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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)

FURTHER CHANGE IN USE OF PROCEEDS FROM RIGHTS ISSUE

Reference are made to (i) the prospectus of WORLDGATE GLOBAL LOGISTICS LTD (the “**Company**”) dated 8 October 2021 in relation to the use of proceeds of the rights issue (the “**Rights Issue**”) completed on 9 November 2021 (the “**2021 Prospectus**”); (ii) the Company’s announcement dated 29 August 2022 in relation to, amongst other things, the use of proceeds from the Rights Issue (the “**2022 Announcement**”); (iii) the Company’s announcement dated 5 January 2023 in relation to, amongst other things, the change in use of proceeds from Rights Issue (the “**2023 Announcement**”); and (iv) the interim report of the Company for the six months ended 30 June 2024 (the “**2024 Interim Report**”).

USE OF PROCEEDS AS REVISED PURSUANT TO THE 2023 ANNOUNCEMENT

As disclosed in the 2021 Prospectus and the 2022 Announcement, the net proceeds from the Rights Issue (net of expenses) of approximately HK\$51.9 million (“**Net Proceeds**”) was intended to be used for the expansion of the Company’s logistic service business in Hong Kong (“**Intended Use**”). As of 5 January 2023, approximately HK\$25.9 million had been utilized for the Intended Use.

As disclosed in the 2023 Announcement, approximately HK\$26.0 million has yet been utilized as at 5 January 2023 (“**2023 Unutilized Net Proceeds**”). In light of the reasons set out in the section headed “REASONS FOR THE CHANGE OF USE OF UNUTILIZED NET PROCEEDS” of the 2023 Announcement, the board (the “**Board**”) of directors of the Company (the “**Director(s)**”) resolved to change the use of the 2023 Unutilized Net Proceeds to general working capital (approximately HK\$19.0 million) and investment purpose (approximately HK\$7.0 million) (“**Revised Intended Use**”).

As at the date of this announcement, the Company has utilized approximately HK\$46.9 million of the Net Proceeds for the Intended Use and the Revised Intended Use. Set out below are details of the amount of Net Proceeds used and the remaining balance of the Net Proceeds as at the date of this announcement and the expected timeline for utilizing the remaining unused Net Proceeds as disclosed in the 2024 Interim Report.

	Planned use of Net Proceeds as stated in the 2021 Prospectus <i>HK\$'000</i>	Changed use of Net Proceeds as stated in the 2023 Announcement <i>HK\$'000</i>	Actual use of Net Proceeds up to the date of this announcement <i>HK\$'000</i>	Remaining balance of the Net Proceeds as at the date of this announcement <i>HK\$'000</i>	Expected timeline for utilizing the remaining unused Net Proceeds
Working capital for the expansion of logistics service in Hong Kong	51,942.0	25,875.2	25,875.2	–	–
Working capital	–	19,066.8	19,066.8	–	–
Investment purpose	–	7,000.0	2,000.0	5,000.0	December 2024
Total	51,942.0	51,942.0	46,942.0	5,000.0	

FURTHER CHANGE IN USE OF PROCEEDS

As at the date of this announcement, the Board has resolved and approved to further change the intended use of the unutilized Net Proceeds of approximately HK\$5.0 million for the investment purposes towards the manufacturing and trading of plastic products in Vietnam in light of the reasons set out in the section below. Set out below are details of the use of the Net Proceeds, the further change of use of unutilized Net Proceeds, the amount of the Net Proceeds utilized up to the date of this announcement, the remaining balance of the Net Proceeds after the further change of use of Net Proceeds and the expected timeline for utilizing the remaining unutilized Net Proceeds.

	Planned use of Net Proceeds as stated in the 2021 Prospectus <i>HK\$'000</i>	Further change of use of Net Proceeds <i>HK\$'000</i>	Actual use of Net Proceeds up to the date of this announcement <i>HK\$'000</i>	Remaining balance of the Net Proceeds as at the date of this announcement <i>HK\$'000</i>	Expected timeline for utilizing the remaining unused Net Proceeds
Working capital for the expansion of logistics service in Hong Kong	51,942.0	25,875.2	25,875.2	–	–
Working capital	–	19,066.8	19,066.8	–	–
Investment purpose	–	2,000.0	2,000.0	–	–
Manufacturing and trading of plastic products in Vietnam	–	5,000.0	–	5,000.0	December 2024
Total	51,942.0	51,942.0	46,942.0	5,000.0	

Reasons for the further change in use of proceeds

The Company has always been exploring investment and business cooperation opportunities to create value for the Company and its shareholders in a long term and sustainable manner. The Board is of the view that the Company should be prudent in considering any new investment, especially in the current uncertain market situation. As such, the Board considers that the Company should only invest towards segments that are showing promising results.

In light of the foregoing, based on the 2024 Interim Report, the revenue of the Company's business in manufacturing and trading of plastic products in Vietnam showed promising results with increased revenue of approximately 40% compared to the six months ended 30 June 2023. Therefore, the Board intends to apply the unutilized Net Proceeds of approximately HK\$5.0 million towards the working capital of this segment so as to strengthen its resources on manufacturing and trading of plastic products in Vietnam.

Having considered the impact of the further change in the use of Net Proceeds on the Group's business, the Board is of the view that the new allocation of Net Proceeds will enable the Group to better utilize the Net Proceeds and generate promising return to the Group. The Board believes that the further change in use of Net Proceeds will not have any material adverse effect on the existing business and operation of the Group and is in the best interests of the Company and its shareholders as a whole.

Shareholders of the Company and potential investors should exercise caution when dealing in the shares of the Company.

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

Hong Kong, 17 September 2024

As at the date of this announcement, the executive Directors are Mr. LAI Kwok Hei and Mr. CHAN Kin Ho Philip; and the independent non-executive Directors are Ms. WONG Hoi Yan Audrey, Mr. MA Kin Hung and Ms. CHEUNG Choi Hung.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM of The Stock Exchange of Hong Kong Limited 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 Listed Company Information” page of the website of The Stock Exchange of Hong Kong Limited at <http://www.hkexnews.hk> 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>.