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## **WORLDGATE GLOBAL LOGISTICS LTD**

### **盛良物流有限公司**

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

**(Stock Code: 8292)**

## **DISCLOSEABLE TRANSACTION ACQUISITION OF INTEREST IN THE TARGET COMPANY INVOLVING ISSUE OF CONSIDERATION SHARES UNDER GENERAL MANDATE**

The Company announces that on 24 February 2020, the Purchaser, a wholly owned subsidiary of the Company, and the Vendor entered into the SPA. The Purchaser and the Grantor also entered into the Call Option Deed on the same date.

### **THE ACQUISITION**

Pursuant to SPA the Purchaser has conditionally agreed to acquire, and the Vendor has conditionally agreed to sell, the Sale Shares, representing one-third of the issued share capital of the Target Company at the Consideration of HK\$11,600,000 on the terms and subject to the conditions of the SPA. The Consideration will be satisfied by the allotment and issue of the Consideration Shares under the General Mandate.

### **GRANT OF CALL OPTION**

Pursuant to Call Option Deed and in consideration of the option premium of HK\$1 given by the Purchaser to the Grantor the Grantor has conditionally agreed to grant to the Purchaser the Call Option to, at any time during the Call Option Period, demand and require the Grantor to sell to the Purchaser all but not part of the Call Option Shares, representing two-third of the issued share capital of the Target Company, held by the Grantor.

### **GEM LISTING RULES IMPLICATIONS**

As certain of the applicable percentage ratios (as defined in the GEM Listing Rules) for the Acquisition are more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction of the Company and is subject to notification and announcement requirements under the GEM Listing Rules.

As the exercise of the Call Option is at the discretion of the Purchaser, according to Rule 19.75(1) of the GEM Listing Rules, on the acceptance of the Call Option, only the premium will be taken into consideration for the purpose of transaction classification. As only a nominal premium HK\$1 has been for the acceptance of the Call Option, such acceptance will not constitute a notifiable transaction of the Company under the GEM Listing Rules.

The Company will seek the necessary approval for the exercise of the Call Option (if exercised) pursuant to Rule 19.76(2) of the GEM Listing Rules and will comply with any applicable Shareholders' approval requirement of Chapter 19 of the GEM Listing Rules at the time of the exercise of the Call Option. Further announcement(s) will be made by the Company in this regard as and when necessary.

## **1. THE ACQUISITION**

On 24 February 2020 (after trading hours), the Purchaser and the Vendor entered into the SPA, pursuant to which the Purchaser has conditionally agreed to acquire, and the Vendor has conditionally agreed to sell, the Sale Shares, representing one-third of the issued share capital of the Target Company at the Consideration of HK\$11,600,000. The Consideration will be settled upon Completion by way of allotment and issue by the Company of the Consideration Shares.

The following is a summary of the principal terms of the SPA:

### **Date**

24 February 2020

### **Parties**

Purchaser: The Purchaser (a wholly-owned subsidiary of the Company); and

Vendor: The Vendor

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, the Vendor and its ultimate beneficial owner are Independent Third Parties.

### **Assets to be acquired**

Pursuant to the SPA, the Vendor has conditionally agreed to sell to the Purchaser and the Purchaser has conditionally agreed to purchase from the Vendor the Sale Shares, which represent one-third of the entire issued share capital of the Target Company. Upon Completion, the investment of the Company in the Target Company will be classified as investment in an associate.

## **Consideration**

The Consideration payable by the Purchaser to the Vendor is HK\$11,600,000, which will be satisfied by the allotment and issuance of the Consideration Shares as full and final settlement. The Consideration Shares will be allotted and issued at the Issue Price of HK\$0.0725 each, which represents:

- (i) a premium of approximately 6.62% over the closing price of HK\$0.068 per Share as quoted on the Stock Exchange on the date of the SPA;
- (ii) a premium of approximately 4.17% over the average closing price of HK\$0.0696 per Share as quoted on the Stock Exchange on the five consecutive trading days immediately prior to the date of the SPA;
- (iii) a premium of approximately 3.13% over the average closing price of approximately HK\$0.0703 per Share as quoted on the Stock Exchange for the ten consecutive trading days immediately prior to the date of the SPA; and
- (iv) a discount of approximately 27.28% to the unaudited net assets value per Share of the Company of approximately HK\$0.0997 based on the Company's unaudited consolidated net assets attributable to equity holders of the Company of approximately HK\$79.79 million (equivalent to RM41,995,000 at the exchange rate of RM1 = HK\$1.90) as at 30 June 2019 and the 800,000,000 Shares in issue as at the date of this announcement.

The Issue Price and the Consideration were arrived at after arm's length negotiations between the parties to the SPA with reference to the Valuation of 100% equity interest in the Target Company in the value of HK\$38,362,000 as at the valuation date of 31 December 2019 prepared by an independent valuer using the Market-Based approach and taking into account the historical financial performance, net asset value and the future development potential of the Target Company. The Consideration represents a discount of approximately 9.3% to one third (being the portion of the Sale Shares out of the entire issued share capital of the Target Company) of the Valuation. Accordingly, the Board is of the view that the Consideration and the Issue Price are fair and reasonable and in the interests of the Group and the Shareholders as a whole.

## **Conditions Precedent**

Completion of the Acquisition is conditional upon the following conditions being satisfied (or being waived) on or before the Long Stop Date (or, as the case may be, the Completion Date):

- (a) the approval by the SFC of the Purchaser (and its nominee (if any)) to become Substantial shareholder of the Target Company arising from the Acquisition under the SFO is obtained;

- (b) a valuation report as appraised by an independent valuer based on the Market Based approach in respect of the market value of 100% interest in the Target Company of not less than HK\$30,000,000 at a valuation date not more than three months from the date of the SPA having been obtained;
- (c) the GEM Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Consideration Shares;
- (d) the Purchaser having been satisfied with the results of the due diligence review on the Target Company, including but not limited to its respective businesses, assets, liabilities, operations, financial, legal or other status as the Purchaser may deem appropriate and necessary;
- (e) all Licences and consents necessary for the operations of the Target Company remain valid, in full force and effect and subsisting up to and after the Completion to the satisfaction of the Purchaser;
- (f) the employment contracts between the Target Company and its responsible officers or its replacement responsible officers (as the case may be) not having been terminated;
- (g) all the warranties of the Purchaser and the Vendor remaining true and accurate in all material respects as at Completion;
- (h) no material adverse change having occurred before or on the Completion Date; and
- (i) such other consents and approval, whether of regulatory authorities (including those required by SFC or under the laws and regulations administered by SFC) or otherwise of the transactions contemplated by the SPA being obtained; and if conditions are imposed for the grant of any such consents or approvals that such conditions are reasonably acceptable to the parties to the SPA.

The Purchaser may waive all or any of the conditions specified above except for Conditions (a), (e) and (i) at any time on or before the Long Stop Date by notice in writing to the Vendor on such terms as it may decide in its absolute discretion.

### **Completion of the SPA**

The Completion shall take place within five (5) Business Days after the date on which the last of the Conditions as set out above has been satisfied or waived. Upon Completion, the Company will indirectly own one-third of the entire issued share capital of the Target Company. The investment of the Group in the Target Company will be classified as investment in an associate.

### **The Consideration Shares**

The Consideration will be settled upon Completion by way of allotment and issue by the Company of the Consideration Shares under the General Mandate. Under the General Mandate, the Directors had been authorized to allot, issue and deal with up to 160,000,000 new Shares, representing 20%

of the Company's issued share capital as at the date of the Company's last annual general meeting held on 15 May 2019. The Consideration Shares will be 160,000,000 Shares, representing (i) 100% of the number of Shares that can be allotted and issued under the General Mandate; and (ii) 20% of the Company's issued share capital as at the date of this announcement. Up to the date of this announcement, no new Share has been allotted and issued pursuant to the General Mandate. Accordingly, issue of the Consideration Shares is not subject to further approval by the Shareholders.

The Consideration Shares shall rank *pari passu* in all respects with the existing Shares, with rights attached no inferior to the rights attached to the existing Shares. An application for the listing of, and permission to deal in, the Consideration Shares will be made by the Company to the Stock Exchange.

## **2. GRANT OF CALL OPTION**

On 24 February 2020 (after trading hours), the Purchaser and the Grantor entered into the Call Option Deed, pursuant to which the Grantor has granted to the Purchaser to the Call Option, at any time during the Call Option Period, demand and require the Grantor to sell to the Purchaser all but not part of the Call Option Shares subject to the terms and conditions therein.

The following is a summary of the principal terms of the Call Option Deed:

### **Date**

24 February 2020

### **Parties**

Grantor: The Grantor; and

Grantee: The Purchaser (a wholly-owned subsidiary of the Company)

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, the Grantor and its ultimate beneficial owner are Independent Third Parties.

### **Subject Matter**

The Purchaser is granted, and the Purchaser has accepted, the Call Option to purchase, and the Purchaser demand and require the Grantor to sell to the Purchaser all but not part of the Call Option Shares.

### **Call Option**

Subject to the full satisfaction of the Conditions for Exercise, the Purchaser will have the right to purchase the Call Option Shares held by the Grantor at the Exercise Price and on the Exercise Date.

## **Option Premium and Exercise Price**

The Exercise Price for the Purchaser to acquire the entire Call Option Shares is HK\$23,200,000, representing two times of the Consideration or a discount of approximately 9.3% to two-third of the Valuation.

A nominal option premium in the amount of HK\$1 is payable and has been paid by the Purchaser to the Grantor for the grant and acceptance of the Call Option.

The Exercise Price payable on exercise of the Call Option shall be settled in the absolute discretion of the Purchaser by way of (i) cash; (ii) the allotment and issue by the Company of Shares at a price equal to the higher of the closing price of Shares on the date of the Exercise Notice and the average closing price in the 5 trading days immediately prior to the date of the Exercise Notice; or (iii) a combination of cash and allotment and issue by the Company of Shares at the price described in (ii) above.

The Exercise Price was arrived at after arm's length negotiations between the parties to the Call Option Deed and was determined after having taken into account, among other things, the Valuation, the historical financial performance, net asset value and the future development potential of the Target Company.

## **Call Option Conditions**

Call Option Completion shall be subject to and conditional upon fulfillment of the following Call Option Conditions:

- (a) the GEM Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Shares to be issued and allotted as the whole or part of the Exercise Price (if any);
- (b) the approval by the SFC of the Purchaser (and its nominee (if any)) to become Substantial shareholder of the Target Company arising from the exercise of Call Option under the SFO is obtained;
- (c) the approval by the Shareholders at a general meeting the issue of the Shares and the acquisition of the Call Option Shares as required under the GEM Listing Rules where necessary;
- (d) all Licences and consents necessary for the operations of the Target Company remain valid, in full force and effect and subsisting up to and after the Completion to the satisfaction of the Purchaser; and
- (e) all the warranties given by the Grantor remaining true and accurate in all material respects as at Call Option Completion.

### **Call Option Period**

Subject to completion of the SPA, the Purchaser may at its absolute discretion serve the Exercise Notice on the Grantor at any time within the Call Option Period to acquire all but not part of the Call Option Shares.

If the Exercise Notice is not served on the Grantor (not attributable to the default of the Grantor) within the Call Option Period, the Call Option shall lapse automatically and shall cease to have any force or effect, and shall not be exercised or enforced in any respect and for any purpose. In such case, neither the Purchaser or the Grantor shall have any claim against the other for costs, damages, compensation or otherwise be entitled to any rights or benefits or be under any obligations or have any liability to any other party under or in respect of the Call Option Deed except in relation to any antecedent breach under the Call Option Deed.

The Company will comply with the applicable GEM Listing Rules as necessary in the event of exercising the Call Option.

### **Call Option Completion**

Subject to and upon the terms and conditions of the Call Option Deed, the Call Option Completion shall take place on the date specified in the Exercise Notice or such later date as the Parties may agree in writing.

## **3. INFORMATION OF THE TARGET COMPANY**

The Target Company is a limited liability company incorporated in Hong Kong in May 2015 which is principally engaged in provision IPO sponsorship services, advisory services with respect to corporate finance transactions, equity financing and private equity investment. It is a licensed corporation to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO.

As at the date of this announcement, the Target Company is owned as to one-third by the Vendor and two-third by the Grantor. The entire issued share capital of the Vendor is owned by Mr. Zhong Xian Wen. The entire issued share capital of the Grantor is owned by Mr. Lei Iat Seng.

### **Financial Information of the Target Company**

Set out below is the key financial information of the Target Company based on its audited accounts prepared in accordance with HKFRS for the two years ended 31 March 2019.



	<b>For the year ended</b>	
	<b>31 March</b>	
	<b>2018</b>	2019
	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue	<b>7,781</b>	19,519
Loss before tax	<b>(4,180)</b>	(1,154)
Net loss after tax	<b>(4,128)</b>	(1,154)

As at 31 December 2019, the unaudited net assets of the Target Company was approximately HK\$9.0 million. Based on the Valuation, the market value of 100% interest in the Target Company was HK\$38,362,000 million at a valuation date of 31 December 2019.

#### **4. INFORMATION OF THE VENDOR**

The Vendor is a company incorporated under the laws of the British Virgin Islands with limited liability and is principally engaged in investment holding.

#### **5. REASONS FOR AND BENEFITS OF THE ACQUISITION**

The Company is an investment holding company and the Group is principally engaged in the provision of comprehensive international freight services, transportation services as well as warehousing services to customers worldwide and trading of used mobile phones in Hong Kong.

In order to diversify its business and make appropriate adjustment regarding the market conditions for maximizing returns to the Shareholders, the Group has been actively seeking various investment opportunities. The Directors are of the view that the Hong Kong market is unique for integration and diversification.

Hong Kong is an important financial hub facilitating listing and fundraising venue in Asia for companies seeking to go public and raise funds. Based on certain market information as publicly available online which predicts Hong Kong will become one of the top three global IPO fundraising markets in 2020, it is believed that the capital market outlook in Hong Kong appears promising. Accordingly, it appears that there are ample business opportunities for the Target Company's IPO sponsorship services and equity financing segments. According to a review report of the IPO markets 2019 issued by one of the Big-Four accounting firms, Hong Kong continues to be a top IPO fundraising centre, with mega-sized listings indicating that the local bourse remains highly attractive to Chinese and international companies. Furthermore, certain market information as publicly available online expects a positive outlook for APAC M&A in 2020 which indicates the Target Company's advisory services segment can potentially benefit from such positive market outlook.



Even though the impact of the outgoing outbreak of the novel coronavirus is uncertain currently, PRC and the Asia markets will be keen for economic activities to resume after the outbreak of novel coronavirus has subsided. It is expected that companies can use Hong Kong's capital markets to raise funds for the resumption or expansion of business. In addition, the Group is a Malaysian business listed on GEM in July 2016. As the Target Company is engaged in provision of IPO sponsorship services and equity financing, with the Group's management team's extensive business networks in Malaysia, the Acquisition is expected to create synergy in the form of potential business referrals of quality Malaysian businesses looking into entering the Hong Kong capital market by way of IPO

Although the Target Company was loss making during the year ended 31 March 2019, the Board has considered that (i) its revenue has seen substantial increase from the year ended 31 March 2018 to 31 March 2019 showing good growth potential; (ii) based on preliminary information obtained by the Board, the members of the Target Company's management team individually have roughly 15 to 30 years of experience in the industry so they are all seasoned professionals with valuable expertise; and (iii) the Company has obtained the Valuation by an independent valuer using the Guideline Public Company Method under the market approach which illustrates that the Consideration is fair and reasonable. Also, the Sales Shares represents approximately 33.33% of the issued share capital of the Target Company so its results will not be consolidated into that of the Group upon Completion and the Group's investment in the Target Company will be accounted for as an investment in an associate. However, the Purchaser has also entered into the Call Option Deed under which the Call Option has been granted to the Purchaser. In the event that the aforementioned promising outlook materialize, the Purchaser can at its absolute discretion exercise the Call Option within the Call Option Period with Exercise Price based on the Valuation as at 31 December 2019, thereby making the Target Company a wholly-owned subsidiary of the Purchaser which would enable its results be consolidated into that of the Group.

The Group has considered the possibility of expanding and diversifying its investment scope to provide financial services. The Directors are of the view that, owing to the promising outlook of the financial services industry in Hong Kong and the attractiveness of Hong Kong's financial services to enterprises (in particular those based in the PRC) to go public and raise funds, the Acquisition represents an opportunity for the Group to diversify and broaden its business scope into providing financial services, especially financial services aimed at catering to the growing demand from PRC enterprises.

The Group believes the engagement in the SFO regulated financial services that the Target Company is permitted to conduct under the relevant licenses granted by the SFC will be beneficial to the Group and the Shareholders as a whole.

In view of the above, the Directors are of the view that the terms of the SPA and the Call Option Deed are fair and reasonable and on normal commercial terms so far as the Company and the Shareholders are concerned and are in the interests of the Company and the Shareholders as a whole.

## 6. EFFECT ON THE SHAREHOLDING STRUCTURE

The following table illustrates the shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately following the Completion and the issuance of the Consideration Shares:

Name of Shareholder	(i) As of the date of this announcement		(ii) Immediately after the issue and allotment of the Consideration Shares	
	Number of Shares	Approx. %	Number of Shares	Approx. %
<i>Director</i>				
Ms. Wen Jianping	10,000,000	1.25%	10,000,000	1.04%
<i>Substantial shareholders</i>				
JL Investments Capital Limited (“ <b>JL Investments</b> ”)	232,000,000 (Note 1)	29.00%	232,000,000	24.17%
World Oasis Limited (“ <b>World Oasis</b> ”)	137,000,000 (Note 2)	17.13%	137,000,000	14.27%
Upright Plan Limited (“ <b>Upright Plan</b> ”)	46,320,000 (Note 3)	5.79%	46,320,000	4.82%
Other public shareholders	374,680,000	46.83%	374,680,000	39.03%
The Vendor	—	—	160,000,000	16.67%
<b>Total</b>	<u>800,000,000</u>	<u>100%</u>	<u>960,000,000</u>	<u>100%</u>

Notes:

- JL Investments is a company owned as to 100% by Mr. Lau Chi Yuen, Joseph (“**Mr. Lau**”). By virtue of the SFO, Mr. Lau is deemed to be interested in 232,000,000 Shares held by JL Investments.
- World Oasis is a company owned as to 100% by Mr. Choi Ming Hei (“**Mr. Choi**”). By virtue of the SFO, Mr. Choi is deemed to be interested in 137,000,000 Shares held by World Oasis.
- The entire issued share capital of Upright Plan is legally and beneficially owned by Walgan Investment Limited (“**Walgan Investment**”) which in turn is held by Mr. Gan Ker Wei (“**Mr. Gan**”). By virtue of the SFO, Walgan Investment and Mr. Gan is deemed to be interested in the same block of shares in which Upright Plan is interested. Mrs. Ong Amy Lai Fong is the spouse of Mr. Gan and is therefore deemed to be interested in all of the Shares held/owned by Mr. Gan (through Upright Plan) by virtue of the SFO.

## 7. GEM LISTING RULES IMPLICATIONS

As certain of the applicable percentage ratios (as defined in the GEM Listing Rules) for the Acquisition are more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction of the Company and is subject to notification and announcement requirements under the GEM Listing Rules.

As the exercise of the Call Option is at the discretion of the Purchaser, according to Rule 19.75(1) of the GEM Listing Rules, on the acceptance of the Call Option, only the premium will be taken into consideration for the purpose of transaction classification. As only a nominal premium HK\$1 has been for the acceptance of the Call Option, such acceptance will not constitute a notifiable transaction of the Company under the GEM Listing Rules.

The Company will seek the necessary approval for the exercise of the Call Option (if exercised) pursuant to Rule 19.76(2) of the GEM Listing Rules and will comply with any applicable Shareholders' approval requirement of Chapter 19 of the GEM Listing Rules at the time of the exercise of the Call Option. Further announcement(s) will be made by the Company in this regard as and when necessary.

**As the Completion is subject to the satisfaction and/or waiver of the Conditions under the SPA, the Acquisition may or may not proceed. Shareholders and potential investors should exercise caution when dealing in the Shares.**

## 8. DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expressions shall have the following meanings:

“Acquisition”	acquisition of interest in the Target Company by the Purchaser through the purchase of the Sale Shares from the Vendor pursuant to the SPA
“associate(s)”	has the meaning ascribed to it in the GEM Listing Rules
“Board”	the board of Directors
“Business Day”	a day (other than a Saturday, Sunday or public holiday) when banks are generally open in Germany for normal business
“Call Option”	the call option granted by the Grantor to the Purchaser pursuant to the Call Option Deed
“Call Option Completion”	the completion of the exercise of the Call Option
“Call Option Conditions”	the conditions for Call Option Completion pursuant to the Call Option Deed

“Call Option Deed”	the call option deed entered into between the Purchaser and the Grantor dated 24 February 2020 which provides the Purchaser the right to require (at the discretion of the Purchaser) the Grantor to sell all of the Call Option Shares to the Purchaser during the Call Option Period
“Call Option Period”	the period of one year from the Completion Date
“Call Option Shares”	10,900,000 shares of the Target Company held by the Grantor at the time of exercise of the Call Option (being, when disregarding the existing shares in the Target Company held by the Purchaser upon Completion, the remaining two-third of the issued share capital of the Target Company at the time of exercise of the Call Option)
“Company”	Worldgate Global Logistics Ltd, a company incorporated in the Cayman Islands as an exempted company with limited liability, the issued Shares of which are listed on GEM (Stock Code: 8292)
“Completion”	completion of the Acquisition contemplated under the SPA
“Completion Date”	any date within five (5) Business Days after the date on which the last Condition is satisfied or waived, or such other date as the Purchaser and the Vendor may agree in writing
“Conditions”	the conditions for Completion pursuant to the SPA
“Consideration”	the consideration of HK\$11,600,000 for the Acquisition pursuant to the SPA
“Consideration Shares”	the 160,000,000 new Shares to be allotted and issued by the Company with a par value of HK\$0.01 to the Vendor
“Director(s)”	the director(s) of the Company
“Exercise Notice”	the written notice served by the Purchaser to the Grantor for the purpose of exercising the Call Option
“Exercise Price”	HK\$23,200,000, the price at which the Purchaser is entitled to purchase from the Grantor all of the Call Option Shares pursuant to the Call Option Deed, the details of which is set out in the section headed “2. Grant of Call Option — Option premium and Exercise Price” in this announcement
“GEM”	the GEM of the Stock Exchange

“GEM Listing Committee”	the GEM listing sub-committee of the board of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“General Mandate”	the general mandate granted to the Directors pursuant to an ordinary resolution passed at the Company’s annual general meeting on 15 May 2019 to allot and issue up to 160,000,000 Shares, representing 20% of the aggregate nominal amount of the share capital of the Company in issue on the date of passing such resolution
“Grant of Call Option”	the grant of the Call Option by the Grantor to the Purchaser pursuant to the Call Option Deed
“Grantor”	Optimum Lead Limited, a company incorporated in British Virgin Islands with limited liability which is wholly-owned by Mr. Lei Iat Seng
“Group”	the Company and its subsidiaries
“HKFRS”	Hong Kong Financial Reporting Standards issued by the Hong Kong Institution of Certified Public Accountants
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	third party(ies) independent of and not connected to the Company and any of its connected persons (as defined in the GEM Listing Rules) or their respective associates
“IPO”	initial public offer
“Issue Price”	HK\$0.0725, being the issue price per Consideration Share
“Licences”	the licences that the Target Company registered with the SFC to carry on the regulated activities under the SFO
“Long Stop Date”	31 August 2020 or such other later date as the Purchaser and the Vendor may agree in writing
“PRC”	The People’s Republic of China
“Purchaser”	Pacific Express Limited, a company incorporated in the British Virgin Islands with limited liability, a wholly-owned subsidiary of the Company

“Sale Shares”	5,450,000 shares of the Target Company which represents one-third of the entire issued share capital of the Target Company
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“SPA”	the conditional sale and purchase agreement dated 24 February 2020 entered into by the Purchaser and the Vendor in respect of the Acquisition
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Substantial shareholder”	has the meaning ascribed to it under the SFO
“Target Company”	Grand Moore Capital Limited, a company incorporated in Hong Kong with limited liability and a corporation licensed by the SFC to conduct type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO
“Valuation”	valuation of 100% equity interest in the Target Company of approximately HK\$38,362,000 as appraised by an independent valuer at the valuation date of 31 December 2019
“Vendor”	Crown World Investments Limited, a company incorporated in British Virgin Islands with limited liability which is wholly-owned by Mr. Zhong Xian Wen
“%”	per cent.

By Order of the Board  
**WORLDGATE GLOBAL LOGISTICS LTD**  
**Lai Kwok Hei**  
*Chairman*

Hong Kong, 24 February 2020

*As at the date of this announcement, the executive Directors are Mr. LAI Kwok Hei, Ms. WEN Jianping and Ms. TSUI Ka Mei; and the independent non-executive Directors are Mr. WONG Siu Keung Joe, Ms. WONG Hoi Yan Audrey and Mr. MA Kin Hung.*

*This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.*

*This announcement will remain on the “Latest Company Announcements” page of the GEM website at <http://www.hkgem.com> for a minimum period of seven days from the date of its publication and on the Company’s website at <http://www.worldgate.com.hk>.*