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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)

PROPOSED RIGHTS ISSUE ON THE BASIS OF THREE (3) RIGHTS SHARES FOR EVERY ONE (1) EXISTING SHARE HELD ON RECORD DATE ON A NON-UNDERWRITTEN BASIS

Financial adviser to the Company



中毅資本有限公司
Grand Moore Capital Limited

Placing Agent



中毅資本有限公司
Grand Moore Capital Limited

PROPOSED RIGHTS ISSUE

The Company proposes to raise up to approximately HK\$52.3 million (before expenses) by way of a rights issue of 475,200,000 Rights Shares at the Subscription Price of HK\$0.11 each and on the basis of three (3) Rights Shares for every one (1) Share held by the Qualifying Shareholders on the Record Date (assuming no change in the issued share capital of the Company on or before the Record Date). The Rights Issue is not underwritten and will not be extended to the Excluded Shareholder(s) (if any).

The estimated net proceeds of the Rights Issue, if fully subscribed or placed pursuant to the Placing Agreement, will be up to approximately HK\$50.5 million (assuming no change in the issued share capital of the Company on or before the Record Date).

The Company intends to apply the net proceeds from the Rights Issue as working capital to expand its logistics services business in Hong Kong.

Subject to the fulfilment of the conditions of the Rights Issue, the Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptances of the provisionally allotted Rights Shares.

THE PLACING AGREEMENT

On 29 July 2021 (after trading hours), the Company and the Placing Agent entered into the Placing Agreement, pursuant to which the Placing Agent has conditionally agreed to procure Placee(s), on a best effort basis, to subscribe for the Unsubscribed Rights Shares and the ES Unsold Rights Shares.

GEM LISTING RULES IMPLICATIONS

As the Rights Issue, if proceeded with, will increase the number of the issued Shares by more than 50%, in accordance with Rule 10.29(1) of the GEM Listing Rules, the Rights Issue must be made conditional on approval by Independent Shareholders in general meeting by a resolution on which any Controlling Shareholders and their associates or, where there are no Controlling Shareholders, the Directors (excluding the independent non-executive Directors) and the chief executive of the Company and their respective associates shall abstain from voting in favour of the ordinary resolution to approve the Rights Issue at the EGM. As at the date of this announcement, Noble Might Limited is the single largest Shareholder which is interested in approximately 12.62% of the issued share capital of the Company, and is deemed as a “Controlling Shareholder” by virtue of it being the single largest Shareholder. Accordingly, Noble Might Limited would abstain from voting in favour of the ordinary resolution to approve the Rights Issue at the EGM.

Save as disclosed in the section headed “Equity fundraising activities in the past 12 months” in this announcement, the Company has not conducted any other fundraising activities such as rights issue, open offer or specific mandate placings within the 12-month period immediately preceding the date of this announcement, or prior to such 12-month period where dealing in respect of the Shares issued pursuant thereto commenced within such 12-month period, nor has it issued any bonus securities, warrants or other convertible securities as part of any rights issue, open offer and/or specific mandate placings within such 12-month period.

The theoretical diluted price, the benchmarked price and the theoretical dilution effect (as those terms are defined under Rule 10.44A of the GEM Listing Rules) for the Rights Issue are HK\$0.116 per Share, HK\$0.134 per Share and approximately 13.4%, respectively. As such, the theoretical dilution impact of the Rights Issue is in compliance with Rule 10.44A of the GEM Listing Rules.

GENERAL

The EGM will be convened for the Shareholders to consider and, if thought fit, approve the Rights Issue, the Placing Agreement and the transactions contemplated thereunder. A circular containing, among other things, (i) further details of the Rights Issue; (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders in respect of the Rights Issue; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders on the Rights Issue; (iv) other information as required under the GEM Listing Rules; and (v) a notice convening the EGM, is expected to be despatched to the Shareholders on or before Friday, 3 September 2021.

Subject to the approval of the Rights Issue by the Independent Shareholders at the EGM, a Prospectus containing further information regarding, among other things, the Rights Issue, including information on acceptances of the Rights Shares and other information in respect of the Group, and PAL(s) are expected to be despatched to the Qualifying Shareholders on Friday, 8 October 2021.

WARNING OF THE RISKS OF DEALING IN THE SHARES AND NIL-PAID RIGHTS SHARES

The Rights Issue is subject to the fulfilment of conditions including, among other things, the Stock Exchange granting the listing of, and permission to deal in, the Rights Shares in their nil-paid and fully-paid forms. Please refer to the section headed “Conditions of the Rights Issue” in this announcement. Shareholders and potential investors of the Company should note that if the conditions to the Rights Issue are not satisfied, the Rights Issue will not proceed.

The Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptances of the provisionally allotted Rights Shares.

Any dealings in the Shares from the date of this announcement up to the date on which all the conditions of the Rights Issue are fulfilled, and any Shareholders dealing in the Rights Shares in nil-paid form will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed. Any Shareholders or other persons contemplating any dealings in the Shares and/or Rights Shares in nil-paid form are recommended to consult their professional advisers.

PROPOSED RIGHTS ISSUE

The Company proposes to implement the Rights Issue on the basis of three (3) Rights Shares for every one (1) existing Share held on the Record Date at the Subscription Price of HK\$0.11 per Rights Share, to raise up to approximately HK\$52.3 million (before expenses) by issuing up to 475,200,000 Rights Shares to the Qualifying Shareholders (assuming no change in the number of Shares in issue on or before the Record Date). The details of which are summarised below:

Issue statistics

Basis of the Rights Issue	:	three (3) Rights Shares for every one (1) Share held on the Record Date
Subscription Price	:	HK\$0.11 per Rights Share
Number of Shares in issue at the date of this announcement	:	158,400,000 Shares
Number of Rights Shares	:	up to 475,200,000 Rights Shares (assuming no change in the number of Shares in issue on or before the Record Date)
Aggregate nominal value of the Rights Shares	:	up to HK\$47,520,000 (assuming no change in the number of Shares in issue on or before the Record Date)
Number of issued shares of the Company upon completion of the Rights Issue:	:	up to 633,600,000 Shares (assuming no change in the issued share capital of the Company on or before the Record Date)
Maximum funds raised (before expenses)	:	up to approximately HK\$52.3 million (assuming all the Rights Shares will be taken up and/or placed pursuant to the Placing Agreement and no change in the number of Shares in issue on or before the Record Date)

The Group had no outstanding debt securities, derivatives, options, warrants, convertible securities or other similar securities which are convertible or exchangeable into Shares as at the date of this announcement. The Company has no intention to issue or grant any Shares, convertible securities, warranties and/or options on or before the Record Date.

Assuming no change in the issued share capital of the Company on or before the Record Date, the 475,200,000 Rights Shares proposed to be issued pursuant to the terms of the Rights Issue represent: (i) 300% of the existing issued share capital of the Company as at the date of this announcement; and (ii) 75% of the issued share capital of the Company as enlarged by the allotment and issue of the Rights Shares (assuming all the Rights Shares will be taken up by the Qualifying Shareholders and/or placed pursuant to the Placing Agreement).

Non-underwritten basis

The Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptances of the provisionally allotted Rights Shares. In the event the Rights Issue is not fully subscribed, any Rights Shares not taken up by the Qualifying Shareholders will be placed to independent Placees under the Compensatory Arrangements. Any Unsubscribed Rights Shares or ES Unsold Rights Shares remain not placed under the Compensatory Arrangements will not be issued by the Company and the size of the Rights Issue will be reduced accordingly. There is no minimum amount to be raised under the Rights Issue. The legal adviser of the Company has confirmed that there are no applicable statutory requirements under the laws of the Cayman Islands regarding minimum subscription levels in respect of the Rights Issue.

As the Rights Issue will proceed on a non-underwritten basis, a Shareholder who applies to take up all or part of his/her/its entitlement under the PAL(s) may unwittingly incur an obligation to make a general offer for the Shares and Share Options under the Takeovers Code. Accordingly, the Rights Issue will be made on terms that the Company will provide for the Shareholders to apply on the basis that if the Rights Shares are not fully taken up, the application of any Shareholder (except for HKSCC Nominees Limited) for his/her/its assured entitlement under the Rights Issue will be scaled down to a level which does not trigger an obligation on part of the relevant Shareholder to make a general offer under the Takeovers Code in accordance to the note to Rule 10.26(2) of the GEM Listing Rules.

Subscription Price

The Subscription Price of HK\$0.11 per Rights Share is payable in full when a Qualifying Shareholder accepts the relevant provisional allotment of Rights Shares or when a transferee of nil-paid Rights Shares accepts the provisional allotment of the relevant Rights Shares.

The Subscription Price represents:

- (i) a discount of approximately 17.9% over the closing price of HK\$0.134 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 16.5% over the average of the closing prices of HK\$0.1318 per Share as quoted on the Stock Exchange for the five consecutive trading days up to and including the Last Trading Day;

- (iii) a discount of approximately 16.9% over the average of the closing prices of HK\$0.1323 per Share as quoted on the Stock Exchange for the ten consecutive trading days up to and including the Last Trading Day;
- (iv) a discount of approximately 5.2% to the theoretical ex-rights price of HK\$0.116 per Share based on the closing price per Share of HK\$0.134 as quoted on the Stock Exchange on the Last Trading Day; and
- (v) a discount of approximately 78.8% to the audited consolidated net asset value per Share of approximately HK\$0.52 (based on the latest published consolidated net asset value of the Group of approximately RM43.2 million (equivalent to approximately HK\$82.7 million) as at 31 December 2020 as disclosed in the annual report of the Company for the year ended 31 December 2020 and 158,400,000 Shares in issue as at the date of this announcement.)

The Subscription Price was determined with reference to, among other things, the recent market prices of the Shares, the current market conditions, recent rights issue in the market and the amount of funds the Company intends to raise under the Rights Issue as discussed in the section headed “Reasons for the Rights Issue and the use of proceeds” in this announcement.

The Directors (excluding the members of the Independent Board Committee whose opinion will be set forth in the circular of the Company after having been advised by the Independent Financial Adviser) consider that the terms of the Rights Issue, including the Subscription Price, are fair and reasonable and in the interests of the Company and the Shareholders as a whole. The net price per Rights Share is estimated to be approximately HK\$0.106, if fully subscribed.

Basis of provisional allotment

The basis of the provisional allotment shall be three (3) Rights Shares for every one (1) Share held by the Qualifying Shareholder as at the close of business on the Record Date.

The PAL relating to the Rights Shares will be enclosed with the Prospectus entitling the Qualifying Shareholders to whom it is addressed to subscribe for the Rights Shares as shown therein. Application for all or any part of a Qualifying Shareholder’s provisional allotment should be made by completing a PAL and lodging the same with a remittance for the Rights Shares being applied for with the Registrar on or before the Latest Time for Acceptance.

Qualifying Shareholders

The Rights Issue is only available to the Qualifying Shareholders. To qualify for the Rights Issue, a Shareholder must be registered as a member of the Company and not be an Excluded Shareholder on the Record Date.

In order to be registered as a member of the Company on the Record Date, a Shareholder must lodge the relevant transfer(s) of Share(s) (with the relevant share certificates) with the Registrar at Room 2103B, 21/F, 148 Electric Road, North Point, Hong Kong by 4:30 p.m. on Wednesday, 29 September 2021.

The last day of dealings in the Shares on a cum-rights basis is Monday, 27 September 2021. The Shares will be dealt with on an ex-rights basis from Tuesday, 28 September 2021.

Shareholders with their Shares held by a nominee (or held in CCASS) should note that the Board will consider the nominee (including HKSCC Nominees Limited) as one single Shareholder according to the register of members of the Company.

Shareholders with their Shares held by a nominee (or held in CCASS) are advised to consider whether they would like to arrange for the registration of the relevant Shares in their own names prior to the Record Date. For investors whose Shares are held by a nominee (or held in CCASS) and would like to have their names registered on the register of members of the Company, they must lodge all necessary documents with the Registrar at Room 2103B, 21/F, 148 Electric Road, North Point, Hong Kong for registration no later than 4:30 p.m. on Thursday, 7 October 2021.

Qualifying Shareholders who take up their pro-rata entitlement in full will not suffer any dilution to their interests in the Company. **If a Qualifying Shareholder does not take up his/her/its entitlement in full under the Rights Issue, his/her/its proportionate shareholding in the Company will be diluted.**

Rights of Overseas Shareholder(s) and Excluded Shareholders(s) (if any)

The Prospectus Documents will not be registered or filed under the applicable securities legislation of any jurisdiction other than Hong Kong. Overseas Shareholders may not be eligible to take part in the Rights Issue as explained below.

Pursuant to Rule 17.41(1) of the GEM Listing Rules, the Directors will make enquiries regarding the feasibility of extending the Rights Issue to the Overseas Shareholder(s) under the laws of the relevant overseas jurisdictions and the requirements of the relevant regulatory bodies or stock exchanges. If, after making such enquiries, the Directors are of the opinion that it would be necessary or expedient on account either of the legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place to exclude such Overseas Shareholder(s) from the Rights Issue, no Rights Shares (whether in nil-paid or fully-paid form) will be offered to such Overseas Shareholder(s). In

such circumstances, the Rights Issue will not be extended to the Excluded Shareholder(s). The basis for excluding the Excluded Shareholders, if any, from the Rights Issue will be set out in the Prospectus. The Company will send the Prospectus to the Excluded Shareholders (if any) for their information only but will not send any PAL to them.

Arrangements will be made for the Rights Shares, which would otherwise have been provisionally allotted to the Excluded Shareholders in their nil-paid form, to be sold in the market as soon as practicable after dealings in the nil-paid Rights Shares commence, and in any event before the last day for dealings in nil-paid Rights Shares if a premium (net of expenses) can be obtained. Proceeds of each sale, less expenses and stamp duty, of not less than HK\$100 will be paid pro-rata (rounded down to the nearest cent) to the relevant Excluded Shareholder(s) in Hong Kong dollars. In view of administrative costs, the Company will retain individual amounts of less than HK\$100 for its own benefit.

Any ES Unsold Rights Shares, which would otherwise have been provisionally allotted to the Excluded Shareholders in nil-paid form, will be placed by the Placing Agent at the price at least equal to the Subscription Price under the Compensatory Arrangement together with the Unsubscribed Rights Shares. Any Unsubscribed Rights Shares and the ES Unsold Rights Shares remain not placed after completion of the Compensatory Arrangement will not be issued by the Company and the size of the Rights Issue will be reduced accordingly. For the nil-paid Rights Shares that were sold as described above and the buyer of such nil-paid Rights Shares who will not take up the entitlement, such Unsubscribed Rights Shares will be subject to the Compensatory Arrangements.

Overseas Shareholders should note that they may or may not be entitled to the Rights Issue. Accordingly, Overseas Shareholders should exercise caution when dealing in the securities of the Company.

The Company reserves the right to treat as invalid any acceptance of or applications for Rights Shares where it believes that such acceptance or application would violate the applicable securities or other laws or regulations of any territory or jurisdiction. Accordingly, Excluded Shareholders should exercise caution when dealing in the Shares.

Status of the Rights Shares

The Rights Shares, when allotted, issued and fully paid, will rank pari passu in all respects with the Shares in issue at the time. Holders of fully-paid Rights Shares will be entitled to receive all future dividends and distributions which may be declared, made or paid by the Company after the date of allotment and issue of the Rights Shares. Dealings in the Rights Shares in both their nil-paid and fully-paid forms will be subject to payment of stamp duty, Stock Exchange trading fee, transaction levy, investor compensation levy or any other applicable fees and charges in Hong Kong.

Fractional entitlements to the Rights Shares

On the basis of provisional allotment of three (3) Rights Shares for every one (1) Share held by the Qualifying Shareholders on the Record Date, no fractional entitlements to the Rights Shares will arise under the Rights Issue.

Procedures in respect of Unsubscribed Rights Shares and the ES Unsold Rights Shares and the Compensatory Arrangements

The Company will make arrangements described in Rule 10.31(1)(b) of the GEM Listing Rule to dispose of the Unsubscribed Rights Shares and the ES Unsold Rights Shares by offering the Unsubscribed Rights Shares and the ES Unsold Rights Shares to independent Placees for the benefit of Shareholders to whom they were offered by way of the Rights Issue. There will be no excess application arrangements in relation to the Rights Issue.

The Company therefore appointed the Placing Agent to place the Unsubscribed Rights Shares and the ES Unsold Rights Shares after the Latest Time for Acceptance of the Rights Shares to be allotted and issued under the Rights Issue to independent Placees on a best effort basis. Any premium over the Subscription Price for those Rights Shares that is realised will be paid to the No Action Shareholders and Excluded Shareholders on a pro-rata basis. The Placing Agent will, on a best effort basis, procure, by not later than 6:00 p.m., on Friday, 5 November 2021, acquirers for all (or as many as possible) of those Unsubscribed Rights Shares and the ES Unsold Rights Shares if a premium over the Subscription Price and the expenses of procuring such acquirers (including any related commissions and any other related expenses/fees) can be obtained. Any Unsubscribed Rights Shares and the ES Unsold Rights Shares remain not placed after completion of the Compensatory Arrangement will not be issued by the Company and the size of the Rights Issue will be reduced accordingly.

Net Gain (if any) will be paid (without interest) on pro-rata basis (on the basis of all Unsubscribed Rights Shares and ES Unsold Rights Shares) to the No Action Shareholders and the Excluded Shareholders (but rounded down to the nearest cent) as set out below:

- (i) where the nil-paid rights are, at the time they lapse, represented by a PAL, to the person whose name and address appeared on the PAL (unless that person is covered by (iii) below);
- (ii) where the nil-paid rights are, at the time they lapse, registered in the name of HKSCC Nominees Limited, to the beneficial holders (via their respective CCASS participants) as the holder of those nil-paid rights in CCASS (unless that person is covered by (iii) below);

- (iii) if the Rights Issue is extended to the Overseas Shareholders and where an entitlement to the Rights Shares was not taken up by such Overseas Shareholders, to that Overseas Shareholders.

It is proposed that Net Gain to any of the No Action Shareholder(s) mentioned in (i) to (iii) above of HK\$100 or more will be paid to them in Hong Kong Dollars only and the Company will retain individual amounts of less than HK\$100 for its own benefit. Shareholders are reminded that Net Gain may or may not be realised, and accordingly the No Action Shareholders and the Excluded Shareholders may or may not receive any Net Gain.

THE PLACING AGREEMENT

On 29 July 2021 (after trading hours), the Company and the Placing Agent entered into the Placing Agreement, pursuant to which the Placing Agent has conditionally agreed as agent of the Company (either by itself or through its sub-placing agents) to procure independent Placees, on a best effort basis, to subscribe for the Unsubscribed Rights Shares and the ES Unsold Rights Shares. Details of the Compensatory Arrangement are as follows:

- Date : 29 July 2021 (after trading hours)
- Parties : (i) the Company, as issuer; and
(ii) the Placing Agent
- Placing Agent : Grand Moore Capital Limited, appointed as the Placing Agent to place the Unsubscribed Rights Shares and the ES Unsold Rights Shares on a best effort basis.

As the Placing Agent is indirectly held as to approximately 33.33% by the Company, it is an associate (as defined in the GEM Listing Rules) of the Company.

- Placing Period : The period commencing from Friday, 29 October 2021 and ending on 6:00 p.m. on Friday, 5 November 2021.
- Commission and expenses : 1.0% of the amount which is equal to the placing price multiplied by the Unsubscribed Rights Shares and ES Unsold Rights Shares that have been successfully placed by the Placing Agent pursuant to the terms of the Placing Agreement and reimbursed for the expenses in relation to the placing (including but not limited to legal expenses and other expenses for placing the Unsubscribed Rights Shares and the ES Unsold Rights Shares), which the Placing Agent is authorised to deduct from the payment to be made by the Placing Agent to the Company at completion.

- Placing price of each of the Unsubscribed Rights Share and/or the ES Unsold Rights Share (as the case may be) : The placing price of each of the Unsubscribed Rights Share and/or the ES Unsold Rights Share (as the case may be) shall be at least equal to the Subscription Price.
- The final price determination is depended on the demand and market conditions of the Unsubscribed Rights Shares and the ES Unsold Rights during the process of placement.
- Placees : Any individuals, corporate, institutional investor(s) or other investor(s), who is not a Connected Person and whose ultimate beneficial owner(s) shall be the Independent Third Party(ies), procured by the Placing Agent and/or its subplacing agents, to subscribe for any of the Unsubscribed Rights Shares and the ES Unsold Rights Shares pursuant to the Placing Agreement.
- Ranking of the Unsubscribed Rights Shares and the ES Unsold Rights Shares : The Unsubscribed Rights Shares and the ES Unsold Rights Shares (when placed, allotted, issued and fully paid) shall rank pari passu in all respects among themselves and with the existing Shares in issue as at the date of this announcement.
- Conditions Precedent : The obligations of the Placing Agent and the Company under the Placing Agreement are conditional upon, among others, the following conditions (the “**Conditions**”) being fulfilled (or being waived by the Placing Agent in writing, if applicable):
- (i) the Listing Committee of the Stock Exchange granting the approval for the listing of, and the permission to deal in, the Rights Shares, including the Unsubscribed Rights Shares and/or the ES Unsold Rights Shares;
 - (ii) none of the representations, warranties or undertakings contained in the Placing Agreement being or having become untrue, inaccurate or misleading in any material respect at any time before the completion, and no fact or circumstance having arisen and nothing having been done or omitted to be done which would render any of such undertakings, representations or warranties untrue or inaccurate in any material respect if it was repeated as at the time of completion; and

(iii) the Placing Agreement not having been terminated in accordance with the provisions thereof. The Placing Agent may, in its absolute discretion, waive the fulfillment of all or any or any part of the Conditions (other than those set out in paragraph (i) above) by notice in writing to the Company.

Termination : The Compensatory Arrangement shall end on Friday, 5 November 2021 or any other date by mutual written agreement between the Placing Agent and the Company.

The engagement of the Placing Agent may also be terminated by the Placing Agent in case of force majeure resulting in the Company and the Placing Agent being unable to fulfill their respective duties and responsibilities under the engagement. However, if during the course of the engagement it has come to the Placing Agent's knowledge that there is any material adverse change in the business and operational environment in the Company which, in the sole opinion of the Placing Agent, may make it inadvisable to continue the engagement, the Placing Agent shall have the right to terminate the engagement by written notice to the Company with immediate effect.

Completion : Placing completion shall take place at 4:00 p.m. on Monday, 8 November 2021 (or such other date as the Company may announce).

The engagement between the Company and the Placing Agent for the placing of the Unsubscribed Rights Shares and the ES Unsold Rights Shares was determined after arm's length negotiations between the Placing Agent and the Company and is on normal commercial terms with reference to the market comparables, the existing financial position of the Group, the size of the Rights Issue, and the current and expected market condition. The Directors consider the terms of the Compensatory Arrangement for the Unsubscribed Rights Shares and the ES Unsold Rights Shares (including the commission payable) are on normal commercial terms.

Given that the Compensatory Arrangements would provide (i) a distribution channel of the Unsubscribed Rights Shares and the ES Unsold Rights Shares to the Company; and (ii) a compensatory mechanism for No Action Shareholders and the Excluded Shareholders, the Directors considers that the Compensatory Arrangements are fair and reasonable and would provide adequate safeguard to protect the interest of the Company's minority Shareholders.

Application for listing

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Rights Shares in both nil-paid and fully-paid forms to be issued and allotted pursuant to the Rights Issue. No part of the share capital of the Company is listed or dealt in or on which listing or permission to deal in is being or is proposed to be sought on any other stock exchange.

Dealings in the Rights Shares in both their nil-paid and fully-paid forms will be in the board lots of 10,000 Rights Shares, which are registered in the register of members of the Company, will be subject to the payment of stamp duty, Stock Exchange trading fee, transaction levy or any other applicable fees and charges in Hong Kong.

Rights Shares will be eligible for admission into CCASS

Subject to the granting of the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares in both their nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement dates of dealings in the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange or such other dates 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 trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. Shareholders should seek advice from their licensed securities dealer(s) or other professional adviser(s) for details of those settlement arrangements and how such arrangements will affect their rights and interests.

Stamp duty and other applicable fees

Dealings in the Rights Shares in both their nil-paid and fully-paid forms will be subject to the payment of stamp duty, Stock Exchange trading fee, SFC transaction levy or any other applicable fees and charges in Hong Kong.

Taxation

Qualifying Shareholders are recommended to consult their professional advisers if they are in doubt as to the taxation implications of subscribing for the Rights Shares, or about purchasing, holding or disposals of, or dealings in or exercising any rights in relation to the Shares or the Rights Shares, and similarly, the Excluded Shareholders (if any) as regards their receipt of the net proceeds of sale of the Rights Shares otherwise falling to be issued to them under the Rights Issue under the laws of jurisdictions in which they are liable to taxation. It is emphasised that none of the Company, the Directors nor any other parties involved in the Rights Issue accepts responsibility for any tax effects on, or liabilities of, any person resulting from subscribing for, purchasing, holding, disposal of, dealings in or exercising any rights in relation to the Shares or the Rights Shares.

Share certificates and refund cheques for the Rights Issue

Subject to the fulfilment of the conditions of the Rights Issue as set out below, share certificates for all fully-paid Rights Shares are expected to be posted to those entitled thereto by ordinary post to their registered address, at their own risks, on or before Monday, 15 November 2021.

Conditions of the Rights Issue

The Rights Issue is conditional upon the fulfilment of the following conditions:

- (i) the passing by the Independent Shareholders at the EGM of the necessary resolution(s) to approve the Rights Issue, the Placing Agreement and the transactions contemplated thereunder (including but not limited to the allotment and issue of the Rights Shares) by no later than the Prospectus Posting Date;
- (ii) the GEM Listing Committee of the Stock Exchange granting or agreeing to grant and not having withdrawn or revoked the listing of, and permission to deal in, all the Rights Shares (in their nil-paid and fully-paid forms);
- (iii) the delivery to the Stock Exchange and the filing and registration with the Registrar of Companies in Hong Kong respectively one duly certified copy of each of the Prospectus and the PALs (and all other documents required to be attached thereto) in compliance with the Companies (WUMP) Ordinance and the GEM Listing Rules by no later than the Prospectus Posting Date; and
- (iv) the posting of the Prospectus Documents to Qualifying Shareholders and the posting of the Prospectus to the Excluded Shareholders, if any, for information purpose only by the Prospectus Posting Date.

The Company shall use all reasonable endeavours to procure the fulfilment of all the above conditions by the respective dates specified above.

As the proposed Rights Issue is subject to the above conditions, it may or may not proceed. Shareholders and public investors are advised to exercise caution when dealing in the securities of the Company.

WARNING OF THE RISKS OF DEALING IN THE SHARES AND NIL-PAID RIGHTS SHARES

The Rights Issue is subject to the fulfilment of conditions including, among other things, the Stock Exchange granting the listing of, and permission to deal in, the Rights Shares in their nil-paid and fully-paid forms. Please refer to the section headed “Conditions of the Rights Issue” in this announcement. Shareholders and potential investors of the Company should note that if the conditions to the Rights Issue are not satisfied, the Rights Issue will not proceed.

The Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptances of the provisionally allotted Rights Shares.

Any dealings in the Shares from the date of this announcement up to the date on which all the conditions of the Rights Issue are fulfilled, and any Shareholders dealing in the Rights Shares in nil-paid form will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed. Any Shareholders or other persons contemplating any dealings in the Shares and/or Rights Shares in their nil-paid form are recommended to consult their professional advisers.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Friday, 17 September 2021 to Friday, 24 September 2021 for determining the identity of the Shareholders entitled to attend and vote at the EGM.

The register of members of the Company will be closed from Thursday, 30 September 2021 to Thursday, 7 October 2021 for the purpose of determining entitlements to the Rights Issue.

No transfer of Shares will be registered during the above book closure periods.

EXPECTED TIMETABLE

The expected timetable in respect of the Rights Issue set out below:

Announcement of the Rights Issue	Thursday, 29 July 2021
Expected despatch date of circular with notice and form of proxy for the EGM	Friday, 3 September 2021
Latest time for lodging transfers of Shares to qualify for attendance and voting at the EGM.	4:30 p.m. on Thursday, 16 September 2021
Closure of register of members of the Company for attending the EGM (both days inclusive).	Friday, 17 September 2021 to Friday, 24 September 2021
Latest time for lodging forms of proxy for the purpose of the EGM.	11:00 a.m. on Wednesday, 22 September 2021
Record date for determining attendance and voting at the EGM	Friday, 24 September 2021
Expected date and time of the EGM.	11:00 a.m. on Friday, 24 September 2021
Announcement of poll results of the EGM	Friday, 24 September 2021
Last day of dealings in Shares on a cum-rights basis	Monday, 27 September 2021
First day of dealings in Shares on an ex-rights basis	Tuesday, 28 September 2021
Latest time for lodging transfers of Shares in order to qualify for the Rights Issue	4:30 p.m. on Wednesday, 29 September 2021
Closure of the register of members of the Company for the Rights Issue (both dates inclusive).	Thursday, 30 September 2021 to Thursday, 7 October 2021
Record Date for determining entitlements to the Rights Issue	Thursday, 7 October 2021
Register of members of the Company re-opens	Friday, 8 October 2021
Prospectus Documents expected to be despatched.	Friday, 8 October 2021

First day of dealings in Nil Paid Rights Shares 9:00 a.m. on Tuesday,
12 October 2021

Latest time for splitting of the Nil Paid Rights Shares 4:30 p.m. on Friday,
15 October 2021

Last day of dealings in Nil Paid Rights Shares 4:00 p.m. on Wednesday,
20 October 2021

**Latest time for lodging transfer documents of nil-paid
Rights Shares in order to qualify for
the Compensating Arrangements 4:00 p.m. on Monday,
25 October 2021**

**Latest time of acceptance of and payment for the Rights Shares . . . 4:00 p.m. on Monday,
25 October 2021**

Announcement of the number of the
Unsubscribed Rights Shares and ES Unsold Rights Shares
subject to the Compensatory Arrangements Thursday, 28 October 2021

Commencement of placing of Unsubscribed Rights Shares
and ES Unsold Rights Shares by the Placing Agent Friday, 29 October 2021

Latest time of placing of the Unsubscribed Rights Shares
and ES Unsold Rights Shares by the Placing Agent 6:00 p.m. on Friday,
5 November 2021

Announcement of the results of Rights Issue
(including results of the placing of Unsubscribed Rights Shares
and the ES Unsold Rights Shares and the amount of the Net Gain
per Unsubscribed Rights Share and the ES Unsold Rights Shares
under the Compensatory Arrangements) to be posted on the
Stock Exchange's website and the Company's website Tuesday, 9 November 2021

Refund cheques, if any, to be despatched
(if the Rights Issue is terminated) on or before Monday, 15 November 2021

Certificates for fully-paid Rights Shares to be despatched Monday, 15 November 2021

Expected commencement of dealings in fully-paid Rights Shares 9:00 a.m. on Tuesday,
16 November 2021

Payment of the Net Gain to relevant
No Action Shareholders (if any) or
Excluded Shareholders (if any) Wednesday, 24 November 2021

All times and dates in this announcement refer to Hong Kong local times and dates.

Dates or deadlines specified in the expected timetable above or in other parts of this announcement are indicative only and may be extended or varied by the Company. Any changes to the expected timetable will be published or notified to the Shareholders and the Stock Exchange as and when appropriate.

EFFECT OF BAD WEATHER AND/OR EXTREME CONDITIONS ON THE LATEST TIME FOR ACCEPTANCE OF AND PAYMENT FOR THE RIGHTS SHARES

The latest time for acceptance of and payment for the Rights Shares will not take place if there is a tropical cyclone warning signal no. 8 or above, or a “black” rainstorm warning or “extreme conditions” caused by super typhoons:

- (i) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on Monday, 25 October 2021. Instead the latest time for acceptance of and payment for the Rights Shares will be extended to 5:00 p.m. on the same Business Day; or
- (ii) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on Monday, 25 October 2021. Instead the latest time for acceptance of and payment for the Rights Shares will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force in Hong Kong at any time between 9:00 a.m. and 4:00 p.m.

If the Latest Time for Acceptance does not take place on the currently scheduled date, the dates mentioned in the “EXPECTED TIMETABLE” above may be affected. An announcement will be made by the Company in such event as soon as practicable.

SHAREHOLDING STRUCTURES

Set out below is the shareholding structure of the Company, assuming there is no change in the issued share capital of the Company before completion of the Rights Issue other than the allotment and issue of the Rights Shares pursuant to the Rights Issue, (i) as at the date of this announcement; (ii) immediately upon completion of the Rights Issue assuming full acceptance of the Rights Shares by the existing Shareholders; (iii) immediately upon completion of the Rights Issue assuming nil acceptance of the Rights Shares by the Qualifying Shareholders and none of Unsubscribed Rights Shares and ES Unsold Rights Shares have been placed by the Placing Agent; and (iv) immediately upon completion of the Rights Issue assuming nil acceptance of the Rights Shares by the Qualifying Shareholders and all Unsubscribed Rights Shares and ES Unsold Rights Shares have been placed by the Placing Agent:

	As at the date of this announcement		Immediately upon completion of the Rights Issue assuming full acceptance of the Rights Shares by the existing Shareholders		Immediately upon completion of the Rights Issue assuming nil acceptance of the Rights Shares by the Qualifying Shareholders and none of Unsubscribed Rights Shares and ES Unsold Rights Shares have been placed by the Placing Agent		Immediately upon completion of the Rights Issue assuming nil acceptance of the Rights Shares by the Qualifying Shareholders and all Unsubscribed Rights Shares and ES Unsold Rights Shares have been placed by the Placing Agent	
	<i>Number of Shares</i>	<i>%</i>	<i>Number of Shares</i>	<i>%</i>	<i>Number of Shares</i>	<i>%</i>	<i>Number of Shares</i>	<i>%</i>
Substantial Shareholders								
Noble Might Limited	20,000,000	12.62	80,000,000	12.62	20,000,000	12.62	20,000,000	3.16
Crown World Investments Limited	16,000,000	10.10	64,000,000	10.10	16,000,000	10.10	16,000,000	2.55
Public								
Independent Placees	–	–	–	–	–	–	475,200,000	75.00
Other Public Shareholders	122,400,000	77.28	489,600,000	77.28	122,400,000	77.28	122,400,000	19.29
Total	158,400,000	100.00	633,600,000	100.00	158,400,000	100.00	633,600,000	100.00

Shareholders and public investors should note that the above shareholding changes are for illustration purposes only and the actual changes in the shareholding structure of the Company upon completion of the Rights Issue are subject to various factors, including the results of acceptance of the Rights Issue.

REASONS FOR THE RIGHTS ISSUE AND THE USE OF PROCEEDS

Assuming (i) there is no other change in the issued share capital of the Company before the completion of the Rights Issue; and (ii) all the Rights Shares will be taken up and/or placed pursuant to the Placing Agreement, the expected gross proceeds, net proceeds and net price per Rights Share from the Rights Issue are set out below:

	<i>HK\$</i> <i>(approximately)</i>
Gross proceeds	52.3 million
Net Proceeds	50.5 million
Net price per Rights Share	0.106

The Company is an investment holding company and the Group is principally engaged in providing international freight forwarding and logistics services, with a primary focus on air/sea freight forwarding and related services, trucking and warehousing to customers worldwide and manufacturing and trading of plastic products in Vietnam.

Before contemplating the Rights Issue, the Board has considered the following factors, including (a) the funding needs of the Group to fulfill customers' demand in the Group's Hong Kong logistics services business; (b) the intended use of proceeds; and (c) the reasons for contemplating the Rights Issue and other fund-raising alternatives considered by the Company.

(a) The funding needs of the Group to fulfill customers' demand in the Group's Hong Kong logistics services business

As set out in the Company's annual report for the year ended 31 December 2019 and the Company's announcement dated 12 November 2019 in relation to change in use of proceeds from its listing, the Company has implemented the logistics services business in Hong Kong with the intention to provide potential Chinese and international clients with wider global logistics solutions. Shortly after the commencement of the Group's logistics services business in Hong Kong in late 2019, this segment has already recorded positive earnings before interest, taxes, depreciation and amortization (EBITDA) and made positive contributions to the Group's financial results. The management of the Company observed an increasing demand for logistics services arising from a shift of buying habits in consumers from traditional brick and mortar retail shops to e-commerce platforms since the outbreak of COVID-19 due to implementation of related restrictions such as lockdown, social distancing rules, etc. In order to capitalize on this opportunity, the Company intends to further expand its market share by providing logistics services to its customers in the e-commerce industry. In that connection, the Group has procured a number of memorandums of understanding (the "MOUs") from both existing and prospective new customers with regards to their intended volume of orders to be placed with the Group. Due to the nature of its operations, the Group has to (i) experience

mismatch in credit periods of its payables and receivables from its suppliers and customers respectively with its payables due for payment in much shorter timeframe when compared with the corresponding revenue generating receivables; and (ii) pre-pay for various expenses such as the taxes, customs duties and miscellaneous charges on its customers' behalf. In the event that the indicative volume as illustrated in the MOUs is to be fulfilled, the management of the Company projected there will be a shortage of working capital of roughly HK\$60.0 million.

In addition, in order to offer efficient logistics solutions at competitive prices, the Group has negotiated with its suppliers (mainly major international freight carriers) and its suppliers have indicated their willingness to offer discount pricing on a bulk-order basis with decreasing unit fee as volume reaches certain scales. By receiving bulk discount from suppliers as a result of the expected increase in business volume from the MOUs, the Company is expected to be able to lower its per unit costs and generate even higher profit margin.

(b) The intended use of proceeds

It is estimated that the Company will raise up to approximately HK\$52.3 million (before expenses) from the Rights Issue and the relevant expenses would be approximately HK\$1.8 million (assuming nil acceptance of the Rights Shares by the Qualifying Shareholders and all Unsubscribed Rights Shares and ES Unsold Rights Shares have been placed by the Placing Agent), which includes placing commission and other fees and expenses payable to financial advisers, legal advisers, financial printer and other parties involved in the Rights Issue.

The estimated net proceeds from the Rights Issue will accordingly be approximately HK\$50.5 million (assuming the Rights Issue is fully subscribed or placed pursuant to the Placing Agreement, and no change in the issued share capital of the Company on or before the Record Date). The Company intends to apply the net proceeds from the Rights Issue as working capital for the expansion in its logistics services business in Hong Kong as mentioned above.

(c) The reasons for contemplating the Rights Issue and other fund-raising alternatives considered by the Company

Apart from the Rights Issue, the Directors have considered other debt or equity fundraising alternatives such as bank borrowings, placing of new Shares or convertible debt securities or an open offer.

The Directors note that bank borrowings, if available, carry continual interest expenses during the entire term of the loan, and create pressure on the liquidity of the Company as the outstanding principal would eventually be required to be repaid while having a negative impact the Group's gearing position. Also, any sizeable bank borrowings would normally result in the lender requiring pledge of certain asset in its favour as security which the Group is unable to provide from its Hong Kong operations.

On the other hand, placing of new Shares would immediately dilute the shareholding interests of existing Shareholders without giving them the opportunity to take part in the exercise while placing of convertible debt securities would subject the Company to additional interest expenses while creating financial burden should the holder of such convertible debt security elect not to exercise the conversion right, or result in dilution to the shareholding interests of existing Shareholders should the conversion right be exercised.

As opposed to a rights issue, an open offer would not allow the Shareholders to sell the nil-paid rights in the market if they so wish.

Despite the above, the management of the Group had still attempted to explore the possibility of obtaining bank borrowings, placing of new Shares or convertible securities or open offer of comparable size to the Rights Issue with the Group's principal banker and securities brokerages in Hong Kong. After such exploration, the Group concluded that these financing alternatives are considered not feasible as (i) the Group failed to receive any response from its principal banker in Hong Kong likely due to the proposed size of the debt financing and that the Group is unable to provide meaningful security in favor of the bank; (ii) the proposed size of the fund raising is significant compared to the Company's market capitalization of roughly HK\$20 million as at the date of this announcement; (iii) for a securities brokerage which is willing to act as placing agent for equity fund raising, the placing commission is way above that as stated in the Placing Agreement; and/or (iv) lack of favorable response on placing of convertible debt securities.

The Rights Issue on the other hand will give the Qualifying Shareholders the opportunity to maintain their respective pro-rata shareholding interests in the Company and to continue to participate in the future development of the Group. The Directors further consider that the Rights Issue is in the best interests of the Company and the Shareholders as a whole, and that the Rights Issue is an appropriate fundraising method to strengthen the capital base of the Company, which in turn will support the Company's continuing development and business growth, while at the same time allowing the Qualifying Shareholders to maintain their proportional shareholdings in the Company. In addition, the Company has preliminarily consulted securities brokerages (including the Placing Agent) for underwriting the Rights Issue but it has not received any favourable feedback. Given the lack of available alternatives, the Company ultimately decided to propose the Rights Issue on non-underwritten basis and to adopt the Compensatory Arrangements simultaneously in order to procure the necessary funding to finance the Group's business expansion as mentioned above.

(d) Conclusions with regards to rationale of the Rights Issue

Having considered the (i) new business opportunities arising out of customer driven demand as indicated in the MOUs would allow the Group to expand its market share in the Hong Kong logistics services business benefited from the growing importance of e-commerce under the ongoing COVID-19 pandemic; (ii) it is envisaged that the Group can achieve better financial performance from both increase in revenue from the new business opportunities together with decrease in unit cost as a result of the bulk discount as indicated by the Group's suppliers; (iii) leveraging on the Group's expertise in the logistics services business, the Group's Hong Kong logistics services segment already recorded positive earnings before interest, taxes, depreciation and amortization (EBITDA) shortly after its commencement in late 2019 so that the Board considers it desirous to further expand this segment by way of fulfilling the customer driven demand for its logistics services; (iv) infeasibility and drawbacks of the other fund-raising alternatives together with the unfavourable feedback of underwriting services; and (v) the proposed terms of the Rights Issue and the Subscription Price, the Board considers that it is in the interests of the Company and the Shareholders as a whole to proceed with the Rights Issue with the Compensatory Arrangements. **However, those Qualifying Shareholders who do not take up the Rights Shares to which they are entitled and Excluded Shareholder(s) (if any) should note that their shareholdings will be diluted.**

EQUITY FUNDRAISING ACTIVITIES IN THE PAST 12 MONTHS

Save as disclosed below, the Company had not conducted any equity fundraising activities in the 12 months immediately preceding the date of this announcement.

Date of announcement	Fund raising activity	Net Proceeds raised	Proposed use of proceeds	Actual use of proceeds
12 October 2020	Placing of Shares under general mandate	HK\$1.1 million	General working capital	Utilized as intended
26 February 2021	Placing of Shares under general mandate	HK\$1.9 million	General working capital	Utilized as intended
31 May 2021	Placing of Shares under general mandate	HK\$3.8 million	General working capital	Approximately HK\$0.2 million has been utilized as general working capital

GEM LISTING RULES IMPLICATIONS

As the Rights Issue, if proceeded with, will increase the number of the issued Shares by more than 50%, in accordance with Rule 10.29(1) of the GEM Listing Rules, the Rights Issue must be made conditional on approval by Independent Shareholders in general meeting by a resolution on which any controlling Shareholders and their associates or, where there are no controlling Shareholders, the Directors (excluding the independent non-executive Directors) and the chief executive of the Company and their respective associates shall abstain from voting in favour of the ordinary resolution to approve the Rights Issue at the EGM. As at the date of this announcement, Noble Might Limited is the single largest Shareholder which is interested in approximately 12.62% of the issued share capital of the Company, and is deemed as a “Controlling Shareholder” by virtue of it being the single largest Shareholder. Accordingly, Noble Might Limited would abstain from voting in favour of the ordinary resolution to approve the Rights Issue at the EGM.

Save as disclosed above, the Company has not conducted any other fundraising activities such as rights issue, open offer or specific mandate placings within the 12-month period immediately preceding the date of this announcement, or prior to such 12-month period where dealing in respect of the Shares issued pursuant thereto commenced within such 12-month period, nor has it issued any bonus securities, warrants or other convertible securities as part of any rights issue, open offer and/or specific mandate placings within such 12-month period.

The theoretical diluted price, the benchmarked price and the theoretical dilution effect (as those terms are defined under Rule 10.44A of the GEM Listing Rules) for the Rights Issue are HK\$0.132 per Share, HK\$0.134 per Share and approximately 13.4%, respectively. As such, the theoretical dilution impact of the Rights Issue is in compliance with Rule 10.44A of the GEM Listing Rules.

GENERAL

The EGM will be convened for the Shareholders to consider and, if thought fit, approve the Rights Issue, the Placing Agreement and the transactions contemplated thereunder. A circular containing, among other things, (i) further details of the Rights Issue; (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders in respect of the Rights Issue; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders on the Rights Issue; (iv) other information as required under the GEM Listing Rules; and (v) a notice convening the EGM, is expected to be despatched to the Shareholders on or before Friday, 3 September 2021.

Subject to the approval of the Rights Issue by the Independent Shareholders at the EGM, a Prospectus containing further information regarding, among other things, the Rights Issue, including information on acceptances of the Rights Shares and other information in respect of the Group, and PAL(s) are expected to be despatched to the Qualifying Shareholders on Friday, 8 October 2021.

DEFINITIONS

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

“associates”	has the meaning ascribed to it under the GEM Listing Rules
“Board”	the board of Directors of the Group
“Business Day”	a day (excluding Saturday and Sunday and any day on which “extreme conditions” caused by super typhoons is announced by the Government of Hong Kong or a tropical cyclone warning signal no. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a “black” rainstorm warning is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which licensed banks in Hong Kong are open for general business
“CCASS”	The Central Clearing and Settlement System established and operated by HKSCC
“Companies (WUMP) Ordinance”	Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong)
“Company”	Worldgate Global Logistics Ltd (盛良物流有限公司), a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on GEM
“Compensatory Arrangements”	placing of the Unsubscribed Rights Shares and the ES Unsold Rights Shares by the Placing Agent on a best effort basis pursuant to the Placing Agreement
“Connected Person(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Controlling Shareholder(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Director(s)”	the Directors of the Company

“EGM”	an extraordinary general meeting of the Company to be held and convened to consider and approve the Rights Issue and the transactions contemplated thereunder
“ES Unsold Rights Share(s)”	the Rights Share(s) which would otherwise has/have been provisionally allotted to the Excluded Shareholder(s) in nil-paid form that has/have not been sold by the Company
“Excluded Shareholder(s)”	those Overseas Shareholder(s) whom the Directors, after making enquiries, consider it necessary or expedient not to offer the Rights Shares to such Shareholder(s) on account either of legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place
“GEM”	GEM of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“HKSCC”	Hong Kong Securities Clearing Company Limited
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Board Committee”	an independent board committee of the Company comprising all the independent non-executive Directors, which has been established under the GEM Listing Rules to advise the Independent Shareholders in respect of the Rights Issue and the transactions contemplated thereunder
“Independent Financial Adviser”	the independent financial adviser to be appointed for the purpose of advising the Independent Board Committee and Independent Shareholder in respect of the Rights Issue and the transactions contemplated thereunder
“Independent Shareholder(s)”	any Shareholder(s) who are not required to abstain from voting at the EGM under the GEM Listing Rules
“Independent Third Party(ies)”	third party(ies) independent of the Company and any connected person(s) of the Company and not a connected person of the Company

“Last Trading Day”	29 July 2021, being the last full trading day before the release of this announcement
“Latest Time for Acceptance”	4:00 p.m. on Monday, 25 October 2021, being the latest time for acceptance of the offer of and payment for the Rights Shares
“Net Gain”	any premiums paid by the Placees over the Subscription Price for the Unsubscribed Rights Shares and the ES Unsold Rights Shares placed by the Placing Agent under the Compensatory Arrangements
“Nil Paid Rights”	rights to subscribe for Rights Shares before the Subscription Price is paid
“No Action shareholder(s)”	Qualifying Shareholders or their renounees who do not subscribe for the Rights Shares (whether partially or fully) under the PAL(s), or such persons who hold any Nil Paid Rights at the time such Nil Paid Rights lapse
“Overseas Shareholder(s)”	the Shareholder(s) (whose names appears on the register of members of the Company at the close of business on the Record Date) with registered address(es) outside Hong Kong
“PAL(s)”	the provisional allotment letter(s) to be issued to the Qualifying Shareholders in connection with the Rights Issue
“Placee(s)”	any individuals, corporate, institutional investor(s) or other investor(s), who is not a Connected Person and whose ultimate beneficial owner(s) shall be the Independent Third Party(ies), procured by the Placing Agent and/or its sub-placing agent(s), to subscribe for any of the Unsubscribed Rights Shares and the ES Unsold Rights Shares pursuant to the Placing Agreement
“Placing Agent”	Grand Moore Capital Limited, a licensed corporation to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, being the placing agent appointed by the Company to place any Unsubscribed Rights Shares and the ES Unsold Rights Shares under the Compensatory Arrangements
“Placing Agreement”	conditional placing agreement dated 29 July 2021 entered into between the Company and the Placing Agent in relation to the placing of Unsubscribed Rights Shares and the ES Unsold Rights Shares to the Placee(s) on a best effort basis

“Prospectus”	the prospectus to be issued to the Shareholders containing, among other things, details of the Rights Issues
“Prospectus Documents”	collectively the Prospectus and the PAL and any supplementary prospectus or supplementary provisional allotment letter (if required)
“Prospectus Posting Date”	Friday, 8 October 2021 or such other date as the Company may determine, being the date on which the Prospectus Documents are posted to the Qualifying Shareholders
“Qualifying Shareholders”	Shareholders, other than the Excluded Shareholders, whose names appear on the register of members of the Company at the close of business on the Record Date
“Record Date”	Thursday, 7 October 2021 or such other date as may be determined by the Company, being the date by reference to which the Shareholders’ entitlements to the Rights Issue are to be determined
“Registrar”	Boardroom Share Registrars (HK) Limited
“Rights Issue”	the proposed issue of the Rights Shares by way of rights on the basis of three (3) Rights Shares for every one (1) Share held by the Qualifying Shareholders on the Record Date at the Subscription Price pursuant to the Prospectus Documents
“Rights Share(s)”	up to 475,200,000 new Shares (assuming no change in the number of Shares in issue on or before the Record Date)
“RM”	Malaysian Ringgit, the lawful currency of Malaysia
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary shares of HK\$0.10 each in the capital of the Company
“Shareholder(s)”	registered holder(s) of the issued Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	the subscription price of HK\$0.11 per Rights Share under the Rights Issue
“Substantial Shareholder(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers

“Unsubscribed Rights Shares” the Rights Shares that are not subscribed by the Qualifying Shareholders

“%” per cent.

For illustrative purposes only, all exchanges of RM into HK\$ (and vice versa) has been made at the exchange rate of approximately RM1.00=HK\$1.91 in this announcement. No assurance has been given that RM can be converted into HK\$ (and vice versa) at the above rate, or any other rate at all.

By order of the Board
Worldgate Global Logistics Ltd
Lai Kwok Hei
Chairman

Hong Kong, Thursday, 29 July 2021

As at the date of this announcement, the executive Directors are Mr. LAI Kwok Hei 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>.