



**PAX Global Technology Limited**  
(327.HK)

**2025** | Annual  
Results



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# Agenda



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2025 annual results snapshot



# Corporate strategies

Tom Luo – Chief Executive Officer



## Sharpen Android strategy to reinforce competitiveness

Strengthen payment infrastructure modernization with Android POS



### Drive high-value Android product innovation

- Optimize product portfolio; prioritize core models with scalable commercial potential & sustained demand
- Android products contributed 70%+ of the Group's revenue in 2025, serving as the key business development engine



### Accelerate R&D efficiency

- Optimize R&D structure to accelerate time-to-market & strengthen commercialization capabilities



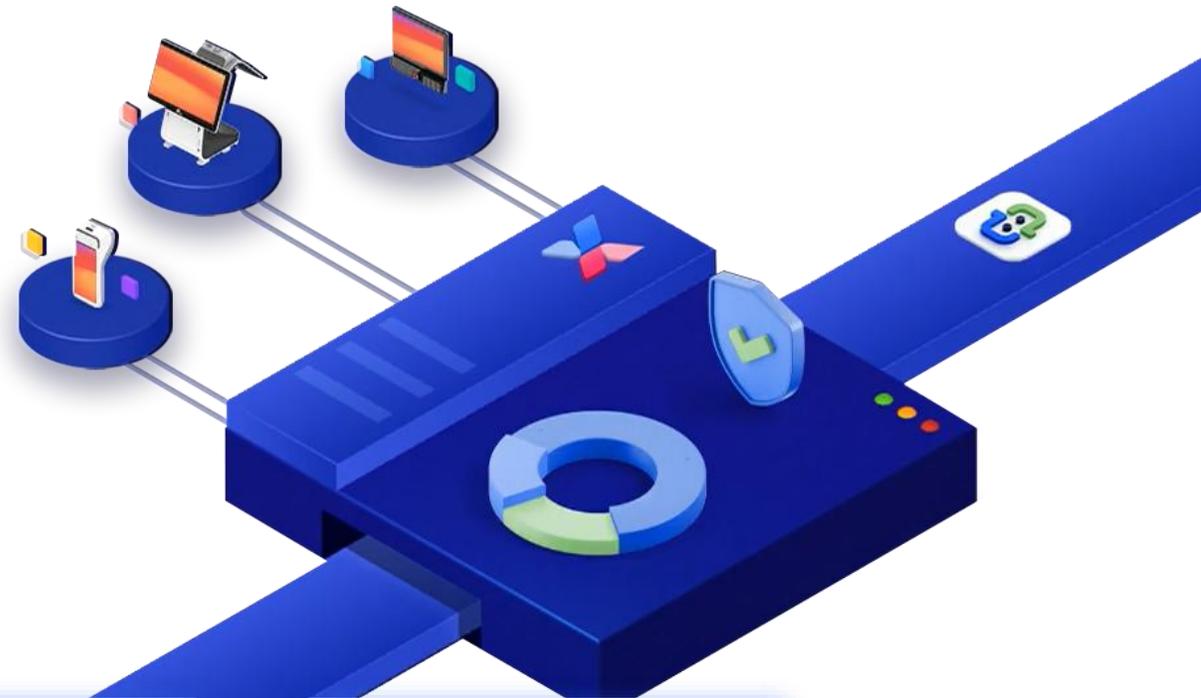
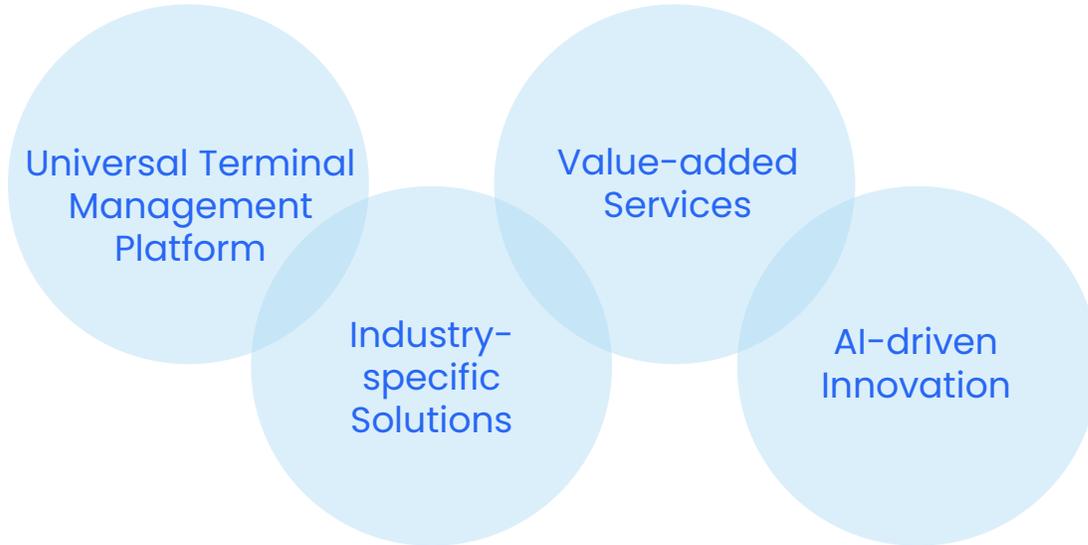
### Embrace artificial intelligence

- Leverage AI to drive innovation and efficiency, supporting long-term growth



# Strengthen platform service innovation to unlock ecosystem value

Scale cloud-driven platform to empower banks & payment ecosystem upgrade



**AirViewer**  
Remote Technical Support

**GoInsight**  
Business Intelligence

**paxRhino**  
Remote Key Injection



## Enhance the Group's operational efficiency

Strategic focus & resource optimization to drive operational efficiency

### Enhance R&D effectiveness

- Adjust pricing as needed to address rising memory component costs
- Explore non-Android and broader smart device offerings to expand market coverage

### Build a more agile operating model

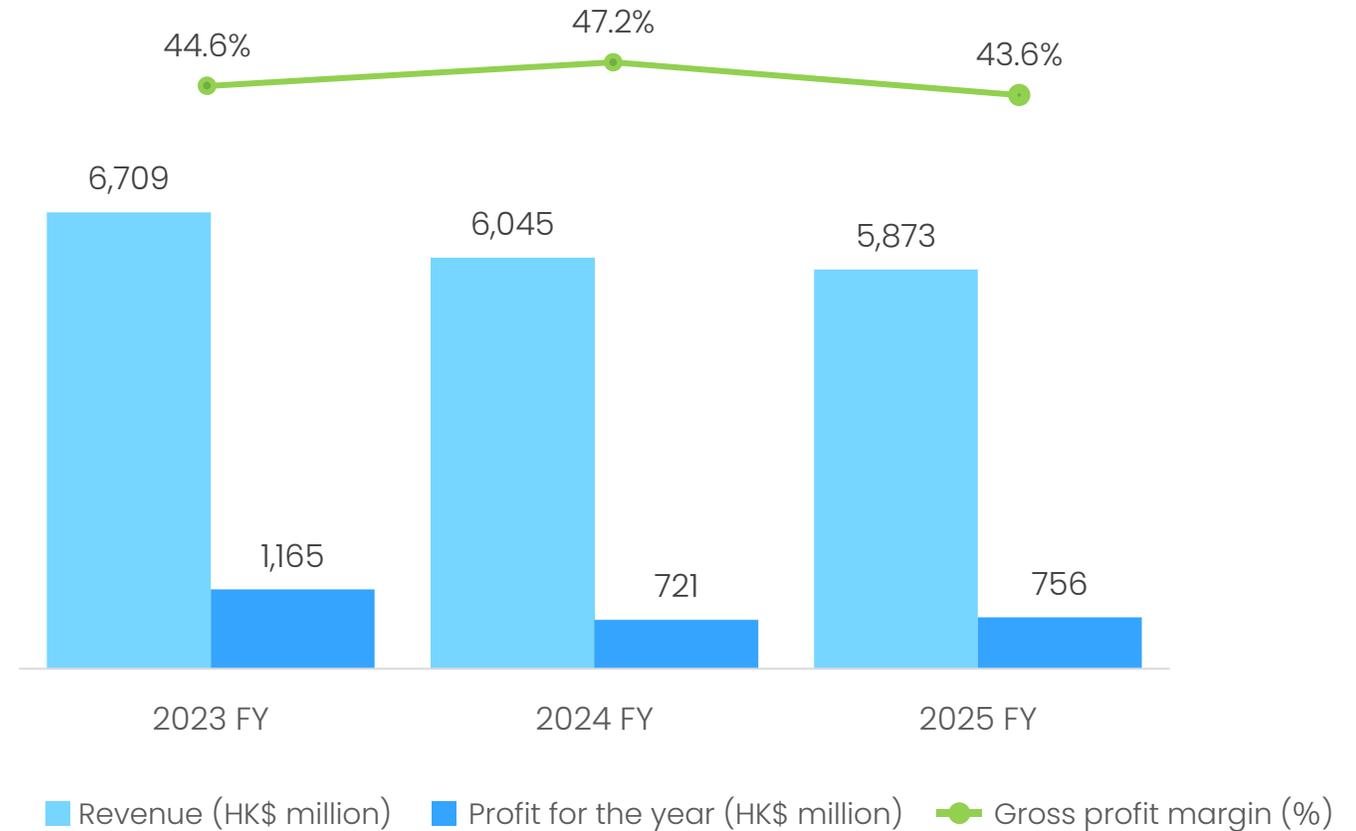
- Strengthen sales & administrative management to improve expense control
- Leverage AI to improve efficiency & reduce costs
- Continued cost structure improvement in 2025, operating expenses down 17% YoY



# 2025 annual results snapshot

Ethan Cheung – Chief Financial Officer

## PAX delivered profitable results in 2025





# PAX adopts prudent capital allocation in a challenging environment



## > Maintain stable cash flow

- Operating cash inflow of approx. HK\$ 1.3 billion in 2025
- Core business remained stable, supporting ongoing operations and growth

## > Enhance financial flexibility to navigate future challenges

- Industry cost pressure: significant rise in memory chip prices since Q4 2025
- Macroeconomic uncertainties: evolving U.S. tariff policies & FX volatility
- The Board has resolved not to recommend a final dividend for 2025, in light of the current operating environment

## > Capture future growth opportunities

- Ensure adequate resources to support core technologies & long-term strategic investments
- Evaluate high-quality new business & M&A opportunities



## PAX pragmatically manages working capital

### ➤ **Trade and bills receivables**

(YoY +10%)

(Turnover days: 172)

- Increase mainly driven by strong sales performance in Q4
- 73% of receivables within 0–180 days (2024: 64%)

### ➤ **Inventories**

(YoY -12%)

(Turnover days: 195)

- Optimized inventory management & accelerated reduction of non-core models
- Inventory provision & write-off totaled HK\$ 207 million, primarily due to U.S. product & sales strategy adjustments

### ➤ **Trade payables**

(YoY +28%)

(Turnover days: 118)

- Increase mainly attributable to higher procurement in Q4



## Other financial items analysis

### ➤ **Selling expenses** (YoY -18%)

- Decrease in transportation costs
- Reduction in advertising & promotional expenses

### ➤ **Administrative expenses** (YoY -17%)

- Lower R&D costs from reduced outsourcing & optimized resource allocation
- Decrease in staff costs, with certain regional workforce adjustments
- Absence of 2024 one-off share-based payment expenses (HK\$ 32 million)

### ➤ **Income tax expense** (YoY +10%)

- Implementation of OECD Pillar Two\* in 2025: related top-up tax expense of approx. HK\$ 41 million

\*Note: "Pillar Two" is a global minimum tax framework introduced by the Organization for Economic Co-operation and Development (OECD), requiring applicable multinational enterprises to maintain a minimum 15% effective tax rate in each jurisdiction of operation; a top-up tax applies where the rate is below 15%.



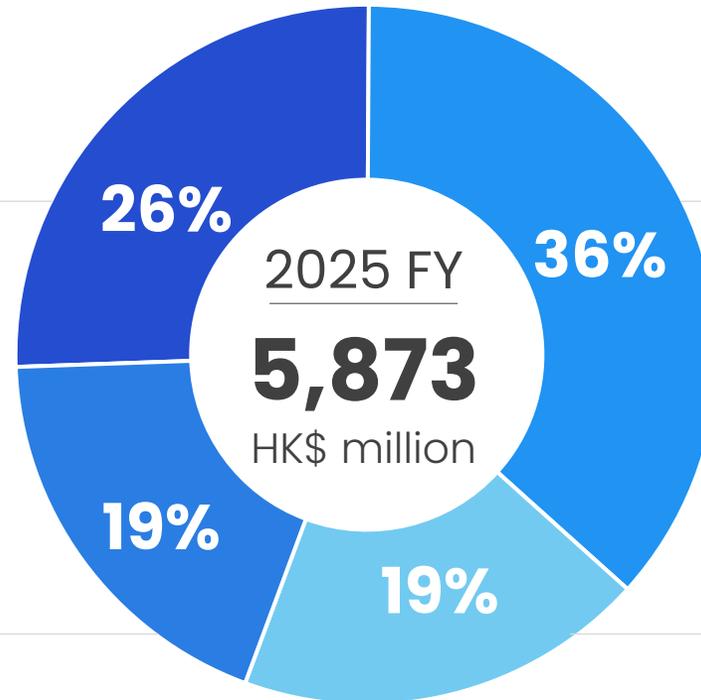
# PAX drives global diversification with focus on high-potential markets

## LACIS (HK\$ 1,506 M)

- Brazil, Mexico & Argentina: Macroeconomic volatility & rising competition led to cautious terminal deployment & softer demand
- Panama: Meaningful sales growth of A-series smart terminals

## USCA (HK\$ 1,105 M)

- U.S.: Record-high revenue in 2025, up 24% YoY
- U.S.: Flagship models A920Pro, A35 & A800 delivered strong shipments, expanding across high-frequency sectors including retail, QSR chains & large sports venues
- U.S.: EPOS Workstation orders increased steadily, with sustained customer demand



## EMEA (HK\$ 2,149 M)

- Europe: UK, Germany & Eastern Europe delivered solid sales
- Europe: Upgrade momentum driving A920Pro & A35 deployment
- Egypt & South Africa: Surging e-payment adoption powered rapid Android terminal expansion

## APAC (HK\$ 1,113 M)

- Japan: Sales nearly doubled, with terminals rapidly expanding across taxis, rail, and airports, deepening presence in high-traffic transit sectors
- Southeast Asia: Market volatility & extended sales cycles moderated near-term terminal demand

APAC - Asia Pacific Region  
 EMEA - Europe, the Middle East and Africa  
 LACIS - Latin America and the Commonwealth of Independent States  
 USCA - United States of America and Canada

## PAX continues to expand the SaaS ecosystem



SaaS solutions revenue

YoY ▲ 43%

**HK\$ 198 M**



MAXSTORE



**16M+**

Connected terminals\*



**18K+**

Applications\*



**4.6K+**

Application developers\*

\*As of 31 Dec 2025



## 2026 challenges: rising memory chip prices & RMB fluctuations

### > Sharp increase in memory chip prices

- AI-driven demand has led to explosive growth in memory chip consumption, related component prices up over 2x since Q4 2025
- Rising memory chip prices now a market trend, creating manufacturing cost pressures across industries
- Market consensus expects supply tightness & elevated pricing to continue into 2026

#### Mitigation measures

- > Continuously adjust product specifications in line with market demand to effectively manage costs
- > Refine product pricing strategies based on market conditions & customer dynamics
- > Closely monitor key component price trends & supply chain developments

### > Continued RMB appreciation

- Sustained RMB appreciation since Q4 2025
- Exchange rate fluctuations expected to negatively impact the Group's gross margin (accounting effect)



## Investor relations contacts

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## Consolidated income statement

	For the year ended 31 December	
	2025	2024
	HK\$'000	HK\$'000
<b>Revenue</b>	<b>5,872,540</b>	<b>6,044,878</b>
Cost of sales	(3,312,517)	(3,191,489)
<b>Gross profit</b>	<b>2,560,023</b>	<b>2,853,389</b>
Other income	58,227	85,372
Other gains, net	32,909	861
Selling expenses	(634,862)	(772,428)
Administrative expenses	(1,093,667)	(1,317,994)
<i>Research and development costs (included in administrative expenses)</i>	<i>(614,677)</i>	<i>(683,513)</i>
Net (impairment losses)/reversal of impairment losses on financial assets	(6,836)	6,963
<b>Operating profit</b>	<b>915,794</b>	<b>856,163</b>
Finance costs	(3,966)	(5,556)
Share of results of investments accounted for using the equity method	(1,897)	10,638
<b>Profit before income tax</b>	<b>909,931</b>	<b>861,245</b>
Income tax expense	(153,713)	(140,323)
<b>Profit for the year</b>	<b>756,218</b>	<b>720,922</b>
<b>Profit attributable to:</b>		
Owners of the Company	753,587	713,427
Non-controlling interests	2,631	7,495
<b>Earnings per share for profit attributable to the owners of the Company:</b>	<b>HK\$ per share</b>	<b>HK\$ per share</b>
- Basic	0.711	0.669
- Diluted	0.700	0.658
<b>Financial ratios</b>		
Gross profit margin	43.6%	47.2%
Operating profit margin	15.6%	14.2%
Net profit margin	12.9%	11.9%



## Consolidated balance sheet

	As at 31 December	
	<b>2025</b>	<b>2024</b>
	HK\$'000	HK\$'000
<b>Total non-current assets</b>	<b>1,447,545</b>	<b>1,523,386</b>
Property, plant and equipment	946,326	939,396
Right-of-use assets	183,631	207,281
Others	317,588	376,709
<b>Total current assets</b>	<b>8,531,649</b>	<b>7,646,119</b>
Cash and cash equivalents	3,907,245	3,083,598
Trade and bills receivables	2,804,738	2,543,884
Inventories	1,404,306	1,587,039
Others	415,360	431,598
<b>Total non-current liabilities</b>	<b>112,175</b>	<b>89,759</b>
<b>Total current liabilities</b>	<b>1,894,599</b>	<b>1,515,159</b>
Trade payables	1,198,883	937,211
Others	695,716	577,948
<b>Total equity</b>	<b>7,972,420</b>	<b>7,564,587</b>



## Working capital summary

	At 31 Dec 2025	At 31 Dec 2024
	HK\$ '000	HK\$ '000
Inventories	1,404,306	1,587,039
Trade and bills receivables	2,804,738	2,543,884
Trade payables	1,198,883	937,211
Cash and cash equivalents	3,907,245	3,083,598
<b>Turnover days</b>		
Inventories	195	220
Trade and bills receivables	172	163
Trade payables	118	105
Cash conversion	249	278