

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

This announcement is for information purpose only and does not constitute an invitation or offer to acquire, purchase or subscribe for any securities in the Company.

WORLDGATE GLOBAL LOGISTICS LTD

盛良物流有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8292)

(I) DISCLOSEABLE TRANSACTION ACQUISITION OF INTEREST IN THE TARGET COMPANY INVOLVING ISSUE OF CONSIDERATION SHARES UNDER SPECIFIC MANDATE; (II) PROPOSED SHARE CONSOLIDATION; AND (III) PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL

THE ACQUISITION

The Board is pleased to announce that on 17 November 2020 (after trading hours of the Stock Exchange), the Purchaser and the Vendor entered into the Agreement, pursuant to which the Purchaser has conditionally agreed to purchase, and the Vendor has conditionally agreed to sell, the Sale Shares, representing 51% of the issued share capital of the Target Company.

The Consideration for the Acquisition is HK\$6,600,000, which shall be satisfied by the allotment and issue of 200,000,000 Consideration Shares (equivalent to 20,000,000 Consolidated Shares assuming the Share Consolidation has become effective) to the Vendor (or her nominee(s)) at Completion. The Consideration Shares will be issued under the Specific Mandate.

PROPOSED SHARE CONSOLIDATION

The Board intends to put forward a proposal to the Shareholders to effect the Share Consolidation which involves the consolidation of every ten (10) issued and unissued Shares of par value HK\$0.01 each into one (1) Consolidated Share of par value of HK\$0.1.

As at the date of this announcement, the authorised share capital of the Company is HK\$10,000,000 divided into 1,000,000,000 Shares of HK\$0.01 each, of which all 1,000,000,000 Shares have been issued and are fully paid or credited as fully paid. Immediately after the Share Consolidation becoming effective but before the Authorised Share Capital Increase, the authorised share capital of the Company will become HK\$10,000,000 divided into 100,000,000 Consolidated Shares of HK\$0.1 each, of which 100,000,000 Consolidated Shares (which are fully paid or credited as fully paid) will be in issue.

PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL

Under the Acquisition, the Company will be required to issue an aggregate of 200,000,000 Consideration Shares (equivalent to 20,000,000 Consolidated Shares assuming the Share Consolidation has become effective). In order to undertake the Acquisition, the Board proposes to increase the Company's authorised share capital from HK\$10,000,000 divided into 1,000,000,000 Shares (equivalent to 100,000,000 Consolidated Shares assuming the Share Consolidation has become effective) to HK\$100,000,000 divided into 10,000,000,000 Shares (equivalent to 1,000,000,000 Consolidated Shares assuming the Share Consolidation has become effective) by the creation of an additional 9,000,000,000 Shares (equivalent to 900,000,000 Consolidated Shares assuming the Share Consolidation has become effective).

GEM LISTING RULES IMPLICATIONS

As certain of the applicable percentage ratios (as defined in Rule 19.07 of 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 Chapter 19 of the GEM Listing Rules.

THE EGM

The EGM will be convened and held for the Shareholders to consider, and if thought fit, to approve, among other things, (i) the Agreement and the transactions contemplated thereunder, including the grant of the Specific Mandate for the allotment and issue of the Consideration Shares; (ii) the Share Consolidation; and (iii) the Authorised Share Capital Increase. To the best of the Directors' knowledge, information and belief, no Shareholder is required to abstain from voting on the relevant resolutions at the EGM.

A circular containing, among other things, (i) details of the Acquisition; (ii) details of the Share Consolidation and the Authorised Share Capital Increase; and (iii) a notice convening the EGM is expected to be despatched by the Company to the Shareholders on or before 1 December 2020 so as to allow sufficient time for preparation of the relevant information for the inclusion in the circular.

Shareholders and potential investors should be aware of and take note that the Completion is conditional upon fulfillment or waiver of the conditions of the Agreement, and the Share Consolidation is conditional upon satisfaction of the conditions set out in the paragraph headed "Conditions of the Share Consolidation". Accordingly, the Acquisition and the Share Consolidation may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company and are recommended to consult their professional advisers if they are in any doubt about their position and as to the actions that they should take.

The Board is pleased to announce that on 17 November 2020 (after trading hours of the Stock Exchange), the Purchaser and the Vendor entered into the Agreement, pursuant to which the Purchaser has conditionally agreed to purchase, and the Vendor has conditionally agreed to sell, the Sale Shares, representing 51% of the issued share capital of the Target Company.

The principal terms of the Agreement are set out below:

THE AGREEMENT

Date

17 November 2020

Parties

Purchaser: The Purchaser, i.e. Worldgate International Investments Limited, a wholly owned subsidiary of the Company; and

Vendor: The Vendor, i.e. Ms. Chan Ka Wai

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, the Vendor is an Independent Third Party.

Assets to be acquired

Pursuant to the Agreement, the Purchaser has conditionally agreed to acquire, and the Vendor has conditionally agreed to sell, the Sale Shares. The Sale Shares, representing 51% of the entire issued share capital of the Target Company, will be sold free from all encumbrances together with all rights to any dividend or other distribution declared, made or paid after the date of the Agreement. Details of the Target Group are set out in the section headed “Information on the Target Group” below.

Consideration

The Consideration payable by the Purchaser to the Vendor is HK\$6,600,000, which will be satisfied by the allotment and issue by the Company to the Vendor (or her nominee(s)) of 200,000,000 Consideration Shares (equivalent to 20,000,000 Consolidated Shares assuming that the Share Consolidation has become effective), credited as fully paid, at an issue price of HK\$0.033 per Share (or HK\$0.33 per Consolidated Share if the Share Consolidation has become effective by the time of issuance of the Consideration Shares) at Completion.

The Consideration was determined after arm’s length negotiations between the parties to the Agreement. Having considered (i) the fair value of approximately HK\$6,783,000 for 51% interest in the Target Group as appraised by the Valuer; (ii) the business development and prospects of the Target Group in the medium to long term; and (iii) other reasons and benefits of the Acquisition as stated

under the section headed “Reasons for and benefits of the Acquisition” below, the Directors (including the independent non-executive Directors) consider that the Consideration is fair and reasonable and the terms and conditions of the Agreement are fair and reasonable.

Consideration Shares

The Consideration Shares represent (i) 20% of the total issued Shares of the Company as at the date of this announcement; and (ii) approximately 16.67% of the total issued Shares of the Company as enlarged by the allotment and issue of the Consideration Shares (assuming that there is no other change to the share capital of the Company).

The issue price of the Consideration Shares (i.e. HK\$0.033) represents:

- (i) a discount of approximately 2.94% to the closing price of HK\$0.034 per Share as quoted on the Stock Exchange on the date of the Agreement;
- (ii) a discount of approximately 2.94% to the average closing price of HK\$0.034 per Share as quoted on the Stock Exchange on the five consecutive trading days up to and including the date of the Agreement; and
- (iii) a discount of approximately 3.79% to the average closing price of HK\$0.0343 per Share as quoted on the Stock Exchange for the ten consecutive trading days up to and including the date of the Agreement.

The issue price was determined after arm’s length negotiations between the Vendor and the Company with reference to, among others, (i) the prevailing market price of the Shares, (ii) the liquidity of the Shares, and (iii) the financial performance of the Group. The Directors consider that the issue price of the Consideration Shares is fair and reasonable and on normal commercial terms and are in the interests of the Company and the Shareholders as a whole.

Application will be made to the Stock Exchange for the listing of, and permission to deal in, the Consideration Shares. The Consideration Shares to be allotted and issued shall rank *pari passu* among themselves and with all Shares in issue on the Completion Date.

Conditions Precedent

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

- a. the Shareholders having passed an ordinary resolution at the EGM approving the Authorised Share Capital Increase;
- b. the Shareholders having passed an ordinary resolution at the EGM approving the allotment and issue of the Consideration Shares under the Specific Mandate;

- 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 Group, including but not limited to their respective businesses, assets, liabilities, operations, financial, legal or other status as the Purchaser may deem appropriate and necessary;
- e. no material breach of the Vendor's warranties and such warranties remaining true and accurate in all respects and not misleading as at Completion and at all times between the date of the Agreement and Completion;
- f. all necessary third-party approvals or consents (or waivers) required by the Vendor for the consummation of the transactions contemplated under the Agreement have been obtained; and
- g. no material adverse change in business, operations, assets, position (financial, trading or otherwise), profits or prospects of the Target Group or any matter, event or circumstance that may result in such a material adverse change having occurred before or on the Completion Date.

Save that the Purchaser may waive unilaterally conditions (d), (e) and (f) set out above either in whole or in part at any time prior to the Long Stop Date by notice in writing to the Vendor on such terms as the Purchaser may decide in its absolute discretion, none of the above conditions can be waived.

Completion

Subject to the fulfilment (or waiver of) of all conditions of the Agreement, Completion shall take place at 11:00 a.m. on the Completion Date.

If in any respect the obligations of the Purchaser and the Vendor are not complied with on the date and time at which Completion is due to take place, the party or parties not in default may (i) defer Completion to a date not more than 28 days after such date; or (ii) proceed to Completion so far as practicable (without prejudice to its rights in the Agreement); or (iii) rescind the Agreement.

PROPOSED SHARE CONSOLIDATION

The Board intends to put forward a proposal to Shareholders to effect the Share Consolidation which involves the consolidation of every ten (10) issued and unissued Shares into one (1) Consolidated Share.

Conditions of the Share Consolidation

The Share Consolidation is conditional upon the following:

- (i) the passing of the ordinary resolution(s) by the Shareholders to approve the Share Consolidation at the EGM;

- (ii) the compliance with all relevant procedures and requirements under the laws of the Cayman Islands (where applicable) and the GEM Listing Rules to effect the Share Consolidation; and
- (iii) the GEM Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Consolidated Shares arising from the Share Consolidation.

The Share Consolidation will become effective on the second business day immediately following the fulfillment of the above conditions. As at the date of this announcement, none of the conditions above had been fulfilled.

Effects of the Share Consolidation

As at the date of this announcement, the authorised share capital of the Company amounted to HK\$10,000,000 divided into 1,000,000,000 Shares, of which all 1,000,000,000 Shares had been allotted and issued as fully paid or credited as fully paid.

Upon the Share Consolidation becoming effective and on the basis that no further Shares will be allotted, issued or repurchased prior thereto, the authorised share capital of the Company will become HK\$10,000,000 divided into 100,000,000 Consolidated Shares of HK\$0.1 each, of which 100,000,000 Consolidated Shares will be in issue, which are fully paid or credited as fully paid.

Upon the Share Consolidation becoming effective, the Consolidated Shares will rank *pari passu* in all respects with each other in accordance with the Company's articles of association. No fractional Consolidated Shares will be issued by the Company. Any fractional entitlements of Consolidated Shares will be aggregated and sold for the benefit of the Company. Fractional Consolidated Shares will only arise in respect of the entire shareholding of a holder of the Shares regardless of the number of share certificates held by such holder.

Other than the expenses to be incurred in relation to the Share Consolidation, the implementation thereof will not alter the underlying assets, business operations, management or financial position of the Group or the interests or rights of the Shareholders, save for any fractional Consolidation Shares which may arise.

Odd lots arrangements and matching services

In order to alleviate the difficulties arising from the existence of odd lots of the Consolidated Shares arising from the Share Consolidation, the Company will procure an arrangement with an agent to stand in the market to provide matching services for sale and purchase of odd lots of the Consolidated Shares on a best effort basis. Further details in respect of the odd lots arrangements will be set out in the Circular.

Holder of odd lots of the Consolidated Shares should note that successful matching of the sale and purchase of odd lots of the Consolidated Shares are not warranted. Any Shareholder who is in any doubt about the odd lots arrangements is recommended to consult his/her/its own professional advisers.

Exchange of share certificates

Subject to the Share Consolidation having become effective, Shareholders may, during the specified period, submit the existing share certificates for the Shares to the Registrar in Hong Kong, Boardroom Share Registrars (HK) Ltd. at Room 2103B, 21/F, 148 Electric Road, North Point, Hong Kong, in exchange, at the expense of the Company, for new share certificates for the Consolidated Shares. Thereafter, existing share certificates for Shares will continue to be good evidence of legal title and may be exchanged for new share certificates for Consolidated Shares at the expense of the Shareholders on payment of a fee of HK\$2.50 (or such higher amount as may be allowed by the Stock Exchange from time to time) for each existing share certificate cancelled or each new share certificate issued for Consolidated Shares (whichever is higher) but are not acceptable for trading, settlement and registration.

The new share certificates for the Consolidated Shares will be issued in blue color in order to distinguish them from the existing green color.

Adjustments in relation to other securities of the Company

As at the date of this announcement, the Company does not have any derivatives, options, warrants, other securities or conversion rights or other similar rights which are convertible or exchangeable into any Shares or Consolidated Shares.

Listing and Dealings

Application will be made to the GEM Listing Committee of the Stock Exchange for the granting of the listing of, and permission to deal in, the Consolidated Shares in issue arising from the Share Consolidation and all necessary arrangements will be made for the Consolidated Shares to be admitted into CCASS.

Subject to the granting of the listing of, and permission to deal in, the Consolidated Shares on the Stock Exchange, as well as compliance with the stock admission requirements of the HKSCC, upon the Share Consolidation being effective, the Consolidated Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Consolidated Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. All necessary arrangements will be made for the Consolidated Shares to be admitted into CCASS established and operated by HKSCC.

No part of the share capital of the Company is listed or dealt in on any other stock exchange other than the Stock Exchange and no such listing or permission to deal is being or is proposed to be sought.

PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL

Under the Acquisition, the Company will be required to issue an aggregate of 200,000,000 Consideration Shares (equivalent to 20,000,000 Consolidated Shares assuming the Share Consolidation has become effective). In order to undertake the Acquisition, the Board proposes to increase the Company's authorised share capital from HK\$10,000,000 divided into 1,000,000,000 Shares (equivalent to 100,000,000 Consolidated Shares assuming the Share Consolidation has become effective) to HK\$100,000,000 divided into 10,000,000,000 Shares (equivalent to 1,000,000,000 Consolidated Shares assuming the Share Consolidation has become effective) by the creation of an additional 9,000,000,000 Shares (equivalent to 900,000,000 Consolidated Shares assuming the Share Consolidation has become effective). The proposed Authorised Share Capital Increase is conditional upon the passing of an ordinary resolution by the Shareholders at the EGM approving the same.

REASONS FOR AND BENEFIT OF THE SHARE CONSOLIDATION AND THE INCREASE IN AUTHORISED SHARE CAPITAL

Under Rule 17.76 of the GEM Listing Rules, where the market price of the securities of an issuer approaches the extremities of HK\$0.01 or HK\$9,995.00, the issuer may be required either to change the trading method or to proceed with a consolidation or splitting of its securities.

In view that the Shares had been traded at around or below HK\$0.10 in the past 12 months (based on the closing price per Share as quoted on the Stock Exchange), the Board proposes to implement the Share Consolidation.

The Share Consolidation will increase the nominal value of the Shares and will reduce the total number of Shares currently in issue. Furthermore, it is expected that the Share Consolidation will bring about a corresponding upward adjustment in the trading price of the Consolidated Shares on the Stock Exchange. As a result, the Share Consolidation will enable it to comply with the trading requirements under the GEM Listing Rules.

The Company confirms that it has no intention to propose any corporate actions or arrangements (including carrying out any share consolidation or share subdivision) in the next twelve (12) months which would have a contradictory effect to the Share Consolidation unless otherwise required by the GEM Listing Rules.

In order to accommodate the Acquisition and growth of the Group and to provide the Company with greater flexibility to raise funds in the future, the Board proposed the Authorised Share Capital Increase.

In view of the foregoing, the Board believes that the Share Consolidation and the Authorised Share capital Increase are in the interest of the Company and the Shareholders as a whole.

EXPECTED TIMETABLE

The expected timetable for the proposed Share Consolidation is set out below. The expected timetable is subject to the results of the EGM and is therefore for indicative purpose only. Any changes to the expected timetable will be announced in a separate announcement by the Company as and when appropriate. All times and dates in this announcement refer to Hong Kong local times and dates.

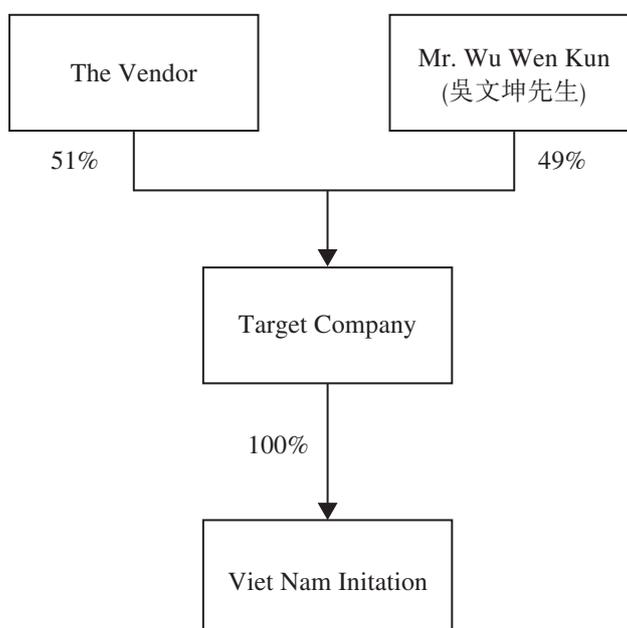
Event	Time and Date
Expected dispatch date of circular with notice of the EGM	on or before Tuesday, 1 December 2020
Latest time for lodging share transfer documents in order to qualify for attending and voting at the EGM	4:00 p.m. on Monday, 14 December 2020
Closure of register of members for determining the entitlement to attend and vote at the EGM	Tuesday, 15 December 2020 to Friday, 18 December 2020 (both days inclusive)
Latest time for lodging forms of proxy for the EGM	11:00 a.m. on Wednesday, 16 December 2020
Expected date and time of the EGM	11:00 a.m. on Friday, 18 December 2020
Announcement of poll results of the EGM	Friday, 18 December 2020
Register of members of the Company re-opens	Monday, 21 December 2020
<i>The following events are conditional upon the fulfilment of the conditions of the Share Consolidation as set out in the section headed “Conditions of the Share Consolidation” above.</i>	
Effective date of the Share Consolidation	Tuesday, 22 December 2020
First day of free exchange of existing share certificates for new share certificates for the Consolidated Shares	Tuesday, 22 December 2020
Dealing in the Consolidated Shares commences	9:00 a.m. on Tuesday, 22 December 2020

Event	Time and Date
Original counter for trading in the Shares in board lots of 10,000 Shares (in the form of existing share certificates) temporarily closes	9:00 a.m. on Tuesday, 22 December 2020
Temporary counter for trading in the Consolidated Shares in board lots of 1,000 Consolidated Shares (in the form of existing share certificates) opens	9:00 a.m. on Tuesday, 22 December 2020
Original counter for trading in the Consolidated Shares in board lots of 10,000 Consolidated Shares (in the form of new share certificates) re-opens	9:00 a.m. on Thursday, 7 January 2021
Parallel trading in the Consolidated Shares (in the form of new share certificates for the Consolidated Shares and existing share certificates) commences)	9:00 a.m. on Thursday, 7 January 2021
Designated broker starts to stand in the market to provide matching services for odd lots of the Consolidated Shares	9:00 a.m. on Thursday, 7 January 2021
Temporary counter for trading in the Consolidated Shares in board lots of 1,000 Consolidated Shares (in the form of existing share certificates) closes	4:10 p.m. on Wednesday, 27 January 2021
Parallel trading in the Consolidated Shares (in the form of new share certificates for the Consolidated Shares and existing share certificates) ends	4:10 p.m. on Wednesday, 27 January 2021
Designated broker ceases to stand in the market to provide matching services for odd lots of the Consolidated Shares	4:10 p.m. on Wednesday, 27 January 2021
Last day for free exchange of existing share certificates for new share certificates for the Consolidated Shares	Friday, 29 January 2021

INFORMATION ON THE TARGET GROUP

The Target Company is a limited liability company incorporated in Hong Kong on 21 October 2006 which is principally engaged in general trading business. Viet Nam Initiation, a limited liability company incorporated in Vietnam on 6 August 2007 which is wholly owned by the Target Company, is principally engaged in (i) manufacturing plastic products and accessories for industrial and civil equipment, (ii) producing molds related to plastic products, (iii) trading of plastic products and accessories, and (iv) real estate business and subleasing of excess land.

Set out below is the shareholding structure of the Target Group as at the date of this announcement:



Financial Information of the Target Group

Based on the Valuation Report prepared by the Valuer, the fair value of 51% equity interest of the Target Group as at 30 September 2020 was approximately HK\$6,783,000. Accordingly, the Consideration represents a discount of approximately 2.7% to the valuation of the Target Group.

Set out below are certain unaudited consolidated financial information of the Target Group for the years ended 31 December 2018 and 31 December 2019.

	For the year ended	
	31 December	
	2018	2019
	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue	47,574	27,442
Loss before tax	2,283	2,894
Net profit/(loss) after tax	382	(459)

As at 30 June 2020, the unaudited net assets of the Target Group was approximately HK\$12.2 million.

INFORMATION ON THE VENDOR

The Vendor is a business person principally engaged in investment activities and has 10 years of experience in making investments.

INFORMATION ON THE GROUP

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.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Group has been constantly reviewing its business strategy and continued to explore different opportunities to strengthen its core competencies and to contribute sustainable growth and return for the Group and the Shareholders. With this goal in mind, the Group has been actively exploring business opportunities to engage in new lines of business with growth potential and broaden its income stream in order to achieve diversified and sustainable development. The Directors consider the Acquisition provides an opportunity to further diversify the Group's business and will expand and create synergy effect with the Group's existing business. The Directors further consider that the business of manufacturing plastic products and accessories for industrial and civil equipment in Vietnam has shown growth potential and expect that the diversification of the income stream will boost the Shareholders' value and benefit the Company and the Shareholders.

INFORMATION ON THE VALUER AND THE VALUATION REPORT

The Valuer is specialised in the provision of independent comprehensive corporate consultancy and valuation services.

The Valuation Report was prepared in accordance with International Valuation Standards 2017. In estimating the market value of the 51% equity interest in the Target Group, the Valuer relied on the following description of market value: “market value is the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion”.

The Valuer made the following assumptions in providing the valuation on the Target Group:

1. the audited financial statements of the Target Group for the six months ended June 30, 2020 as provided by the management of the Group can reasonably represent its financial position and performance of the Target Group as of 30 September 2020 since audited financial accounts as of 30 September 2020 was not available;
2. there will be no major changes in the current taxation laws in the territories (the “**Territories**”) in which the Target Group operates or intends to operate and that the rates of tax payable shall remain unchanged and that all applicable laws and regulations will be complied with;
3. there will be no major changes in the political, legal, economic or financial conditions in the Territories in which the Target Group operates or intends to operate, which would adversely affect the revenues attributable to and the profitability of the Target Group;
4. the Target Group will retain and have competent management, key personnel, and technical staff to support its ongoing operation;
5. all relevant legal approvals and business certificates or licenses to operate the business in the localities in which the Target Group operates or intends to operate has or would be officially obtained and renewable upon expiry;
6. industry trends and the market conditions for related industries will not deviate significantly from economic forecasts; and
7. all information and representations provided by the management of the Group, for which they are solely and wholly responsible for are true, accurate and complete in all material respect.

EFFECT ON THE SHAREHOLDING STRUCTURE

To the best of the Directors' knowledge having made all reasonable enquiry, the following table illustrates the effect of the Acquisition on the shareholding structure of the Company (i) as at the date of this announcement; (ii) immediately upon Completion (assuming that there is no other change in the issued share capital of the Company, including the Share Consolidation, from the date of this announcement to the Completion Date); and (iii) immediately upon Completion (assuming the Share Consolidation has become effective and that there is no other change in the issued share capital of the Company from the date of this announcement to the Completion Date):

Name of Shareholder	(i) As at the date of this announcement		(ii) Immediately upon Completion and assuming the Share Consolidation has not become effective		(iii) Immediately upon Completion and assuming the Share Consolidation has become effective	
	Number of Shares	Approx.%	Number of Shares	Approx.%	Number of Shares	Approx.%
Former Director						
Ms. Wen Jianping ("Ms. Wen") (Note 1)	10,000,000	1.00%	10,000,000	0.83%	1,000,000	0.83%
Substantial shareholders						
JL Investments Capital Limited ("JL Investments")	232,000,000 (Note 2)	23.20%	232,000,000	19.33%	23,200,000	19.33%
Crown World Investments Limited ("Crown World")	160,000,000 (Note 3)	16.00%	160,000,000	13.33%	16,000,000	13.33%
Vendor	—	—	200,000,000	16.67%	20,000,000	16.67%
Public shareholders	<u>598,000,000</u>	<u>59.80%</u>	<u>598,000,000</u>	<u>49.83%</u>	<u>59,800,000</u>	<u>49.83%</u>
Total	<u>1,000,000,000</u>	<u>100%</u>	<u>1,200,000,000</u>	<u>100%</u>	<u>120,000,000</u>	<u>100%</u>

Notes:

- Ms. Wen retired as a Director upon the conclusion of the annual general meeting of the Company held on 29 May 2020 and remains as a connected person (as defined in the GEM Listing Rules) of the Company as at the date of this announcement.
- 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.
- Crown World is a company owned as to 100% by Mr. Zhong Xian Wen ("Mr. Zhong"). By virtue of the SFO, Mr. Zhong is deemed to be interested in 160,000,000 Shares held by Crown World.

GEM LISTING RULES IMPLICATIONS

As certain of the applicable percentage ratios (as defined in Rule 19.07 of 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 Chapter 19 of the GEM Listing Rules.

THE EGM

The EGM will be convened and held for the Shareholders to consider, and if thought fit, to approve, among other things, (i) the Agreement and the transactions contemplated thereunder, including the grant of the Specific Mandate for the allotment and issue of the Consideration Shares; (ii) the Share Consolidation; and (iii) the Authorised Share Capital Increase. To the best of the Directors' knowledge, information and belief, no Shareholder is required to abstain from voting on the relevant resolutions at the EGM.

A circular containing, among other things, (i) details of the Acquisition; (ii) details of the Share Consolidation and the Authorised Share Capital Increase; and (iii) a notice convening the EGM is expected to be despatched by the Company to the Shareholders on or before 1 December 2020 so as to allow sufficient time for preparation of the relevant information for the inclusion in the circular.

Shareholders and potential investors should be aware of and take note that the Completion is conditional upon fulfillment or waiver of the conditions of the Agreement, and the Share Consolidation is conditional upon satisfaction of the conditions set out in the paragraph headed "Conditions of the Share Consolidation". Accordingly, the Acquisition and the Share Consolidation may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company and are recommended to consult their professional advisers if they are in any doubt about their position and as to the actions that they should take.

DEFINITIONS

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

“Acquisition”	the acquisition of the Sale Shares, representing 51% of the issued share capital of the Target Company, by the Purchaser from the Vendor pursuant to the Agreement
“Agreement”	the conditional sale and purchase agreement dated 17 November 2020 and entered into by the Purchaser and the Vendor in respect of the Acquisition
“associate(s)”	has the meaning ascribed to it in the GEM Listing Rules

“Authorised Share Capital Increase”	the proposed increase in the authorised share capital of the Company from HK\$10,000,000 divided into 1,000,000,000 Shares (equivalent to 100,000,000 Consolidated Shares assuming the Share Consolidation has become effective) to HK\$100,000,000 divided into 10,000,000,000 Shares (equivalent to 1,000,000,000 Consolidated Shares assuming the Share Consolidation has become effective) by the creation of an additional 9,000,000,000 Shares (equivalent to 900,000,000 Consolidated Shares assuming the Share Consolidation has become effective)
“Board”	the board of Directors
“Business Day(s)”	a day (other than a Saturday, Sunday or public holiday) when banks are generally open in Hong Kong for normal business
“BVI”	the British Virgin Islands
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“CCASS Operational Procedures”	the Operational Procedures of HKSCC in relation to CCASS, containing the practices, procedures and administrative requirements relating to operations and functions of CCASS, as from time to time
“Circular”	the circular to be issued by the Company in accordance with the GEM Listing Rules in respect of, among other things, details of the Acquisition and the Specific Mandate and the transactions contemplated thereunder, the Share Consolidation, the Authorised Share Capital Increase and the notice of the EGM
“Company”	Worldgate Global Logistics Ltd, a company incorporated in the Cayman Islands as an exempted company with limited liability, the Shares of which are listed on GEM (Stock Code: 8292)
“Completion”	completion of the Acquisition in accordance with the terms and conditions of the Agreement
“Completion Date”	the fifth (5th) Business Day following the fulfilment or waiver of the Conditions or such other date agreed by the parties in writing
“connected person(s)”	has the meaning ascribed to it in the GEM Listing Rules
“Conditions”	the conditions for Completion pursuant to the Agreement

“Consideration”	the consideration of HK\$6,600,000 for the Acquisition pursuant to the Agreement
“Consideration Shares”	the 200,000,000 new Shares (equivalent to 20,000,000 Consolidated Shares assuming the Share Consolidation has become effective) to be allotted and issued by the Company at the issue price of HK\$0.033 to the Vendor (or her nominee(s)) as the Consideration
“Consolidated Shares”	ordinary shares of HK\$0.1 each in the share capital of the Company immediately after the Share Consolidation becoming effective
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Shareholders to be convened and held to consider and, if thought fit, approve, among other things, the granting of the Specific Mandate, the Share Consolidation, and the Authorised Share Capital Increase
“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 Rules of CCASS”	the terms and conditions regulating the use of CCASS, as may be amended or modified from time to time and where the context so permits, shall include the CCASS Operational Procedures
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“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
“Long Stop Date”	31 December 2020 or such other later date as the Company and the Vendor may agree in writing
“PRC”	The People’s Republic of China

“Purchaser”	Worldgate International Investments Limited, a company incorporated in the BVI and a wholly owned subsidiary of the Company
“Registrar”	the Hong Kong branch share registrar of the Company, being Boardroom Share Registrars (HK) Ltd. at Room 2103B, 21/F, 148 Electric Road, North Point, Hong Kong as at the date of this announcement
“Sale Shares”	5,100 shares of the Target Company which represents 51% 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
“Share Consolidation”	the proposed consolidation of every ten (10) issued and unissued Shares of par value of HK\$0.01 each into one (1) Consolidated Share of par value of HK\$0.1 each
“Shareholder(s)”	the holder(s) of the Share(s) or the Consolidated Share(s), as the case may be
“Specific Mandate”	the specific mandate to be granted by the Shareholders to the Board for the allotment and issue of the Consideration Shares at the EGM
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	China Elegant Limited, a company incorporated in Hong Kong with limited liability and is owned as to 51% by the Vendor
“Target Group”	the Target Company and its subsidiaries
“Valuation Report”	the valuation report dated 17 November 2020 on the fair value of 51% equity interest of the Target Group as at 30 September 2020 prepared by the Valuer
“Valuer”	International Valuation Limited
“Vendor”	Ms. Chan Ka Wai

“Viet Nam Initiation” Công Ty TNHH Initiation Việt Nam (Viet Nam Initiation Co., Ltd*), a limited liability company incorporated in the Vietnam and is wholly-owned by the Target Company

“%” per cent.

* *for identification purposes only*

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

Hong Kong, 17 November 2020

As at the date of this announcement, the executive Directors are Mr. LAI Kwok Hei and Ms. TSUI Ka Mei; 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>.