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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.

The Board is pleased to announce that on 17 December 2023, the Company entered into a strategic cooperation framework agreement (the “**Cooperation Agreement**”) with Zhongguancun Intelligent Artificial Intelligence Research Institute (中關村智用人工智能研究院), a renowned research institute (the “**Research Institute**”) in the People’s Republic of China, to establish a strategic partnership for a term of 3 years from the date of the Cooperation Agreement to promote new generation of information technology such as artificial intelligence (“**AI**”), blockchain and big data in Hong Kong, together with resources in the AI industry, to facilitate the business development of both parties and form new competitive advantages.

To the best knowledge, information and belief of the Board, the Research Institute is an institution jointly initiated by several Chinese multinational technology companies under the guidance of the Beijing Municipal Science and Technology Commission and the Zhongguancun Management Committee, and is a third party independent of and not connected with the Company and its subsidiaries and its connected persons (as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited). It is equipped with forward-looking research capabilities on AI application trends, rich experience in application demand scenarios, and design and research capabilities for digital transformation. The Research Institute has also established a set of AI supply and demand docking mechanisms and developed a cost-effective heterogeneous computing platform that supports various AI applications.

Pursuant to the Cooperation Agreement, the Company and the Research Institute propose to, among other matters, (i) establish an AI cooperation centre in Hong Kong utilising the talent and AI resources in Hong Kong and China; (ii) develop and support the application of AI solutions in various industries; (iii) promote AI projects in Hong Kong and jointly liaise and collaborate with the Hong Kong government, think tanks, scientific research institutions and major enterprises; (iv) organize specialised AI development department and workshops; and (v) coordinate other AI industry resources to complement the existing core businesses of the Company.

As disclosed in the interim results announcement of the Company dated 22 November 2023, while the Group has been actively engaging in the application enhancement for linear device semiconductors, the Company also recognises the emergence of AI technologies which are 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. Further, the Company recognises the significance of the Northern Metropolis located near the border between Hong Kong and Shenzhen as a hub for innovation and technology which aims to promote cross-border cooperation and development.

The Company is hopeful that the transactions contemplated under the Cooperation Agreement would enable the Company to leverage on the strengths of the Research Institute and help promote the development of AI innovation and technology, and enable the Company to play a key role in future cross-border cooperation projects and business opportunities, which would benefit the Group as a whole and hopefully create greater returns for the shareholders of the Company.

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

Hong Kong, 18 December 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.