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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)

PLACING OF NEW SHARES UNDER GENERAL MANDATE

Placing Agent



On 26 February 2021 (after trading hours), the Company and the Placing Agent entered into the Placing Agreement pursuant to which the Company appointed the Placing Agent to place, on a best efforts basis and subject to the fulfillment of the condition precedent to the Placing, a maximum of 12,000,000 Placing Shares to not less than six independent Places at a price of HK\$0.17 per Placing Share.

The Placing Price of HK\$0.17 per Placing Share represents: (i) a discount of approximately 19.81% to the closing price of HK\$0.212 per Share as quoted on the Stock Exchange on the date of the Placing Agreement; and (ii) a discount of approximately 14.05% to the average closing price of HK\$0.1978 per Share as quoted on the Stock Exchange for the last five trading days of the Shares immediately prior to the date of the Placing Agreement.

Assuming the Placing Shares are fully placed, the maximum number of 12,000,000 Placing Shares represents 10.00% of the issued share capital of the Company of 120,000,000 Shares as at the date of this announcement, and approximately 9.09% of the issued share capital of the Company as enlarged by the issue of the maximum number of 12,000,000 Placing Shares.

Assuming the Placing Shares are fully placed, the gross and net proceeds from the Placing will be HK\$2.04 million and approximately HK\$1.90 million, respectively. The Company intends to apply all the net proceeds for general working capital of the Group.

The Placing is not subject to the Shareholders' approval as the Placing Shares will be issued pursuant to the General Mandate.

Shareholders and potential investors of the Shares should note that the Placing is subject to the fulfillment of the condition precedent to the Placing and may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

THE PLACING

Date

26 February 2021 (after trading hours)

Parties

Issuer : the Company

Placing Agent : Astrum Capital Management Limited

To the best of the Director's knowledge, information and belief having made all reasonable enquiry, the Placing Agent and its ultimate beneficial owners are Independent Third Parties.

Placees

It is intended that the Placing Shares will be placed to not less than six Placees, being individuals, corporate, institutional investors or other investors, who and whose ultimate beneficial owners are Independent Third Parties.

It is expected that none of the Placees nor their associates will become a substantial shareholder of the Company as a result of the Placing.

Number of Placing Shares

The Company appointed the Placing Agent to place, on a best efforts basis and subject to the fulfillment of the condition precedent to the Placing, a maximum of 12,000,000 Placing Shares. Assuming the Placing Shares are fully placed, the maximum number of 12,000,000 Placing Shares represents 10.00% of the issued share capital of the Company of 120,000,000 Shares as at the date of this announcement, and approximately 9.09% of the issued share capital of the Company as enlarged by the issue of the maximum number of 12,000,000 Placing Shares. The aggregate nominal value of the maximum number of Placing Shares is HK\$1,200,000.

Placing Price

The Placing Price of HK\$0.17 per Placing Share was agreed after arm's length negotiations between the Company and the Placing Agent with reference to the recent trading price of the Shares.

The Placing Price of HK\$0.17 per Placing Share represents: (i) a discount of approximately 19.81% to the closing price of HK\$0.212 per Share as quoted on the Stock Exchange on the date of the Placing Agreement; and (ii) a discount of approximately 14.05% to the average closing price of HK\$0.1978 per Share as quoted on the Stock Exchange for the last five trading days of the Shares immediately prior to the date of the Placing Agreement.

Placing Commission

The Company shall pay to the Placing Agent the placing commission of 1.5% of the aggregate Placing Price of the total number of the Placing Shares actually placed on behalf of the Company by the Placing Agent in pursuance of its obligations under the Placing Agreement.

Condition of the Placing

Completion of the Placing is conditional upon the Stock Exchange granting or agreeing to grant listing of and permission to deal in the Placing Shares.

If the above condition is not satisfied on or before 19 March 2021 (or such later date as may be agreed between the Placing Agent and the Company) (the "**Long Stop Date**"), the Placing will lapse and all rights, obligations and liabilities of the Placing Agent and the Company in relation to the Placing shall cease and terminate and neither party shall have any claim against the other in respect of the Placing save for any antecedent breach and/or any rights or obligations which may accrue under the Placing Agreement prior to such termination. The condition to the Placing could not be waived by any party to the Placing Agreement.

Completion of the Placing

Completion of the Placing shall take place within five business days after the fulfillment of the condition set out in the Placing Agreement (or such other date as the Company and the Placing Agent may agree).

Rescission of the Placing Agreement

If any of the following events occur at any time prior to 10:00 a.m. on the date of completion of the Placing (the “**Completion Date**”), the Placing Agent may (after such consultation with the Company and/or its advisers as the circumstances shall admit or be necessary), by giving a written notice to the Company, at any time prior to the Completion Date provided that such notice is received prior to 6:00 p.m. on the day immediately preceding the Completion Date, rescind the Placing Agreement without liability to the other party, and the Placing Agreement shall thereupon cease to have effect and none of the parties shall have any rights or claims by reason thereof save for any rights or obligations which may accrue under the Placing Agreement prior to such termination:

- (i) in the reasonable opinion of the Placing Agent there shall have been since the date of the Placing Agreement such a change in national or international financial, political or economic conditions or taxation or exchange controls as would be likely to prejudice materially the consummation of the Placing; or
- (ii) the introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any matter whatsoever which may adversely affect the business or the financial or trading position or prospects of the Group as a whole; or
- (iii) any material breach of any of the representations and warranties set out in the Placing Agreement comes to the knowledge of the Placing Agent or any event occurs or any matter arises on or after the date of the Placing Agreement and prior to the Completion Date which if it had occurred or arisen before the date of the Placing Agreement would have rendered any of the representations and warranties contained in the Placing Agreement untrue or incorrect in any material respect or there has been a material breach by the Company of any other provision of the Placing Agreement; or
- (iv) any moratorium, suspension or restriction on trading in shares or securities generally on the Stock Exchange due to exceptional financial circumstances; or
- (v) there is any adverse change in the financial position of the Company which in the reasonable opinion of the Placing Agent is material in the context of the Placing.

Ranking of Placing Shares

The Placing Shares, when issued and fully paid, will rank *pari passu* among themselves and with Shares in issue at the time of issue and allotment of the Placing Shares.

Application for Listing

Application will be made to the Stock Exchange for approval for the listing of and permission to deal in the Placing Shares.

GENERAL MANDATE

The Placing is not subject to the Shareholders' approval as the Placing Shares will be issued under the General Mandate, which was granted to the Directors pursuant to an ordinary resolution passed by the Shareholders at the annual general meeting of the Company held on 29 May 2020. Pursuant to the General Mandate, the Company was authorized to issue and allot up to 160,000,000 Shares, representing 20% of the number of Shares in issue on the date of passing such resolution. As at the date of this announcement, the Company has allotted and issued 4,000,000 Shares (adjusted pursuant to the Share Consolidation) under the General Mandate, and the remaining balance of the General Mandate is 12,000,000 Shares (adjusted pursuant to the Share Consolidation). Accordingly, the General Mandate is sufficient for the allotment and issue of the Placing Shares.

REASONS FOR THE PLACING AND USE OF PROCEEDS

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.

The Board considers that the Placing represents a good opportunity for the Company to raise additional funds and to widen the Company's shareholder base. The terms of the Placing Agreement (including the Placing Price and the placing commission) were determined after arm's length negotiations between the Company and the Placing Agent. The Directors (including the independent non-executive Directors) consider that the terms of the Placing Agreement (including the Placing Price and the placing commission) are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Assuming the Placing Shares are fully placed, the gross and net proceeds from the Placing will be HK\$2.04 million and approximately HK\$1.90 million, respectively. The Company intends to apply all the net proceeds for general working capital of the Group. Assuming the Placing Shares are fully placed, the net placing price will be approximately HK\$0.158 per Placing Share.

EQUITY FUND RAISING ACTIVITY DURING THE PAST TWELVE MONTHS

The Company has conducted the following equity fund raising activities in the past 12 months immediately preceding the date of this announcement:

Date of announcements	Fund raising activity	Net proceeds (approximate)	Intended use of proceeds as announced	Actual use of proceeds as at the date of this announcement
12 October 2020 23 October 2020	Subscription of new shares under general mandate	HK\$1.1 million	General working capital of the Group	Utilized as intended

Save as disclosed above, there has not been any equity fund raising activity conducted by the Company in the past 12 months immediately preceding the date of this announcement.

EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

The table below illustrates the shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately after completion of the Placing (assuming the Placing Shares were placed in full and assuming there is no other change in the issued share capital of the Company between the date of this announcement and the date of completion of the Placing):

Name of Shareholder	(i) As at the date of this announcement		(ii) Immediately upon completion of the Placing	
	Number of Shares	Approx. %	Number of Shares	Approx. %
Director				
Ms. Wen Jianping ("Ms. Wen") (Note 1)	1,000,000	0.83%	1,000,000	0.76%
Substantial shareholders				
JL Investments Capital Limited ("JL Investments")	20,229,000 (Note 2)	16.86%	20,229,000	15.33%
Crown World Investments Limited ("Crown World")	16,000,000 (Note 3)	13.33%	16,000,000	12.12%
Noble Might Limited ("Noble Might")	20,000,000 (Note 4)	16.67%	20,000,000	15.15%
Placees	–	–	12,000,000	9.09%
Other public shareholders	62,771,000	52.31%	62,771,000	47.55%
Total	120,000,000	100.00%	132,000,000	100.00%

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 20,229,000 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 16,000,000 Shares held by Crown World.
- Noble Might is a company owned as to 100% by Ms. Chan Ka Wai ("Ms. Chan"). By virtue of the SFO, Ms. Chan is deemed to be interested in 20,000,000 Shares held by Noble Might.

Shareholders and potential investors of the Shares should note that the Placing is subject to the fulfillment of the condition precedent to the Placing and may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

DEFINITIONS

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

“associate(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Board”	the board of Directors
“Company”	Worldgate Global Logistics Ltd, a company incorporated in the Cayman Islands with limited liability and the issued shares of which are listed on GEM (stock code: 8292)
“connected persons”	has the meaning ascribed to it under the GEM Listing Rules
“Director(s)”	the director(s) of the Company
“GEM”	GEM operated by the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“General Mandate”	the general mandate granted to the Directors pursuant to an ordinary resolution passed at the Company’s annual general meeting on 29 May 2020 to allot, issue and deal with up to 160,000,000 Shares, representing 20% of the aggregate number of issued Shares as at the date of passing of such resolution
“Group”	collectively, the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party”	a third party independent of the Company and the connected persons of the Company
“Placee(s)”	any individuals, corporate, institutional investors or other investors procured by the Placing Agent or any of their sub-placing agent(s) to subscribe for any of the Placing Shares under the Placing

“Placing”	the best-effort placing of up to 12,000,000 Placing Shares on the terms and subject to the condition set out in the Placing Agreement
“Placing Agent”	Astrum Capital Management Limited, a corporation licensed by the SFC to carry out Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO
“Placing Agreement”	the agreement entered into between the Placing Agent and the Company dated 26 February 2021 in relation to the Placing
“Placing Price”	HK\$0.17 per Placing Share
“Placing Shares”	a maximum of 12,000,000 Shares to be placed under the Placing
“SFC”	The Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“Share(s)”	Ordinary share(s) of HK\$0.1 each in the share capital of the Company
“Share Consolidation”	the consolidation of every ten (10) existing issued and unissued ordinary share(s) of HK0.01 each in the existing share capital of the Company into one (1) consolidated Share of HK\$0.1 each which became effective on 20 January 2021
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder(s)”	has the meaning as described thereto under the GEM Listing Rules
“%”	per cent

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

Hong Kong, 26 February 2021

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>.