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## **Pangaea Connectivity Technology Limited**

**環聯連訊科技有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1473)**

### **BUSINESS UPDATE**

The board (the “**Board**”) of directors (the “**Directors**”) of Pangaea Connectivity Technology Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) wishes to provide certain business updates on the recent development of the Group to the shareholders and potential investors of the Company.

As a result of the sluggish recovery of the global economy, the Group has implemented certain key developments and initiatives that have helped shape the Group’s progress in recent times. Firstly, the Group has actively engaged in the business development of the linear device semiconductors. The emergence of generative artificial intelligence (AI) technologies like ChatGPT has been driving the exponential growth of high-performance computing (HPC) power and data centre bandwidth requirements, as well as accelerating the application of new optoelectronic technologies such as Linear Direct Drive. The AI enabled high performance linear transmission technology is expected to be the key to enhancing data processing and analysing performance, expanding bandwidth capability, solving the increasing problems of system power consumption and heat dissipation of high-density modules, and reduce cost.

Secondly, the Group has also placed a strong focus on the industrial laser sector for solar photovoltaic panel manufacturing. The Group recognised the growing demand for renewable energy and invested in supporting such cutting-edge laser technologies tailored for solar photovoltaic panel development and production. This strategic move has allowed the Group to position itself as a leading provider in the China market, enabling technology enhancement to its key customers in China and benefiting the dominant supplier of the industrial laser which ultimately helped facilitate the increase in market requirements and contribute to a growth of market share and a sustainable business landscape for the Group.

However, the Group has not been able to recover as quickly as the Board had hoped for the past year. For the year ended 31 March 2023, the Group has recorded a loss of HK\$31.4 million and as disclosed above, the Group has struggled to recover amidst the extremely challenging environment and global economy, and the Group is expected to continue to incur loss for the six months ended 30 September 2023 of slightly over HK\$10 million mainly attributable to the decrease in gross profit as a result of decrease in gross profit margin resulting from slow down of the PRC market and disruption of supply chain and the increase in finance expenses due to the increase in interest rate.

Despite the foregoing, the Board remains hopeful that the persistent efforts of the Group to strive for recovery and growth, including the above business developments, would gradually yield positive results for the Group.

By Order of the Board  
**Pangaea Connectivity Technology Limited**  
**Mr. Fung Yui Kong**  
*Chairman*

Hong Kong, 17 November 2023

*As at the date of this announcement, the Board comprises Mr. Fung Yui Kong, Dr. Wong Wai Kong and Ms. Leung Kwan Sin Rita as executive Directors; and Mr. Chan Hiu Fung Nicholas, Mr. Ling Kwok Fai Joseph, and Mr. Kam, Eddie Shing Cheuk as independent non-executive Directors.*