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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 THE POTENTIAL COLLABORATION

Reference is made to the announcement of Pangaea Connectivity Technology Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 26 August 2025 (the “**Announcement**”) regarding a non-legally binding memorandum of understanding in relation to the Potential Collaboration. Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Announcement.

This announcement is made to provide shareholders and potential investors of the Company with further details in relation to the Potential Collaboration and latest updates on the discussion between the parties regarding such collaboration.

STRUCTURE OF THE POTENTIAL COLLABORATION

The Company is currently expected to subscribe for a non-controlling stake (at an investment amount to be agreed) in a strategic joint venture (the “**NewCo**”) with Mile Green, which will hold the controlling stake in and contribute income-generating assets to the NewCo. The definitive composition of these assets remains subject to final mutual agreement, and may include real estate in South East Asia and/or electric vehicle income streams.

The NewCo’s business model is proposed to be operated through two segments: an in-house asset segment focused on holding of the income-generating assets, which will be tokenised and distributed subsequently by external experts and licensed business partners, and a tokenisation ecosystem segment where the NewCo functions as a facilitator for third-party asset owners by providing access to licensed partners for tokenisation services. This approach is expected to create a diversified revenue model combining investment returns from owned assets with fee-based income from the tokenisation ecosystem.

The Company’s primary role in the NewCo is to provide capital and potentially leverage its network to introduce third parties to the tokenisation ecosystem. It may also offer its AIoT and IoT solutions to participants, as such technology is fundamental to asset digitalisation.

Mile Green, leveraging its established RWA expertise, is expected to source and/or contribute underlying assets to the NewCo. Further, Mile Green is responsible for appointing the directors, management team, and professional parties who will provide effective oversight of the NewCo's day-to-day operations and strategic direction. Mile Green's appointees will also ensure that the NewCo and its external business partners operate in full compliance with all applicable laws and regulations.

REGULATORY AND LICENCE REQUIREMENTS

The Company recognises that RWA-related businesses operate within strict regulatory frameworks across jurisdictions, typically requiring specific licenses for activities like digital token issuance. The NewCo will function solely as a facilitator, coordinating licensed external partners who will perform all regulated tokenisation and distribution activities. Furthermore, the NewCo is expected to focus its initial operations outside Hong Kong. If the NewCo expands its scope in the future, it is expected to secure all necessary licenses and approvals. The Company will rely on the regulatory expertise of Mile Green to structure the business model appropriately. Mile Green's appointees to the board of directors of the NewCo will ensure all engaged technical partners are properly licensed and fully compliant with applicable laws and regulations. The Company may engage external experts to advise on these requirements as needed.

OVERSIGHT AND PROTECTION MEASURES

The Board acknowledges that while the Company's principal expertise lies in the optical and wireless semiconductor business, its role in the collaboration is aligned with this core business. The Company's current management team possesses extensive experience in these fields, which is expected to be instrumental in evaluating and overseeing the potential investment, especially if the RWAs involved are related to these sectors. Certain members of the Board also have extensive knowledge in connectivity solutions, which is paramount to establishing the infrastructure for an RWA ecosystem. If the Board deems it necessary, the Company may also engage experts with specific RWA operational experience to advise directly, ensuring the investment is managed with the highest level of diligence.

Subject to the negotiation of definitive agreements, the definitive agreements are expected to stipulate, among other matters: (a) that the release of the Company's investment funds is subject to conditions precedent, including satisfactory due diligence, independent valuation, necessary approvals, and completion of the transfer of the income-generating assets; and (b) key governance and protection mechanisms for the Company, including the right to appoint personnel to the NewCo to observe its operations, and a put option mechanism. This put option would allow the Company to require Mile Green to purchase its shares in the NewCo upon certain triggering events, such as material non-compliance with laws or a material breach of the definitive agreements by Mile Green or the NewCo.

STRATEGIC RATIONALE AND BUSINESS OBJECTIVES

The principal business of the Company is the provision of comprehensive connectivity solutions. This includes the sourcing and distribution of electronic and optoelectronic components, coupled with technical and application support services. The Group's technical team provides ongoing support throughout customers' design and production cycles, enabling devices built with electronics, optoelectronics, sensors, and software for network connections.

The Potential Collaboration is a strategic investment to strengthen the Company's alliance with Mile Green, leveraging their complementary strengths. The Company can contribute its experience in HPC, AIoT, and connectivity solutions, which are crucial for tokenisation infrastructure, while Mile Green provides its extensive business network and RWA asset expertise. Connectivity solutions form the foundational digital infrastructure required for tokenisation. Reliable, high-speed data transmission is a prerequisite for blockchain networks, which transfer ownership and verify asset authenticity. HPC provides the computational power for complex cryptography, consensus mechanisms, and large-scale transaction validation. Tokenisation first requires digitalising a physical asset. This involves collecting and processing vast data from IoT sensors and devices. Connectivity enables this communication, which is integral to the initial RWA tokenisation stage. AI and big data analytics are then applied to enhance the asset's digital value. For RWAs like real estate, IoT devices provide real-time data on performance, condition, and usage. AIoT solutions ensure the continuous, intelligent data flow needed to monitor and maintain the tokenised asset's value and legitimacy, supporting its marketplace credibility. A tokenised asset's value is directly linked to the accuracy, security, and intelligent processing of its underlying data. Connectivity secures data transmission and network integrity for blockchain records. HPC and AI act as the analytical engine, transforming raw IoT data into trustworthy information, creating a dynamic and intelligent representation of real-world value.

Notwithstanding the above, the main strategic purpose of the Potential Collaboration is to position the Company at the centre of an emerging ecosystem where third-party asset owners, technology partners, and other participants may require the Group's core connectivity, HPC, and AIoT solutions. The Company will not be directly operating the RWA-related business. Instead, it will hold an investment in the NewCo, which will be the operating entity. The investment is not anticipated to be consolidated as a subsidiary but will likely be accounted for as an investment in an associate. The Potential Collaboration is not a pivot from the core business of the Group, but a prudent step to position the Company at the forefront of market developments. By partnering with Mile Green's experts, the Company aims to: (i) gain low-risk, firsthand experience in the RWA ecosystem; (ii) acquire valuable knowledge to remain competitive and forward-looking; and (iii) explore future synergies between RWA applications and its proprietary expertise in AI, IoT, and digitalisation. This initiative complements the core strategy of the Group and reflects its commitment to innovation, all while continuing to grow its principal businesses.

The Potential Collaboration is not expected to constitute a new business segment, nor does it signify a diversification away from the Company's core operations. The Company has no intention, understanding, negotiation, or arrangement to downsize, discontinue, or dispose of its existing principal business operations. On the contrary, it remains committed to and is actively focused on expanding and strengthening its existing core businesses.

The Company is currently in discussion with several independent third parties introduced by Mile Green to finalise certain memoranda of understanding. This demonstrates the immediate potential of the Potential Collaboration to expand the Group's client base and drive growth in its principal operations through the business opportunities and access to network of business partners provided by Mile Green.

The Potential Collaboration is subject to the entering into of a legally binding formal agreement. Accordingly, it may or may not proceed. Further announcement will be made by the Company as and when required under Listing Rules. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

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

Hong Kong, 6 October 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.