, Europe, Japan and Australia. With the increasing diversification of market needs in the global payment space, the Group is accelerating the expansion of its solutions across multiple segments, unlocking new growth opportunities. Moving forward, the Group will actively explore strategic mergers and acquisitions and investment opportunities, so as to optimising our global sales network, and strengthening payment and business-related technologies.

FINANCIAL REVIEW

The key financial figures are extracted as follows:

	Year ended 31 December		
	2024	2023	+ / (-)
	<i>HK\$'000</i>	<i>HK\$'000</i>	
Revenue	6,044,878	6,709,324	-9.9%
Gross profit	2,853,389	2,994,001	-4.7%
Other income	85,372	95,126	-10.3%
Selling expenses	(772,428)	(674,479)	+14.5%
Administrative expenses	(1,317,994)	(1,171,459)	+12.5%
Net reversal of impairment losses/ (impairment losses) on financial assets	6,963	(1,443)	N/A
Profit before income tax	861,245	1,253,964	-31.3%
Income tax expense	(140,323)	(88,861)	+57.9%
Profit for the year	720,922	1,165,103	-38.1%
Profit attributable to the owners of the Company	713,427	1,155,164	-38.2%
Research and development costs (included in administrative expenses)	(683,513)	(644,075)	+6.1%
	As at 31 December		
	2024	2023	+ / (-)
	<i>HK\$'000</i>	<i>HK\$'000</i>	
Total current assets	7,646,119	7,553,221	+1.2%
Total non-current assets	1,523,386	1,522,108	+0.1%
Total assets	9,169,505	9,075,329	+1.0%
Total current liabilities	1,515,159	1,488,815	+1.8%
Total non-current liabilities	89,759	100,340	-10.5%
Total liabilities	1,604,918	1,589,155	+1.0%
Net current assets	6,130,960	6,064,406	+1.1%
Total equity	7,564,587	7,486,174	+1.0%

	Year ended 31 December		
	2024	2023	+/(%)
PER SHARE (IN HK\$)			
Earnings per share for profit attributable to the owners of the Company			
– Basic	0.669	1.075	-37.8%
– Diluted	0.658	1.051	-37.4%

	Year ended 31 December		
	2024	2023	
FINANCIAL RATIOS			
Gross profit margin	47.2%	44.6%	
Net profit margin	11.9%	17.4%	

Revenue

i) Sales by Geographical Region

	Year ended 31 December		
	2024	2023	
	HK\$'000	HK\$'000	+/(%)
Europe, the Middle East and Africa (“EMEA”)	2,202,923	2,244,595	-1.9%
Latin America and the Commonwealth of Independent States (“LACIS”)	1,887,712	2,327,624	-18.9%
Asia Pacific Region (“APAC”)	1,064,905	1,074,584	-0.9%
United States of America and Canada (“USCA”)	889,338	1,062,521	-16.3%
Total	<u>6,044,878</u>	<u>6,709,324</u>	<u>-9.9%</u>

Revenue decreased by 9.9% to HK\$6,044.9 million for the year ended 31 December 2024 from HK\$6,709.3 million for the year ended 31 December 2023. The decline in revenue was primarily due to the drop in purchase orders in certain markets during the year, which is attributed to the global economic uncertainty.

ii) Sales by Product Category

	Year ended 31 December		+ / (-)
	2024	2023	
	HK\$'000	HK\$'000	
Sales of E-payment Terminals products	5,706,490	6,424,798	-11.2%
Provision of services	338,388	284,526	+18.9%
Total	<u>6,044,878</u>	<u>6,709,324</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 11.2% to HK\$5,706.5 million for the year ended 31 December 2024 from HK\$6,424.8 million for the year ended 31 December 2023. The decrease was mainly due to the drop in purchase orders in certain markets during the year.

Provision of services

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

Revenue from provision of services increased by 18.9% to HK\$338.4 million for the year ended 31 December 2024 from HK\$284.5 million for the year ended 31 December 2023. The increase in revenue from provision of services was mainly due to the growing demand for the maintenance and installation services and the SaaS solutions.

Gross Profit Margin

Gross profit margin for the year ended 31 December 2024 was 47.2%, representing an increase of 260 basis points as compared to 44.6% for the year ended 31 December 2023. The increase was primarily driven by the decrease in costs as a result of the depreciation of Renminbi (“RMB”) and the change in the sales mix.

Other Income

Other income comprises primarily interest income, government subsidies and value-added tax refunds. It decreased by 10.3% to HK\$85.4 million for the year ended 31 December 2024 from HK\$95.1 million for the year ended 31 December 2023, mainly due to the decrease in interest income.

Selling Expenses

Selling expenses increased by 14.5% to HK\$772.4 million for the year ended 31 December 2024 from HK\$674.5 million for the year ended 31 December 2023. The increase was mainly driven by the increase in sales commission and advertising and promotional expenses.

Administrative Expenses

Administrative expenses increased by 12.5% to HK\$1,318.0 million for the year ended 31 December 2024 from HK\$1,171.5 million for the year ended 31 December 2023. The increase was mainly due to the increase in research and development (“R&D”) costs and the recognition of share-based payment expenses during the year.

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

The Group recognised net reversal of impairment losses on financial assets of HK\$7.0 million and net impairment losses on financial assets of HK\$1.4 million for the years ended 31 December 2024 and 2023 respectively. The amount recognised consisted of the expected credit losses assessed on both individual and collective basis.

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

As a result of the foregoing, profit for the year was HK\$720.9 million, representing a decrease of 38.1% compared to HK\$1,165.1 million for the year ended 31 December 2023. Profit for the year attributable to the owners of the Company decreased by 38.2% to HK\$713.4 million for the year ended 31 December 2024 from HK\$1,155.2 million for the year ended 31 December 2023.

Other Event

Acquisition of Pax Technology Australia Pty Ltd.

On 5 August 2024, Pax Technology Limited, a wholly-owned subsidiary of the Company, entered into a share purchase deed (the “Share Purchase Deed”) with, among others, the then shareholders of Pax Technology Australia to conditionally acquire 100% of the issued shares of Pax Technology Australia (the “Acquisition”) at an initial amount of consideration of approximately Australian Dollars (“AUD”) 5,400,000, which may be further adjusted to up to AUD30,000,000 based on, inter alia, the financial performance of the Pax Technology Australia for each of the two consecutive financial years ended/ending in 2024 and 2025 respectively.

All conditions precedent as set out in the Share Purchase Deed were fulfilled and the Acquisition completed in September 2024. Subsequent to the completion of the Acquisition, Pax Technology Australia has become an indirect wholly-owned subsidiary of the Company and has been consolidated in the consolidated financial statements of the Group.

Liquidity and Financial Resources

During the years of 2024 and 2023, the main source of funding to the Group was the proceeds generated from operating activities in the Group’s usual course of business. Certain financial data is summarised as follows:

	As at 31 December	
	2024	2023
Current ratio (times)	5.0	5.1
Quick ratio (times)	4.0	3.8

As at 31 December 2024, the Group had cash and cash equivalents of HK\$3,083.6 million (2023: HK\$2,863.6 million), United States dollar denominated short-term bank deposits of HK\$162.5 million (2023: Nil) and no borrowing (2023: same). As at 31 December 2024, the Group reported net current assets of HK\$6,131.0 million (2023: HK\$6,064.4 million). For the year ended 31 December 2024, net cash generated from operating activities was HK\$1,162.7 million (2023: HK\$490.0 million). As at 31 December 2024, the Group had no borrowing, therefore the gearing ratio is not applicable (2023: same).

Capital Structure and Details of Charges

As at 31 December 2024, the Group had no significant borrowing and banking facility (2023: same) and no charge on any assets (2023: same).

As at 31 December 2024 and 2023, the Group's cash and cash equivalents were denominated in the following currencies:

	As at 31 December	
	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
Renminbi ("RMB")	1,726,723	1,678,083
United States dollar ("US\$")	982,728	932,149
Hong Kong dollar ("HK\$")	138,012	58,204
European dollar ("EUR")	113,772	60,011
Indian Rupee ("INR")	53,517	47,931
Japanese Yen ("JPY")	36,171	75,652
Others	32,675	11,567
	<u>3,083,598</u>	<u>2,863,597</u>

Significant Investment

The Group had no significant investment held as at 31 December 2024 (2023: 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 year ended 31 December 2024 (2023: 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 31 December 2024 (2023: 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 that are 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 the foreign currency rates.

Contingent Liabilities

The Group had no material contingent liabilities as at 31 December 2024 (2023: Nil).

Human Resources and Remuneration Policies

The total number of employees of the Group as at 31 December 2024 was 1,509 (2023: 1,771). The following table shows a breakdown of employees of the Group by functions as at 31 December 2024 and 2023:

	As at 31 December	
	2024	2023
Management	12	12
Sales and after-sales services and marketing	292	334
Research and development	881	968
Quality assurance	89	85
Administration and human resources	93	95
Accounting	41	39
Production, procurement and inventory control	101	238
	<u>1,509</u>	<u>1,771</u>

The Group ensures that its remuneration packages are comprehensive and competitive. Directors are entitled to a 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 a 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. The Group also sponsors selected employees to attend external training courses that suit the needs of the Group's business.

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 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.

CONSOLIDATED INCOME STATEMENT

	Notes	Year ended 31 December	
		2024 HK\$'000	2023 HK\$'000
Revenue	3	6,044,878	6,709,324
Cost of sales	5	<u>(3,191,489)</u>	<u>(3,715,323)</u>
Gross profit		2,853,389	2,994,001
Other income	3	85,372	95,126
Other gains, net	3	861	12,620
Selling expenses	5	(772,428)	(674,479)
Administrative expenses	5	(1,317,994)	(1,171,459)
Net reversal of impairment losses/ (impairment losses) on financial assets	5	<u>6,963</u>	<u>(1,443)</u>
Operating profit		856,163	1,254,366
Finance costs		(5,556)	(5,376)
Share of results of investments accounted for using the equity method		<u>10,638</u>	<u>4,974</u>
Profit before income tax		861,245	1,253,964
Income tax expense	6	<u>(140,323)</u>	<u>(88,861)</u>
Profit for the year		<u>720,922</u>	<u>1,165,103</u>
Profit attributable to:			
Owners of the Company		713,427	1,155,164
Non-controlling interests		<u>7,495</u>	<u>9,939</u>
		<u>720,922</u>	<u>1,165,103</u>
		HK\$ per share	HK\$ per share
Earnings per share for profit attributable to the owners of the Company:			
– Basic	7(a)	<u>0.669</u>	<u>1.075</u>
– Diluted	7(b)	<u>0.658</u>	<u>1.051</u>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	<i>Notes</i>	Year ended 31 December	
		2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Profit for the year		720,922	1,165,103
Other comprehensive (loss)/income, net of tax			
<i>Items that are or may be subsequently reclassified to profit or loss</i>			
Exchange differences arising on translation of the financial statements of foreign subsidiaries		(121,931)	(122,635)
Reclassification of exchange reserve upon the liquidation of a subsidiary	3	–	(7,986)
<i>Items that will not be reclassified to profit or loss</i>			
Exchange differences arising on translation of the financial statements of foreign subsidiaries		(1,192)	2,826
Remeasurement of post-employment benefit obligation		(433)	(245)
Fair value loss on an investment		–	(2)
Total comprehensive income for the year, net of tax		<u>597,366</u>	<u>1,037,061</u>
Total comprehensive income attributable to:			
Owners of the Company		591,063	1,024,327
Non-controlling interests		<u>6,303</u>	<u>12,734</u>
		<u>597,366</u>	<u>1,037,061</u>

CONSOLIDATED BALANCE SHEET

		As at 31 December	
		2024	2023
	Notes	HK\$'000	HK\$'000
ASSETS			
Non-current assets			
Property, plant and equipment		939,396	950,811
Right-of-use assets		207,281	239,374
Intangible assets		117,832	24,788
Financial assets measured at fair value		88,242	97,329
Investments accounted for using the equity method		44,838	34,944
Other non-current assets		3,940	6,314
Deferred income tax assets		121,857	168,548
Total non-current assets		1,523,386	1,522,108
Current assets			
Inventories		1,587,039	1,826,091
Other current assets		90,273	65,192
Other financial assets at amortised cost	9	58,581	55,855
Trade and bills receivables	9	2,543,884	2,679,525
Current tax assets		96,042	45,876
Restricted cash		24,212	17,085
Short-term bank deposits		162,490	–
Cash and cash equivalents		3,083,598	2,863,597
Total current assets		7,646,119	7,553,221
Total assets		9,169,505	9,075,329

		As at 31 December	
		2024	2023
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
EQUITY			
Equity attributable to the owners of the Company			
Share capital		106,170	107,021
Reserves		7,423,883	7,351,046
		7,530,053	7,458,067
Non-controlling interests		34,534	28,107
		7,564,587	7,486,174
LIABILITIES			
Non-current liabilities			
Lease liabilities		69,606	84,325
Deferred income tax liabilities		15,462	5,501
Other non-current liabilities		4,691	10,514
		89,759	100,340
Current liabilities			
Trade payables	<i>10</i>	937,211	888,621
Other payables and accruals	<i>10</i>	540,768	563,338
Current tax liabilities		18,961	12,966
Lease liabilities		18,219	23,890
		1,515,159	1,488,815
Total current liabilities		1,604,918	1,589,155
Total liabilities		1,604,918	1,589,155
Total equity and liabilities		9,169,505	9,075,329

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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.

These consolidated financial statements are presented in thousands of units of Hong Kong dollars (HK\$’000), unless otherwise stated.

2 BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES

2.1 Basis of preparation

The consolidated financial statements of the Company have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRSs”) as issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and disclosure requirements of the Hong Kong Companies Ordinance Cap. 622. The consolidated financial statements have been prepared under the historical cost convention, except for financial assets measured at fair value, contingent consideration payable and post-employment benefit obligation, which are measured at fair values.

The preparation of the consolidated financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group’s accounting policies.

2.2 Changes in accounting policies

(a) *Amended standards and interpretation adopted by the Group*

The Group has applied the following amended standards and interpretation for its annual reporting period commencing 1 January 2024:

- Classification of Liabilities as Current or Non-current – Amendments to HKAS 1
- Non-current Liabilities with Covenants – Amendments to HKAS 1
- Supplier Finance Arrangements – Amendments to HKAS 7 and HKFRS 7
- Lease Liability in a Sale and Leaseback – Amendments to HKFRS 16
- Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause – Amendments to Hong Kong Interpretation 5 (Revised)

The amended standards and interpretation listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

(b) *New and amended standards and interpretation not yet adopted*

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.

3 REVENUE, OTHER INCOME AND OTHER GAINS, NET

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 gains, net recognised during the year are as follows:

	Year ended 31 December	
	2024	2023
	HK\$'000	HK\$'000
Revenue		
Sales of E-payment Terminals products	5,706,490	6,424,798
Provision of services	338,388	284,526
	<u>6,044,878</u>	<u>6,709,324</u>
Other income		
Interest income	20,661	36,733
Government subsidies (<i>note (i)</i>)	5,800	11,051
Value-added tax refunds (<i>note (ii)</i>)	21,951	22,364
Others	36,960	24,978
	<u>85,372</u>	<u>95,126</u>
Other gains, net		
Fair value gain on a contingent consideration payable	4,562	–
Fair value loss on an investment at fair value through profit or loss	(3,701)	(2,973)
Net gain on liquidation of a subsidiary (<i>note (iii)</i>)	–	15,593
	<u>861</u>	<u>12,620</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.
- (iii) In July 2023, the liquidation process of Shanghai New Kashuo Information Technology Limited ("Shanghai Kashuo") was completed. Upon the completion of the liquidation process, the Group recorded a net gain of approximately HK\$15,593,000, resulting from the reversal of its net liabilities amounting to approximately HK\$51,956,000 and the derecognition of non-controlling interest and exchange reserve amounting to approximately HK\$44,349,000 and HK\$7,986,000, respectively.

4 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 year by segment is as follows:

	Year ended 31 December 2024					
	PRC, excluding Hong Kong, Macau and Taiwan <i>HK\$'000</i>	Hong Kong and others <i>HK\$'000</i>	US <i>HK\$'000</i>	Italy <i>HK\$'000</i>	Elimination and corporate expenses <i>HK\$'000</i>	Total <i>HK\$'000</i>
Revenue from external customers	509,096	4,024,073	883,514	628,195	-	6,044,878
Inter-segment revenue	3,624,997	546,075	-	-	(4,171,072)	-
Total revenue	<u>4,134,093</u>	<u>4,570,148</u>	<u>883,514</u>	<u>628,195</u>	<u>(4,171,072)</u>	<u>6,044,878</u>
Segmental earnings/(losses) before interest expense, taxes, depreciation and amortisation ("EBITDA"/"LBITDA")	596,351	401,093	(230,868)	47,525	140,101	954,202
Depreciation (<i>Note 5</i>)	(49,534)	(16,740)	(17,909)	(8,602)	-	(92,785)
Amortisation (<i>Note 5</i>)	-	(3,792)	-	(1,462)	-	(5,254)
Segmental operating profit/(loss)	546,817	380,561	(248,777)	37,461	140,101	856,163
Finance costs						(5,556)
Share of results of investments accounted for using the equity method						10,638
Profit before income tax						861,245
Income tax expense						(140,323)
Profit for the year						<u>720,922</u>

Year ended 31 December 2023

	PRC, excluding Hong Kong, Macau and Taiwan <i>HK\$'000</i>	Hong Kong and others <i>HK\$'000</i>	US <i>HK\$'000</i>	Italy <i>HK\$'000</i>	Elimination and corporate expenses <i>HK\$'000</i>	Total <i>HK\$'000</i>
Revenue from external customers	818,621	4,346,905	1,062,515	481,283	–	6,709,324
Inter-segment revenue	4,424,329	1,059,716	–	–	(5,484,045)	–
Total revenue	5,242,950	5,406,621	1,062,515	481,283	(5,484,045)	6,709,324
Segmental earnings/(losses) before interest expense, taxes, depreciation and amortisation ("EBITDA"/"LBITDA")	840,774	581,452	(121,169)	49,780	(30,826)	1,320,011
Depreciation (<i>Note 5</i>)	(39,199)	(9,397)	(9,063)	(4,726)	–	(62,385)
Amortisation (<i>Note 5</i>)	–	(1,786)	–	(1,474)	–	(3,260)
Segmental operating profit/(loss)	801,575	570,269	(130,232)	43,580	(30,826)	1,254,366
Finance costs						(5,376)
Share of results of investments accounted for using the equity method						4,974
Profit before income tax						1,253,964
Income tax expense						(88,861)
Profit for the year						1,165,103

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

	As at 31 December 2024					
	PRC, excluding Hong Kong, Macau and Taiwan <i>HK\$'000</i>	Hong Kong and others <i>HK\$'000</i>	US <i>HK\$'000</i>	Italy <i>HK\$'000</i>	Elimination <i>HK\$'000</i>	Total <i>HK\$'000</i>
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
	Year ended 31 December 2024					
	PRC, excluding Hong Kong, Macau and Taiwan <i>HK\$'000</i>	Hong Kong and others <i>HK\$'000</i>	US <i>HK\$'000</i>	Italy <i>HK\$'000</i>	Elimination <i>HK\$'000</i>	Total <i>HK\$'000</i>
Additions to non-current assets (excluding financial instruments and deferred income tax assets)	51,224	115,215	11,600	20,404	–	198,443

The segment assets and liabilities as at 31 December 2023 and additions to non-current assets for the year ended 31 December 2023 are as follows:

	As at 31 December 2023					
	PRC, excluding Hong Kong, Macau and Taiwan <i>HK\$'000</i>	Hong Kong and others <i>HK\$'000</i>	US <i>HK\$'000</i>	Italy <i>HK\$'000</i>	Elimination <i>HK\$'000</i>	Total <i>HK\$'000</i>
Segment assets	<u>6,872,921</u>	<u>5,254,775</u>	<u>1,553,660</u>	<u>381,888</u>	<u>(4,987,915)</u>	<u>9,075,329</u>
Segment liabilities	<u>1,283,425</u>	<u>2,611,584</u>	<u>2,016,231</u>	<u>289,307</u>	<u>(4,611,392)</u>	<u>1,589,155</u>
	Year ended 31 December 2023					
	PRC, excluding Hong Kong, Macau and Taiwan <i>HK\$'000</i>	Hong Kong and others <i>HK\$'000</i>	US <i>HK\$'000</i>	Italy <i>HK\$'000</i>	Elimination <i>HK\$'000</i>	Total <i>HK\$'000</i>
Additions to non-current assets (excluding financial instruments and deferred income tax assets)	<u>198,962</u>	<u>29,697</u>	<u>22,345</u>	<u>30,057</u>	<u>–</u>	<u>281,061</u>

In 2024, additions to non-current assets mainly comprise additions to property, plant and equipment, right-of-use assets and intangible assets including additions resulting from acquisitions through a business combination (2023: additions to property, plant and equipment and right-of-use assets).

In 2024, revenue of approximately HK\$647,610,000 (2023: HK\$870,796,000) is derived from the largest customer, representing 10.7% (2023: 13.0%) of the total revenue, which is attributable to the Hong Kong operating segment (2023: same); revenue of approximately HK\$287,152,000 (2023: HK\$479,259,000) is derived from the second largest customer, representing 4.8% (2023: 7.1%) of the total revenue, which is attributable to the US operating segment (2023: same).

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

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:

	As at 31 December	
	2024	2023
	HK\$'000	HK\$'000
Non-current assets		
PRC, excluding Hong Kong, Macau and Taiwan	1,177,473	1,229,787
Hong Kong and others	245,116	192,943
US	41,837	47,260
Italy	58,960	52,118
	1,523,386	1,522,108

5 EXPENSES BY NATURE

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

	Year ended 31 December	
	2024	2023
	HK\$'000	HK\$'000
Costs of inventories sold	3,022,572	3,538,104
Provision for obsolete inventories	20,115	40,108
Employee benefit expenses (including directors' emoluments)	922,989	975,903
Research and development costs	683,513	644,075
Sales commission	157,330	112,646
Depreciation of property, plant and equipment	63,673	28,235
Depreciation of right-of-use assets	29,112	34,150
Short-term lease expenses	11,391	18,513
Amortisation of intangible assets	5,254	3,260
Remuneration to the Company's auditor		
– Group's annual audit and other audit related services	2,500	2,500
– non-audit services	668	533
Remuneration to other auditors	1,190	855
Losses on disposals of property, plant and equipment, net	258	725
Net (reversal of impairment losses)/impairment losses on financial assets (<i>Note 9(b)</i>)	(6,963)	1,443

6 INCOME TAX EXPENSE

	Year ended 31 December	
	2024 HK\$'000	2023 HK\$'000
Current income tax on profit for the year		
– China corporate income tax	107,400	145,702
– Hong Kong profits tax	38,486	71,495
– Overseas profits tax	25,258	31,425
Tax incentives for research and development expenses available for the subsidiaries incorporated in the PRC (<i>note (a)</i>)	(67,907)	(131,301)
Over provision in prior years, net	(159)	(181)
	<hr/>	<hr/>
Total current income tax	103,078	117,140
Deferred income tax	37,245	(28,279)
	<hr/>	<hr/>
Income tax expense	140,323	88,861

Hong Kong profits tax has been provided for at the rate of 16.5% (2023: same) on the estimated assessable profit for the year ended 31 December 2024.

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.

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”).

On 21 June 2023, the State Taxation Administration and the Ministry of Finance of the PRC jointly issued Public Notice No. 11 of 2023 (“PN 11”) to enhance the claiming process of the R&D Tax Incentive. Pursuant to the PN 11, the Group considered the tax incentive rule was substantially enacted when the relevant research and development expenses incurred; as such, an additional R&D Tax Incentive amounting to HK\$72,786,000 was recognised during the year ended 31 December 2023.

- (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 year ended 31 December 2024 (2023: same).

7 EARNINGS PER SHARE

(a) Basic

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

	Year ended 31 December	
	2024	2023
Profit attributable to the owners of the Company (<i>HK\$'000</i>)	<u>713,427</u>	<u>1,155,164</u>
Weighted average number of ordinary shares outstanding (<i>thousand shares</i>)	<u>1,066,117</u>	<u>1,074,746</u>
Basic earnings per share attributable to the owners of the Company (<i>HK\$ per share</i>)	<u>0.669</u>	<u>1.075</u>

(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 years ended 31 December 2024 and 2023, 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:

	Year ended 31 December	
	2024	2023
Profit attributable to the owners of the Company (<i>HK\$'000</i>)	<u>713,427</u>	<u>1,155,164</u>
Weighted average number of ordinary shares outstanding (<i>thousand shares</i>)	<u>1,066,117</u>	<u>1,074,746</u>
Adjustments for share options (<i>thousand shares</i>)	<u>18,390</u>	<u>24,590</u>
Weighted average number of ordinary shares for diluted earnings per share (<i>thousand shares</i>)	<u>1,084,507</u>	<u>1,099,336</u>
Diluted earnings per share attributable to the owners of the Company (<i>HK\$ per share</i>)	<u>0.658</u>	<u>1.051</u>

8 DIVIDENDS

In 2024, an interim dividend of HK\$0.24 per ordinary share (2023: HK\$0.21 per ordinary share) was declared, amounting to approximately HK\$254,809,000 (2023: HK\$225,464,000). A final dividend of HK\$0.25 per ordinary share for the year ended 31 December 2024 (2023: HK\$0.23 per ordinary share), amounting to approximately HK\$265,426,000 (2023: HK\$246,056,000) (assuming there will be no change in the number of shares in issue on or before the record date for determining the entitlement of final dividend), is to be proposed at the forthcoming annual general meeting. These financial statements do not reflect the proposed final dividend payable.

	Year ended 31 December	
	2024	2023
	HK\$'000	HK\$'000
Interim dividend declared of HK\$0.24 (2023: HK\$0.21) per ordinary share	254,809	225,464
Proposed final dividend of HK\$0.25 (2023: HK\$0.23) per ordinary share	265,426	246,056
	<u>520,235</u>	<u>471,520</u>

9 TRADE AND BILLS RECEIVABLES AND OTHER FINANCIAL ASSETS AT AMORTISED COST

	As at 31 December	
	2024	2023
	HK\$'000	HK\$'000
Trade receivables (<i>note (a)</i>)	2,625,573	2,766,111
Less: provision for impairment of trade receivables (<i>note (b)</i>)	(81,959)	(89,777)
Trade receivables, net	2,543,614	2,676,334
Bills receivables (<i>note (c)</i>)	270	3,191
Trade and bills receivables	<u>2,543,884</u>	<u>2,679,525</u>
Other financial assets at amortised cost	<u>58,581</u>	<u>55,855</u>
	<u>2,602,465</u>	<u>2,735,380</u>

The fair values of trade and bills receivables and other financial assets at amortised cost approximate their carrying values as at 31 December 2024 and 2023.

(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 31 December 2024 and 2023, the ageing analysis of the trade receivables based on invoice date is as follows:

	As at 31 December	
	2024	2023
	HK\$'000	HK\$'000
Up to 90 days	1,242,756	1,499,626
91 to 180 days	430,039	617,282
181 to 365 days	714,843	519,276
Over 365 days	237,935	129,927
	<u>2,625,573</u>	<u>2,766,111</u>

As at 31 December 2024, trade receivables included retention money receivables of HK\$16,989,000 (2023: HK\$30,112,000), which represents approximately 2% to 5% (2023: 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 (2023: same). As at 31 December 2024, retention money receivables aged over 365 days amounted to HK\$16,426,000 (2023: HK\$29,483,000).

(b) **Provision for impairment of trade receivables**

Based on the assessment of the expected credit losses, the movement on the provision for impairment of trade receivables is as follows:

	Year ended 31 December	
	2024	2023
	HK\$'000	HK\$'000
At beginning of the year	89,777	127,930
Net (reversal of impairment losses)/ impairment losses for the year	(6,963)	1,443
Write off (<i>note</i>)	–	(38,399)
Exchange realignment	(855)	(1,197)
	<u>81,959</u>	<u>89,777</u>

Note:

During the year ended 31 December 2023, trade receivables of HK\$38,399,000, which had been fully provided for previously, were written off against the provision for impairment of trade receivables as a result of the completion of the liquidation process of Shanghai Kashuo.

(c) **Bills receivables**

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

	As at 31 December	
	2024	2023
	HK\$'000	HK\$'000
Up to 90 days	270	1,439
91 to 180 days	–	1,752
	<u>270</u>	<u>3,191</u>

10 TRADE PAYABLES, OTHER PAYABLES AND ACCRUALS

	As at 31 December	
	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
Trade payables (note (a))		
Trade payables	935,193	887,133
Amount due to a related party	<u>2,018</u>	<u>1,488</u>
	<u>937,211</u>	<u>888,621</u>
Other payables and accruals		
Other accrued expenses and payables	310,287	328,479
Receipt in advance from customers (note (b))	136,249	122,723
Other tax payables	42,949	53,877
Payables for constructions	21,890	58,259
Contingent consideration payable (note (c))	<u>29,393</u>	<u>–</u>
	<u>540,768</u>	<u>563,338</u>

(a) Trade payables

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

	As at 31 December	
	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
Up to 90 days	787,430	742,149
91 to 180 days	145,394	144,058
181 to 365 days	<u>4,387</u>	<u>2,414</u>
	<u>937,211</u>	<u>888,621</u>

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

(b) Receipt in advance from customers

Revenue recognised during the year ended 31 December 2024 that was included in the contract liability balance at the beginning of the year amounted to HK\$58,590,000 (2023: HK\$226,510,000). The Group expects to deliver the goods to satisfy the remaining performance obligations of these contract liabilities within one year or less.

(c) **Contingent consideration payable**

The contingent consideration payable related to the acquisition of Pax Technology Australia Pty Ltd. is measured at fair value through profit or loss and is denominated in Australian Dollar. The following table presents the changes in the contingent consideration payable for the year ended 31 December 2024:

	Year ended 31 December 2024 HK\$'000
At 1 January	–
Acquisition of a subsidiary	77,977
Fair value gain on revaluation recognised in profit or loss	(4,562)
Settlement	<u>(44,022)</u>
At 31 December	<u><u>29,393</u></u>
Unrealised gain recognised in the profit or loss attributable to balance held at the end of the reporting period	<u><u>(2,845)</u></u>

11 CAPITAL COMMITMENT

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

	As at 31 December	
	2024	2023
	HK\$'000	HK\$'000
Property, plant and equipment in the PRC	<u><u>8,110</u></u>	<u><u>33,235</u></u>

PURCHASE, SALE OR REDEMPTION OF SECURITIES

During the year, the Company repurchased an aggregate of 10,388,000 ordinary shares at an aggregate consideration of approximately HK\$56,870,960 on the Stock Exchange as follows:

Date of repurchase	Number of shares repurchased	Consideration per share		Total consideration paid HK\$
		Highest HK\$	Lowest HK\$	
20 March 2024	378,000	6.00	5.96	2,265,730
6 June 2024	260,000	5.96	5.93	1,547,860
2 July 2024	9,750,000	5.63	4.50	53,057,370
Total	<u>10,388,000</u>			<u>56,870,960</u>

The Board considers that the share repurchases were 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 year.

DIVIDEND

During the year,

- a final dividend of HK\$0.23 per ordinary share for the year ended 31 December 2023, amounting to approximately HK\$246.1 million, was declared and paid to the shareholders of the Company; and
- an interim dividend of HK\$0.24 per ordinary share for the six months ended 30 June 2024 (2023: HK\$0.21 per ordinary share), amounting to approximately HK\$254.8 million (2023: HK\$225.5 million), was declared and paid to the shareholders of the Company.

The Board has recommended a payment of final dividend of HK\$0.25 per ordinary share for the year ended 31 December 2024 (2023: HK\$0.23 per ordinary share) to shareholders of the Company whose names appear on the register of members of the Company at the close of business on Friday, 6 June 2025, subject to the approval of shareholders of the Company at the forthcoming annual general meeting of the Company which will be held on Wednesday, 21 May 2025 (the “AGM”), and if passed, the final dividend will be paid on Thursday, 26 June 2025. For determining the entitlement to the proposed final dividend, the register of members of the Company will be closed from Wednesday, 4 June 2025 to Friday, 6 June 2025, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the final 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 (the “Share Registrar”) not later than 4:30 p.m. on Tuesday, 3 June 2025. For the year ended 31 December 2024, the total dividend per ordinary share amounted to HK\$0.49 (2023: HK\$0.44), subject to the shareholders’ approval of the proposed final dividend at the AGM.

RECORD DATE FOR DETERMINING ELIGIBILITY TO ATTEND AND VOTE AT THE AGM

Record date (being the last date for registration of any share transfer given there will be no book closure) for determining the entitlement of the shareholders of the Company to attend and vote at the AGM will be Thursday, 15 May 2025. All transfer documents accompanied by the relevant share certificates must be lodged with the Share Registrar, for registration no later than 4:30 p.m. on Thursday, 15 May 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 this announcement (the “Securities Transaction Code”) on terms no less exacting than the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) in Appendix C3 to the Listing Rules.

Specific enquiry 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 year 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 (the "Principles") and code provisions (the "Code Provisions") in the Corporate Governance Code (the "CG Code") 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 year.

The Board periodically reviews and monitors the Company's policies and practices on corporate governance or compliance with legal and regulatory requirements and employees' compliance manual to ensure that the Group's operations are conducted in accordance with the standards of the CG Code and applicable disclosure requirements. Directors and senior management are provided with appropriate ongoing training, continuing professional development for regular updates of the legal and regulatory requirements relevant to their duties.

REVIEW OF CONSOLIDATED FINANCIAL STATEMENTS

The Company's Audit Committee has reviewed the accounting policies adopted by the Group and the audited consolidated financial statements for the year ended 31 December 2024.

Scope of Work of PricewaterhouseCoopers

The figures in respect of the Group's consolidated balance sheet, consolidated income statement, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 December 2024 as set out in the preliminary announcement have been agreed by the Group's auditor, PricewaterhouseCoopers, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by PricewaterhouseCoopers on the preliminary announcement.

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors as at the date of this announcement, the Directors confirm that the Company has maintained at all times sufficient public float as prescribed by the Listing Rules.

PUBLICATION OF RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This 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 2024 annual report will be despatched to shareholders of the Company upon request and available on the above websites in due course.

The financial information set out above does not constitute the Group's statutory financial statements for the financial year ended 31 December 2024. Instead, it has been derived from the Group's audited consolidated financial statements for the financial year ended 31 December 2024, which will be included in the Company's 2024 annual report.

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

Hong Kong, 20 March 2025

As at the date of this announcement, the Board comprises four Executive Directors, namely Mr. Nie Guoming, Mr. Lu Jie, 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.