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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)

SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO PLACING OF NEW SHARES UNDER GENERAL MANDATE

Placing Agent

Lego Securities Limited
力高證券有限公司

Reference is made to the announcement (the "**Announcement**") of Pangaea Connectivity Technology Limited (the "**Company**") dated 23 July 2025 in relation to the Placing. Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcement.

The Company wishes to provide its shareholders and potential investors with further information regarding the proposed use of the net proceeds from the Placing.

PROPOSED USE OF PROCEEDS

As disclosed in the Announcement, subject to the completion of the Placing and assuming all the Placing Shares are fully placed, the gross proceeds from the Placing will be approximately HK$35.8 million and the net proceeds will be approximately HK$35.3 million (after deduction of commission and other expenses of the Placing) (the "**Net Proceeds**"). The Net Proceeds are proposed to be applied as to approximately 85.0% (i.e. approximately HK$30.0 million) for pursuing business opportunities in AI technology-related areas and as to approximately 15.0% (i.e. approximately HK$5.3 million) for general working capital of the Group for general corporate purposes.

Details of the proposed use of Net Proceeds are as follows:

Business opportunities in AI technology-related area

As disclosed in the business update announcement of the Company dated 4 July 2024 and the annual results announcement of the Company for the year ended 31 March 2025 dated 27 June 2025, the rise of artificial intelligence (AI), one of the most transformative forces of the modern era, has created tremendous opportunities, revolutionising industries by enabling smarter automation, predictive analytics, and unprecedented efficiency gains.

The Group has established expertise in connectivity solutions, which serve as the backbone for data transmission, Internet of Things ecosystems, and high-performance computing (HPC). Currently, a considerable portion of the Company's sales come from electronic components used in HPC and data centers, which customers integrate with graphics processing units to build AI-optimised HPC servers, primarily deployed in AI-driven applications. The growing adoption of such servers and AI-driven applications is fueling demand for more advanced connectivity products. To strengthen the Group's role in the AI value chain, the Company intends to further develop connectivity products (such as optical modules and digital signal processing modules) and solutions focusing on high-bandwidth connectivity to support data-intensive AI algorithms, low-latency, scalable solutions for edge computing and real-time decision-making and enhanced security and compatibility for evolving AI deployments. Through enhancing the compatibility, performance, and efficiency of the Group's connectivity products and solutions for AI applications, the Company aims to capitalise on expanding AI demand, diversify its product offerings, and create long-term value for the Company and its shareholders.

As at the date of this announcement, no concrete plans have been made for specific business opportunities. However, the Company has been actively exploring and assessing potential collaborations and investments in AI-related areas, including but not limited to high speed and energy-efficient optical engines capable of handling data transfers at bandwidths up to 1.6 terabytes and 3.2 terabytes per second to support high-performance AI applications.

Given the rapidly evolving nature of the market, the Company will continue to evaluate emerging opportunities to ensure alignment with its strategic objectives and technological advancements. At this stage, the Company is not able to ascertain the exact uses and detailed breakdown of the allocation of Net Proceeds. However, subject to prevailing market conditions, the Company currently plans to prioritise setting up a team to extend support coverage to existing key customers (serving a predominantly US end-user base) to support the design and development of connectivity products for next generation AI technology, by 30 June 2026. Any remaining Net Proceeds are expected to be allocated towards making payments to key suppliers for non-recurring engineering costs to design, develop and test new AI-related connectivity products or product enhancement. It is expected that the Net Proceeds allocated for business opportunities in AI technology-related areas will be utilised by 30 June 2027.

General working capital

The remaining portion of the Net Proceeds of approximately HK$5.3 million is proposed to be applied towards the replenishment of the working capital of the Group, including but not limited to payroll related expenses, rental expenses, professional fees, administrative fees and other corporate expenses, which are expected to be incurred in the second half of 2025 and first half of 2026. As such, it is expected that the Net Proceeds proposed to be applied for the general working capital of the Group will be utilised by 30 June 2026.

Expansion of the Group's business operations in South-east Asian countries

In the rapidly evolving business landscape, where technological advancements and market conditions shift at an unprecedented pace, the Company recognises the need to maintain strategic flexibility. If prevailing market conditions do not permit the full utilisation of the Net Proceeds within the above proposed timeline (i.e. by 30 June 2027), or if such utilisation no longer aligns with the Group's commercial interests, the remaining portion of the Net Proceeds may be reallocated to support the expansion of the Group's operations in South-east Asia, which has been growing gradually in recent years. The expansion plan aims to broaden the geographic reach of the Group's sales and technical support coverage in target South-east Asia markets. This may include establishing new offices and recruiting field application engineers, sales managers and administrative staff in South-east Asian countries.

The Company will make further announcements regarding any material developments in the utilisation of the Net Proceeds as and when necessary.

Interim fund arrangements

To the extent that the Net Proceeds are not immediately required for the above proposed purposes and to the extent permitted by the relevant laws and regulations, the Company intends to deposit such funds into interest-bearing bank accounts with licensed banks. As at the date of this announcement, the existing unused net proceeds from the initial public listing of the Shares on the Main Board of the Stock Exchange are held in similar interest-bearing bank accounts with licensed banks.

By order of the Board
Pangaea Connectivity Technology Limited
Fung Yui Kong
Chairman

Hong Kong, 7 August 2025

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. Ling Kwok Fai Joseph, Mr. Kam, Eddie Shing Cheuk and Mr. Ng Sing Yip, as independent non-executive Directors.