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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)

CONTINUING CONNECTED TRANSACTIONS
FRAMEWORK AGREEMENT FOR THE PURCHASE OF CHIPS

On 23 December 2025, the Company and Megahunt entered into the 2026 Framework Agreement, pursuant to which the Group will continue to purchase the Chips from Megahunt Group for a term of three years commencing on 1 January 2026 and ending on 31 December 2028.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Hi Sun, the controlling Shareholder holding approximately 34.31% of the Company's issued share capital, holds approximately 45.73% interests of Megahunt. Megahunt is therefore an associate of Hi Sun and a connected person of the Company. As such, the Chips Purchase Transactions contemplated under the 2026 Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios in respect of the Annual Caps under the 2026 Framework Agreement exceeds 0.1% but all are less than 5%, the Chips Purchase Transactions contemplated under the 2026 Framework Agreement are subject to the reporting, announcement and annual review requirements but are exempt from the circular (including independent financial advice) and shareholders' approval requirements under Chapter 14A of the Listing Rules.

* *For identification purpose only*

BACKGROUND

The Existing Framework Agreement which was the subject of the Company's announcement dated 15 November 2022 in relation to, among others, the Group's purchase of Chips from Megahunt Group under the Existing Framework Agreement, is due to expire on 31 December 2025. Accordingly, in order to facilitate the purchase of Chips in its ordinary and usual course of business to be used in the production of the Group's E-Payment Terminals products for the next three financial years ending on 31 December 2028 and ensure compliance with Chapter 14A of the Listing Rules, the Company and Megahunt entered into the 2026 Framework Agreement on 23 December 2025. The terms of the 2026 Framework Agreement were arrived at after arm's length negotiations between the Parties.

THE 2026 FRAMEWORK AGREEMENT

The key terms of the 2026 Framework Agreement are summarised as follows:–

Date:	23 December 2025
Parties:	(1) the Company (for itself and on behalf of the Group as purchaser); and (2) Megahunt (for itself and on behalf of Megahunt Group as seller) (each a "Party" and collectively as the "Parties")
Subject matter:	The Group will purchase and Megahunt Group will sell the Chips in accordance with the terms of the Individual Agreements.
Individual agreements:	During the Term, respective members of the Group and Megahunt Group may from time to time enter into individual agreements (the "Individual Agreements") which will set out the terms of the individual Chips Purchase Transactions negotiated based on the following principles and pricing basis: (a) the Chips Purchase Transactions would be on normal commercial terms following arm's length negotiations; (b) the prices of the Chips would be determined with reference to the prices of the same or similar products sold by Megahunt Group to its customers and the prevailing market prices of similar products in the industry; and

(c) the terms and conditions of the Chips Purchase Transactions, including the prices, order quantity, terms of settlement, delivery and shipment, when considered as a whole, would be no less favourable to the Group than those available to independent third parties from time to time.

Term: Three years commencing on 1 January 2026 and ending on 31 December 2028. Either party may also terminate the 2026 Framework Agreement by giving a written notice to the other party three (3) months in advance.

ANNUAL CAPS

Historical figures

The following table sets out the annual caps under the Existing Framework Agreement for the three years ended/ending 31 December 2023, 31 December 2024 and 31 December 2025 and the actual transaction amounts of the Chips Purchase Transactions under the Existing Framework Agreement for the two years ended 31 December 2023 and 31 December 2024 and the 11 months ended 30 November 2025, respectively:–

	For the year ended 31 December 2023 (audited) *HKD'000*	**For the year ended 31 December 2024** (audited) *HKD'000*	**For the year/period[2] ending 31 December 2025** *HKD'000*
Annual cap under the Existing Framework Agreement[1]	210,000	230,000	250,000
Actual transaction amount[1]	104,891	38,836	45,874[2]

Notes:

1. Before value-added tax

2. (Unaudited) for the 11 months ended 30 November 2025

As far as the Directors are aware, none of the Existing Annual Caps has been exceeded as at the date of this announcement.

New Annual Caps

The Annual Caps of the Chips Purchase Transactions (before value-added tax) under the 2026 Framework Agreement for each of the year ending on 31 December 2026, 2027 and 2028 are set out as below:–

	For the year ending 31 December 2026	**For the year ending 31 December 2027**	**For the year ending 31 December 2028**
	HKD'000	*HKD'000*	*HKD'000*
Annual cap under the 2026 Framework Agreement*	75,000	87,000	100,000

* *Before value-added tax*

The Annual Caps have been determined by the Company as follows:–

(i) the annual cap for 2026 has been determined by reference to (a) the average transaction amount for the two years ended 31 December 2024, the 11 months ended 30 November 2025, and the orders on hand that are expected to be delivered and recognised in December 2025; (b) the Group's reasonable expectation that demand for the Group's E-Payment Terminals (for which Chips supplied by Megahunt Group are an essential component) will remain generally stable; (c) the inflation rate referred to in paragraph (ii) below; and (d) a 10% buffer to provide for potential market changes during the year, including a substantial increase in demand for the Group's E-Payment Terminals and/or developments that may lead to shortage or uncertainties in Chips supply (that can be affected by factors including the increasing global demand for chips, geopolitical/trade policies, amongst other things) and currency risks, which may render it appropriate for the Group to carry additional inventory to manage such risks and/or volatility in prices for Chips; and

(ii) the annual caps for 2027 and 2028 were determined by reference to the annual cap of the respective preceding year, plus a 5% inflation rate (after taking into account the global growth rate of 3.1% in 2026 projected by the International Monetary Fund); and a 10% buffer to provide for potential market changes during the year, such as those described above.

Shareholders should note that the Annual Caps represent the best estimates by the Group based on the information currently available. The Annual Caps have no direct relationship to, nor should they be taken to have any direct bearing on, the Group's financial or potential financial performance.

The Directors (including the independent non-executive Directors) are of the view that the terms of and the Annual Caps in relation to Chips Purchase Transactions are on normal commercial terms and fair and reasonable and the entering into of the 2026 Framework Agreement is in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole.

MEASURES TO SAFEGUARD THE INTERESTS OF SHAREHOLDERS

The continuing connected transactions contemplated under the 2026 Framework Agreement are on a non-exclusive basis, where the Group may source the Chips from and Megahunt Group may market the same to any third parties. Either Party may also terminate the agreement by giving a written notice to the other three (3) months in advance.

To ensure sufficient protection of the Shareholders' interest, the Company has adopted internal control measures in connection with the continuing connected transactions, including without limitation the following:–

- the material control department, the research and development department and the quality control department are responsible for continuing sourcing and evaluating potential suppliers in the open market by inviting submissions of quotations. The Company has put in place a standard procedural flow, pursuant to which the responsible departments shall conduct due diligence including on-site visits on the potential suppliers and obtain product samples and quotations from them. Each potential supplier will be given an overall score based on individual scores in different categories such as pricing, product quality, quality control, product delivery and after-sales services and only those with good or excellent scores will be engaged;

- the quality control department and material control department are responsible for conducting appraisal and evaluation at least annually on the existing suppliers and their products, including Megahunt Group and the products it supplied. There will be checks on pricing, product quality, punctuality of delivery and after-sales services. On-site assessment will be carried out as well to make sure the products are manufactured properly. Each supplier will be given an overall score after considering its performance in different aspects. Those suppliers with excellent scores will be included in the Company's preferred suppliers list and those which obtained low scores may be removed from the suppliers list:

- the finance department of the Company is responsible for monitoring that the actual pricing, payment terms and other terms and conditions in respect of Individual Agreements with Megahunt Group are in line with the pricing policies under the 2026 Framework Agreement and no less favourable than those offered by independent third parties;

- to monitor the annual caps, the Group has an internal system in place whereby the Individual Agreements executed by the Group's various operation divisions with Megahunt Group will be reported to the finance department. The finance department of the Company regularly monitors and reviews the actual year-to-date transaction amount of Chips Purchase Transactions as well as any estimated Chips Purchase Transactions to be delivered for the remainder of the year based on, for example, the estimated demand and the order book, and will prepare a quarterly report containing, among others, the above-mentioned information to the management for their consideration;

- designated senior management members of the Group will also regularly review the relevant continuing connected transactions under the Individual Agreements (i) to ensure effective implementation of pricing policies and compliance of payment terms under the Individual Agreements; (ii) to evaluate whether the Individual Agreements are entered into on normal commercial terms or better and are fair and reasonable; and (iii) to make recommendations to the Directors from time to time to ensure that the internal procedures in respect of the continuing connected transactions remain complete and effective;

- the Directors (including the independent non-executive Directors) will review the continuing connected transactions based on the report by the finance department of the Company as well as senior management members of the Group to ensure that, inter alia, they are conducted on normal commercial terms which are fair and reasonable, and in line with the interests of the Company and the Shareholders as a whole;

- the Company's audit committee (comprising all independent non-executive Directors) will also review the continuing connected transactions based on the report by the finance department of the Company as well as senior management members of the Group to give sufficient assurance that appropriate internal control procedures are in place to ensure that the annual caps are not exceeded and the continuing connected transaction are conducted in accordance with the terms of the 2026 Framework Agreement; and

- the Company's external auditor will conduct an annual review and provide their independent confirmation to the Board that nothing comes to their attention which causes them to believe that the continuing connected transactions, inter alia, are not conducted in accordance with the pricing policies of the Group and the Chips Purchase Transactions exceeds the relevant annual caps.

REASONS FOR AND BENEFITS OF ENTERING INTO THE 2026 FRAMEWORK AGREEMENT

The Group is principally engaged in the development and sales of E-Payment Terminals products, provision of maintenance and installation and payment solution services. As the Chips are essential components of the Group's E-Payment Terminals products, the continuing purchase of the Chips is consistent with the commercial objectives of the Group and fits the operational needs of the Group. Taking into account also the growing popularity of digital payments and cashless transactions, it is anticipated that consumer behaviour will continue to shift towards electronic payment solutions and therefore sustain and grow demand for payment products such as the Group's E-Payment Terminals products.

Given the close and long-term relationship between the Company (through its subsidiaries) and Hi Sun (through its subsidiaries and designated associates including Megahunt Group), the Parties have developed a sound and mutual understanding of the other's business practices and standards. In addition, the specifications and quality of the Chips supplied by Megahunt Group are well suited to the needs of the Group. The Board believes that it is in the commercial interest of the Group to purchase the Chips from Megahunt Group, as it will significantly reduce (i) the Group's operational risks, including the risks of chips shortage causing obstruction to production capacity and fluctuation in production costs, which may adversely affect its business operation; and (ii) the Group's costs and time required for sourcing new suppliers and extra supervision and quality check of the Chips to be supplied by the new suppliers.

The Directors (including the independent non-executive Directors) consider that the Chips Purchase Transactions contemplated under the 2026 Framework Agreement are conducted in the ordinary and usual course of business of the Group, the terms of the 2026 Framework Agreement have been negotiated on an arm's length basis and are on normal commercial terms, fair and reasonable and are in the interests of the Group and the Shareholders as a whole.

INFORMATION OF THE COMPANY AND MEGAHUNT

The Company is an investment holding company and together with its subsidiaries is principally engaged in the development and sales of E-Payment Terminals products, provision of maintenance and installation and payment solutions services.

Megahunt is a joint stock limited company incorporated in the PRC, together with its subsidiaries is principally engaged in the sales of the security micro controller unit chips, mag-stripe card security decoder chips and related products and solutions in the PRC.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the ultimate beneficial owners of the largest shareholder of Megahunt are Mr. Kui Man Chun (directly and indirectly holding in aggregate approximately 23.54% interest in Hi Sun) and Mr. Che Fung (indirectly holding approximately 12.04% interest in Hi Sun) and they are both independent third parties of the Company.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Hi Sun, the controlling Shareholder holding approximately 34.31% of the Company's issued share capital, holds approximately 45.73% interest in Megahunt. Megahunt is therefore an associate of Hi Sun and a connected person of the Company. As such, the Chips Purchase Transactions contemplated under the 2026 Framework Agreement constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios in respect of the Annual Caps under the 2026 Framework Agreement exceeds 0.1% but all are less than 5%, the continuing connected transactions, contemplated under the 2026 Framework Agreement are subject to the reporting, announcement and annual review requirements but are exempt from the circular (including independent financial advice) and shareholders' approval requirements under Chapter 14A of the Listing Rules.

As Mr. Xu Changjun serves as a director of the Megahunt and directly owns approximately 2.96% of Megahunt, he abstained from voting on the Board resolution approving the 2026 Framework Agreement in accordance with Rule 13.44 of the Listing Rules. Mr. Li Wenjin, who also serves as a director of Hi Sun, has also abstained from voting on the Board resolution approving the 2026 Framework Agreement to avoid the perception of a conflict of interest. Save as disclosed above, no other Director had material interests in such transactions and hence was required to abstain from voting on the Board resolutions approving the 2026 Framework Agreement in accordance with Rule 13.44 of the Listing Rules.

DEFINITIONS

In this announcement, the following terms have the meanings set forth opposite them:–

"2026 Framework Agreement"	the framework agreement entered into between the Company and Megahunt dated 23 December 2025 in relation to the Chips Purchase Transactions for a term of three years commencing on 1 January 2026 and ending on 31 December 2028;
"associate(s)"	has the meaning ascribed to it under the Listing Rules;

"Annual Caps"	the annual caps of the transaction amounts of the Chips Purchase Transactions under the 2026 Framework Agreement;
"Board"	the board of Directors;
"Chips"	collectively:– (i) the contactless reader chips (Contactless Reader Chips)(非接觸卡讀卡芯片); (ii) the security micro controller unit chips (Controller Unit Chips)(加密安全處理器芯片); and (iii) the mag-stripe card security decoder chips (Security Decoder Chips)(磁條卡加密解碼芯片)
"Company"	PAX Global Technology Limited, a company incorporated in Bermuda with limited liability whose shares are listed on the Stock Exchange (Stock Code: 327);
"connected person(s)"	has the meaning ascribed to it under the Listing Rules;
"controlling shareholder(s)"	has the meaning ascribed to it under the Listing Rules;
"Chips Purchase Transaction(s)"	the Group's purchase of the Chips from Megahunt Group under the Existing Framework Agreement and/or the 2026 Framework Agreement (as the case maybe);
"Directors"	the directors of the Company;
"E-Payment Terminals"	electronic fund transfer point-of-sale terminals;
"Existing Annual Caps"	the annual caps of the transaction amounts of the Chips Purchase Transactions under the Existing Framework Agreement;
"Existing Framework Agreement"	the framework agreement entered into between the Company and Megahunt dated 15 November 2022 in relation to the Chips Purchase Transactions for a term of three years commenced on 1 January 2023 and ending on 31 December 2025;

"Group"	the Company and its subsidiaries;
"Hi Sun"	Hi Sun Technology (China) Limited, a company incorporated in Bermuda with limited liability whose shares are listed on the Stock Exchange (Stock Code: 818);
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong;
"Hong Kong"	Hong Kong Special Administrative Region of the People's Republic of China;
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange;
"Megahunt"	Megahunt Technologies Inc.(兆訊恒達科技股份有限公司), a joint stock limited liability company incorporated in the PRC indirectly owned as to approximately 45.73% by Hi Sun;
"Megahunt Group"	Megahunt and its subsidiaries;
"PRC"	the People's Republic of China;
"Shareholder(s)"	the shareholder(s) of the Company;
"Stock Exchange"	The Stock Exchange of Hong Kong Limited;
"%"	per cent.

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

Hong Kong, 23 December 2025

As at the date of this announcement, the Board comprises five Executive Directors, namely, Mr. Xu Changjun, Mr. Luo Shaowen, Mr. Li Wenjin, Mr. Li Heguo and Mr. Zhang Hui 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.