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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)

(1) MEMORANDUM OF UNDERSTANDING IN RESPECT OF PROPOSED FORMATION OF A JOINT VENTURE; AND (2) UNUSUAL PRICE AND TRADING VOLUME MOVEMENTS; AND (3) TRADING HALT AND RESUMPTION OF TRADING

This announcement is made by the Company pursuant to Rule 17.10 of the GEM Listing Rules and the inside information provisions under Part XIVA of the SFO.

THE MOU

The Company is pleased to announce that on 9 October 2017 during the share trading hours, the Company, Brilliance International Auto Trade and Shangzhengda entered into the MOU in respect of the proposed formation of a joint venture in the PRC which shall in the PRC develop big health and gene inspection businesses and provide high-end overseas medical services.

The MOU recorded the parties' intention as to the establishment of the Joint Venture and does not constitute legally binding commitment in respect of the establishment of the Joint Venture and other transactions ancillary thereto. The proposed establishment of the Joint Venture and the ancillary transactions will be subject to the execution and completion of the relevant formal agreement(s). The entering into of the relevant formal agreement(s) may constitute notifiable transactions of the Company, and it will comply with applicable provisions of the GEM Listing Rules in relation to these possible notifiable transactions if so required.

UNUSUAL PRICE AND TRADING VOLUME MOVEMENTS

The Company has noted the recent increases in the price and trading volume of the Shares. Having made such enquiry with respect to the Company as is reasonable in the circumstances, the Company confirms that save as disclosed in this announcement, it is not aware of any reasons for these price or volume movements or of any information which must be announced to avoid a false market in the Shares or of any inside information that needs to be disclosed under Part XIVA of the SFO.

TRADING HALT AND RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the GEM was halted with effect from 1:00 p.m. on 9 October 2017 pending the release of this announcement. Application has been made to the Stock Exchange to resume trading of the Shares with effect from 9:00 a.m. on 10 October 2017.

THE MOU

This announcement is made by the Company pursuant to Rule 17.10 of the GEM Listing Rules and the inside information provisions under Part XIVA of the SFO.

The Company is pleased to announce that on 9 October 2017 during the share trading hours, the Company, Brilliance International Auto Trade and Shengzhengda entered into the MOU in respect of the proposed formation of a joint venture in the PRC, details of which are set out as follows:

- Date : 9 October 2017
- Parties to the MOU : (i) the Company
(ii) Brilliance International Auto Trade
(iii) Shangzhengda
- Proposed name : 正大華晨大健康有限公司 (Zhengda Brilliance Big Health Company Limited*)
- Registered capital : RMB15,000,000 (equivalents to approximately HK\$17,606,250)
- Business scope : Develop big health and gene inspection in the PRC and provide high-end overseas medical services
- Respective equity interests in the Joint Venture: : The Company, Brilliance International Auto Trade and Shengzhengda shall hold 51%, 39% and 10% equity interests in the Joint Venture respectively.

The Company shall contribute all the registered capital of the Joint Venture in cash and integrates resources of medical services and clientele in Malaysia and South East Asia into the Joint Venture, Brilliance International Auto Trade shall share its own high-end customer resources, and Shangzhengda shall offer consultancy services to the Joint Venture.

PRINCIPAL TERMS OF THE MOU

The principal terms of the MOU include:

- (1) Within 2 days after the signing of the MOU, the parties shall negotiate in good faith and execute, if thought fit, the formal agreement on or before 30 November 2017.

- (2) Within 30 days after the signing of the MOU, each of the parties shall not directly or indirectly consult, negotiate or reach an understanding or any form of negotiation or arrangement with any other party relating to the business of the Joint Venture.
- (3) Any party shall not be entitled to any intellectual property rights (including but not limited to copyrights, trademarks, trade secrets, technical know-hows etc.) owned by the other two parties or the rights attaching thereto.
- (4) The MOU shall be terminated upon the earlier of:
 - (i) the formal agreement in relation to the Joint Venture having been entered into by the parties;
 - (ii) any party, without giving any reason, giving one-month written notice to the other parties; or
 - (iii) 60 days after the signing of the MOU.

INFORMATION ABOUT BRILLIANCE INTERNATIONAL AUTO TRADE AND SHANGZHENGDA

Brilliance International Auto Trade, a company established in the PRC with limited liability, is principally engaged in sales of internationalised and modern high-end special purpose vehicles, after-sales service and import-export business. Brilliance International Auto Trade is a subsidiary of Brilliance Automotive Group. Brilliance Automotive Group is a state-owned enterprise established in 2002 in accordance with the decision of the PRC central government and the approval of the provincial government of Liaoning Province, the PRC. It is a leading enterprise in the automotive industry in the PRC with more than 50,000 staff and total assets of approximately RMB140 billion. At present, Brilliance Automotive Group is the controlling shareholder of four listed companies, namely, 華晨中國汽車控股有限公司 (Brilliance China Automotive Holdings Limited*), a company listed on the Stock Exchange under stock code 1114; 上海申華控股股份有限公司 (Shanghai Shenhua Holding Co., Ltd.*), a company listed on the Shanghai Stock Exchange under stock code 600653; 金杯汽車股份有限公司 (Jinbei Automobile Co., Ltd.*), a company listed on the Shanghai Stock Exchange under stock code 600609; 新晨中國動力控股有限公司 (Xin Chen China Power Holdings Limited*), a company listed on the Stock Exchange under stock code 1148 and has interest in more than 100 wholly-owned and non wholly-owned companies. The businesses of Brilliance Automotive Group spans from the design, research and development and manufacture and sale of automotive, engine and core components and automotive aftermarket business to new energy development.

Shangzhengda is a company established in the PRC with limited liability. It is principally engaged in gene inspection, storage and cure of stem cell, and the research and development of anti-aging cosmetic and health products and their application technologies. Shangzhengda is the first company in the field of genetic testing which promotes “genetic testing-oriented precision health management”. Headquartered in Shanghai, Shangzhengda specializes in international life and health science in the field of top biological therapy and anti-aging research and development and application technology. Shangzhengda brings together a consultant team of Chinese and foreign experts in life sciences with deep academic background. While maintaining the forefront of the international biomedical technology at the same

time, it provides customers with new, high-end, individualized biological treatment program. The main businesses of Shangzhenda comprise stem cell storage, stem cell research and treatment, gene screening diagnosis and treatment and international high-end medical services.

To the best of the knowledge, information and belief of the directors of the Company and having made all reasonable enquiries, Brilliance International Auto Trade and Shangzhengda and their respective ultimate beneficial owners are third parties independent of the Company and not connected persons of the Company under the GEM Listing Rules.

REASONS FOR ENTERING INTO THE MOU

The Group is principally engaged in the provision of comprehensive international freight services, transportation services as well as warehousing services to customers worldwide.

Formation of the Joint Venture is a co-operation of three strengths. As a listed company on the Stock Exchange, the Company may tap on the international capital market in Hong Kong which are attracted to international investors to finance the establishment and future development of the Joint Venture when necessary. It can also bring in customers from Malaysia and the South-East Asia. Leverage Brilliance International Auto Trade's access to a wealth of high income group customers in the PRC and Shangzhengda's advance technology in the field, the Joint Venture is an in-depth cooperation in the big health business between the parties with an aim to build the Joint Venture's health technology platform and proactively collaborate the plan for development of health business in PRC.

The Directors consider that the entering into the MOU and proceeding with the Joint Venture can expand the diversity of services offered by the Company and are in the best interests of the Company and the Shareholders as a whole.

GENERAL

The Memorandum of Understanding recorded the parties' intention as to the establishment of the Joint Venture and does not constitute legally binding commitment in respect of the establishment of the Joint Venture and other transactions ancillary thereto. The proposed establishment of the Joint Venture and the ancillary transactions will be subject to the execution and completion of the relevant formal agreement(s). The entering into of the relevant formal agreement(s) may constitute notifiable transactions of the Company, and it will comply with applicable provisions of the GEM Listing Rules in relation to these possible notifiable transactions if so required.

Shareholders and potential investors of the Company should be aware that the MOU is non-legally binding save for the exclusivity right of negotiation during the exclusivity period and confidentiality and details and terms of the Joint Venture are subject to commercial negotiations between the parties to the MOU. As the Joint Venture may or may not be established, shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

UNUSUAL PRICE AND TRADING VOLUME MOVEMENTS

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DEFINITIONS

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

“Board”	the Board of Directors
“Brilliance Automotive Group”	華晨汽車集團控股有限公司 (Brilliance Automotive Group Holdings Limited*), a stated-owned enterprise established in the PRC
“Brilliance International Auto Trade”	華晨國際汽貿(大連)有限公司 (Brilliance International Auto Trade (Dalian) Company Limited*), a company incorporated in the PRC with limited liability, a subsidiary of Brilliance Automotive Group
“Company”	Worldgate Global Logistics Ltd, a company incorporated in the Cayman Islands as an exempted company with limited liability, the issued Shares of which are listed on GEM (Stock Code: 8292)
“Directors”	the directors of the Company
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Joint Venture”	正大華晨大健康有限公司 (Zhengda Brilliance Big Health Company Limited*), a joint venture company to be incorporated in the PRC as contemplated under the MOU

“MOU”	the memorandum of understanding dated 9 October 2017 entered into between the Company, Brilliance International Auto Trade and Shangzhengda in relation to the Joint Venture
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong)
“Shangzhengda”	上正大(上海)基因生物工程有限公司 (Shangzhengda (Shanghai) Genetic and Biological Engineering Company Limited*), a company incorporated in the PRC with limited liability
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholders”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

* *In this announcement, the English names of the PRC entities are translation of their Chinese names and included herein for identification purposes only. In the event of any inconsistency, the Chinese names shall prevail.*

** *For the purpose of this announcement, conversions of RMB into HK\$ are based on approximate exchange rate of RMB1.00 to HK\$1.1735.*

By order of the Board
Worldgate Global Logistics Ltd
Lee Chooi Seng
Chairman

Hong Kong, 9 October 2017

As at the date of this announcement, the executive Directors are Mr. Lee Chooi Seng and Mr. Chin Seng Leong; the non-executive Director is Dato’ Tan Yee Boon and the independent non-executive Directors are Mr. Lee Kwok Tung Louis, Mr. Liew Weng Keat and Mr. Wong Siu Keung Joe.

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 GEM website at <http://www.hkgem.com> on the “Latest Company Announcements” page for at least 7 days from the day of its publication and on the website of the Company at <http://www.worldgate.com.hk>.