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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)

VOLUNTARY ANNOUNCEMENT MEMORANDUM OF UNDERSTANDING IN RELATION TO THE JOINT VENTURE COOPERATION WITH SHUIFA HUAXIA GROUP CO., LTD.

This announcement is made by WORLDGATE GLOBAL LOGISTICS LTD (the “**Company**”), together with its subsidiaries, collectively the “**Group**”) on a voluntary basis to provide its shareholders and potential investors with the latest business development of the Group.

MEMORANDUM OF UNDERSTANDING FOR JOINT VENTURE COLLABORATION

The board (the “**Board**”) of directors of the Company (the “**Directors**”) is pleased to announce that on 25 January 2022 (after trading hours), the Company entered into a non-legally binding memorandum of understanding (the “**MOU**”) with Shuifa Huaxia Group Co., Ltd.* (水發華夏集團有限公司) (“**Shuifa Huaxia**”) in relation to the collaboration for the establishment of a joint venture company (the “**JV Company**”) for the development of projects (the “**JV Collaboration**”).

The parties confirmed that following the signing of the MOU, the preparation for the establishment of the JV Company may proceed until formal registration of the JV Company. A formal joint venture agreement (the “**JV Agreement**”) will be entered into based on the terms of the MOU and the actual development of projects. The parties aim to leverage and evolve around their respective core competencies to set up the JV Company to develop projects. Pursuant to the MOU, the Company will be responsible for introducing investors for project financing, custodian services for project investment funds and provision of financial advice in relation to project financing, and Shuifa Huaxia will leverage its competitive advantage as a state-owned enterprise to bring in and promote projects.

INFORMATION OF SHUIFA HUAXIA

According to public information Shuifa Huaxia is a tier-one indirect wholly-owned subsidiary of Shuifa Group Co., Ltd.* (水發集團有限公司) (“**Shuifa Group**”). Shuifa Huaxia is principally engaged in the businesses of clean energy, environmental protection and smart communities. As of the end of 2020, Shuifa Huaxia had total assets of about RMB16 billion

and business operation in various provinces in the PRC including Shandong, Shanxi, Hebei, Inner Mongolia, Zhejiang, Beijing, Heilongjiang, Liaoning, Gansu. With the benefit of being a state-owned enterprise, Shuifa Huaxia focuses on its core businesses with an aim to build an industrial group with core competitiveness and build a modern energy system integrating “source, network, loading and storage” by expanding the scale of its wind power and photovoltaic operations. Shuifa Huaxia also makes active deployments in growing its power distribution network and integrated energy services, building new energy charging piles, 5G communication tower construction and leasing, accelerating the transformation to intelligent power grid infrastructure and constructing smart micro-grids, and fully tapping the adjustment capabilities of power supply and energy storage so as to achieve rapid development in its clean energy operation.

Shuifa Group is a state-owned enterprise whose ultimate controlling shareholder is the State-owned Assets Supervision and Administration Commission of the State Council of the Shandong Province of the PRC* (山東省國有資產監督管理委員會). Shuifa Group is principally engaged in the operation of water projects and environment management, modern agriculture, cultural tourism and renewable energy business segments in the PRC.

REASONS FOR AND BENEFITS OF THE JV COOPERATION

In 2020, the Company acquired approximately 33.3% equity interest in Grand Moore Capital Limited (“**Grand Moore**”), a company incorporated in Hong Kong with limited liability and a corporation licensed by the Securities and Futures Commission of Hong Kong to conduct type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance (Cap. 571 of the laws of Hong Kong). The Board considers that the collaboration between the parties pursuant to the MOU provides considerable investment and business opportunities for the Group to benefit from the thriving clean energy and environmental projects in the PRC to be introduced and promoted by Shuifa Huaxia which has a core strength and a wealth of experience in these fields. The JV Collaboration is in line with the current policy the PRC government particularly featured in the “Opinions on the Complete, Accurate and Comprehensive Implementation of the New Development Concept and Do a Good Job in Carbon Peak and Carbon Neutrality (《關於完整準確全面貫徹新發展理念做好碳達峰碳中和工作的意見》)” promulgated by the State Council of the PRC. Apart from the fees and commissions to be generated by Grand Moore from provision of financial advisory services and introducing investors for project financing in respect of the JV Company, the Group may also benefit from investment opportunities in good projects through the JV Company.

The Directors consider that the terms of the MOU are fair and reasonable and the JV Collaboration is in the interest of the Company and its shareholders as a whole.

GENERAL

As at the date of this announcement, no definitive agreement has been entered into in respect of the JV Collaboration. The JV Collaboration is subject to the entering into of the JV Agreement, as such, the JV Collaboration may or may not proceed. If the JV Collaboration materializes, it may constitute notifiable transaction(s) for the Company under the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the “GEM Listing Rules”).

The Company will keep shareholders and potential investors of the Company informed and make further announcement(s) as and when appropriate in compliance with the applicable requirements under the GEM Listing Rules. Shareholders and potential investors of the Company are advised to 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, 25 January 2022

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 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>.

* *For identification purpose only*