

Unless otherwise defined, capitalised terms and expressions used in this announcement shall have the same meanings as those defined in the prospectus (the “**Prospectus**”) of WORLDGATE GLOBAL LOGISTICS LTD (the “**Company**”) dated 28 June 2016.

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This announcement is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities. Potential investors should read the Prospectus for detailed information about the Placing described below before deciding whether or not to invest in the Shares thereby being offered.

WORLDGATE GLOBAL LOGISTICS LTD

盛良物流有限公司

(Incorporated in the Cayman Islands with limited liability)

LISTING ON THE GROWTH ENTERPRISE MARKET OF THE STOCK EXCHANGE OF HONG KONG LIMITED BY WAY OF PLACING

Number of Placing Shares : 200,000,000 Placing Shares
Placing Price : HK\$0.35 per Placing Share (payable in full upon application, plus brokerage fee of 1%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005%, and subject to refund)
Nominal Value : HK\$0.01 each
Stock Code : 8292

Sponsor

AmCap

Ample Capital Limited

豐盛融資有限公司

Lead Manager and Sole Bookrunner

AmCap

Ample Orient Capital Limited

Co-Lead Managers



太平基業證券有限公司
Pacific Foundation Securities Limited

Co-Managers



Convoy Investment Services Limited
康宏証券投資服務有限公司

SUMMARY

- The Placing Price has been determined at HK\$0.35 per Placing Share (exclusive of brokerage of 1%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005%).
- Based on the Placing Price of HK\$0.35 per Placing Share, the net proceeds from the Placing to be received by the Company, after deducting the underwriting fees and other expenses payable by the Group in relation to the Placing, are estimated to be approximately HK\$51.6 million. The Directors intend to apply the net proceeds from the Placing in accordance with the purposes set forth in the section headed “Future Plans and Use of Proceeds” in the Prospectus.
- The 200,000,000 Placing Shares offered by the Company under the Placing have been slightly oversubscribed.
- Pursuant to the Placing, 200,000,000 Placing Shares have been conditionally allocated to a total of 142 selected professional, institutional and other investors in Hong Kong.
- The Offer Size Adjustment Option has not been exercised by AOCL and has lapsed.
- The Directors confirm that, to the best of their knowledge and belief, all placees under the Placing are independent of and not connected with the Company and any of the Directors, chief executive, Controlling Shareholders, Substantial Shareholders or significant shareholders (as defined under the GEM Listing Rules) of the Company or any of its subsidiaries, and their respective close associates (as defined in the GEM Listing Rules), and are not any person or group of persons as stated in Rule 10.12(4) of the GEM Listing Rules or any nominees of the foregoing, and none of the Placing Shares subscribed by the placees has been financed directly or indirectly by any of the Directors, chief executive, Controlling Shareholders, Substantial Shareholders or significant shareholders of the Company or any of its subsidiaries or their respective close associates, and none of the placees is accustomed to taking instructions from any of the Directors, chief executive, Controlling Shareholders, Substantial Shareholders or significant shareholders of the Company or any of its subsidiaries or their respective close associates in relation to the acquisition, disposal, voting or other disposition of Shares registered in his/her/its name or otherwise held by him/her/it. No placee, individually, has been or will be placed more than 10% of the enlarged issued share capital of the Company immediately after completion of the Capitalisation Issue and the Placing. The Directors confirm that there will not be any new Substantial Shareholder within the meaning of the GEM Listing Rules immediately after completion of the Capitalisation Issue and the Placing.

- Pursuant to Rule 11.23(7) of the GEM Listing Rules, the Company is required to maintain a public float of at least 25% of its total number of issued shares at the time of Listing and at all times thereafter. Pursuant to Rule 11.23(8) of the GEM Listing Rules, not more than 50% of the Shares in public hands at the time of Listing shall be beneficially owned by the three largest public shareholders. The Directors confirm that, immediately after completion of the Capitalisation Issue and the Placing, the public float of the Company will be 25% of the enlarged issued share capital of the Company, and not more than 50% of the Shares in public hands at the time of Listing will be beneficially owned by the three largest public Shareholders.
- No receipt will be issued for subscription monies for the Placing Shares. The Company will not issue temporary documents of title.
- Dealings in the Shares on GEM are expected to commence at 9:00 a.m. (Hong Kong time) on Wednesday, 6 July 2016. The Shares will be traded in board lots of 10,000 Shares each. The stock code for the Shares is 8292.
- **Investors should be aware that the concentration of Shareholders may affect the liquidity of the Shares. Consequently, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

PLACING PRICE AND USE OF NET PROCEEDS

The Placing Price has been determined at HK\$0.35 per Placing Share (exclusive of brokerage of 1%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005%).

Based on the Placing Price of HK\$0.35 per Placing Share, the net proceeds from the Placing to be received by the Company, after deducting the underwriting fees and other expenses payable by the Group in relation to the Placing, are estimated to be approximately HK\$51.6 million. The Directors intend to apply the net proceeds from the Placing in accordance with the purposes set forth in the section headed “Future Plans and Use of Proceeds” in the Prospectus in the following manner:

- (a) approximately HK\$14.6 million, representing approximately 28.3% of the estimated net proceeds, for further expanding its representative/branch office in major gateways of Malaysia
- (b) approximately HK\$4.4 million, representing approximately 8.5% of the estimated net proceeds, for expanding the scope of services. As at the Latest Practicable Date, the Directors confirm that the Group has not identified any target warehouse for expansion
- (c) approximately HK\$6.5 million, representing approximately 12.6% of the estimated net proceeds, for further strengthening the information technology systems

- (d) approximately HK\$0.3 million, representing approximately 0.6% of the estimated net proceeds, for attracting and retaining talented and experienced employees
- (e) approximately HK\$17.7 million, representing approximately 34.3% of the estimated net proceeds, for growing the business strategically through business acquisitions or business collaboration
- (f) approximately HK\$3.4 million, representing approximately 6.6% of the estimated net proceeds, for repayment of bank loan with interest rate of 4.65% (based on interest rate as at 31 December 2015) and maturity date in 2029
- (g) approximately HK\$4.7 million, representing approximately 9.1% of the estimated net proceeds, for working capital

LEVEL OF INDICATION OF INTERESTS UNDER THE PLACING

The 200,000,000 Placing Shares offered by the Company under the Placing have been slightly over-subscribed.

As at the date of this announcement, the Offer Size Adjustment Option has not been exercised by AOCL and has lapsed.

RESULTS OF ALLOCATION

Pursuant to the Placing, 200,000,000 Placing Shares have been conditionally allocated to a total of 142 selected professional, institutional and other investors in Hong Kong. A total of 123 placees have been allotted two board lots of Shares or less, representing approximately 86.62% of the total number of placees under the Placing. The distribution of the Placing Shares is set forth as below:

	Aggregate number of Placing Shares allocated	Approximate percentage of the total number of Placing Shares allocated	Approximate percentage of shareholding over the enlarged issued share capital of the Company immediately after completion of the Capitalisation Issue and the Placing
Top placee	36,000,000	18.0%	4.5%
Top 5 placees	134,000,000	67.0%	16.8%
Top 10 placees	181,000,000	90.5%	22.6%
Top 25 placees	198,160,000	99.1%	24.8%

Number of Placing Shares allocated	Number of Placees
10,000 to 100,000	123
100,001 to 1,000,000	4
1,000,001 to 2,000,000	1
2,000,001 to 3,000,000	1
3,000,001 and above	<u>13</u>
 Total	 <u><u>142</u></u>

The Directors confirm that, to the best of their knowledge and belief, all placees under the Placing are independent of and not connected with the Company and any of the Directors, chief executive, Controlling Shareholders, Substantial Shareholders or significant shareholders (as defined under the GEM Listing Rules) of the Company or any of its subsidiaries, and their respective close associates (as defined in the GEM Listing Rules), and are not any person or group of persons as stated in Rule 10.12(4) of the GEM Listing Rules or any nominees of the foregoing, and none of the Placing Shares subscribed by the placees has been financed directly or indirectly by any of the Directors, chief executive, Controlling Shareholders, Substantial Shareholders or significant shareholders of the Company or any of its subsidiaries or their respective close associates, and none of the placees is accustomed to taking instructions from any of the Directors, chief executive, Controlling Shareholders, Substantial Shareholders or significant shareholders of the Company or any of its subsidiaries or their respective close associates in relation to the acquisition, disposal, voting or other disposition of Shares registered in his/her/its name or otherwise held by him/her/it. No placee, individually, has been or will be placed more than 10% of the enlarged issued share capital of the Company immediately after completion of the Capitalisation Issue and the Placing. The Directors confirm that there will not be any new Substantial Shareholder within the meaning of the GEM Listing Rules immediately after completion of the Capitalisation Issue and the Placing.

Investors should be aware that the concentration of Shareholders may affect the liquidity of the Shares. Consequently, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

MINIMUM PUBLIC FLOAT REQUIREMENT

Pursuant to Rule 11.23(7) of the GEM Listing Rules, the Company is required to maintain a public float of at least 25% of its total number of issued shares at the time of Listing and at all times thereafter. Pursuant to Rule 11.23(8) of the GEM Listing Rules, not more than 50% of the Shares in public hands at the time of Listing shall be beneficially owned by the three largest public shareholders. The Directors confirm that, immediately after completion of the Capitalisation Issue and the Placing, the public float of the Company will be 25% of the enlarged issued share capital of the Company, and not more than 50% of the Shares in public hands at the time of Listing will be beneficially owned by the three largest public Shareholders.

DEPOSIT OF SHARE CERTIFICATES INTO CCASS

Subject to the approval of the listing of, and permission to deal in, the Shares on GEM and the compliance with the stock admission requirements of HKSCC, the Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the Listing Date (i.e. Wednesday, 6 July 2016) or on any other date as determined by HKSCC.

Settlement of transactions between participants of the Stock Exchange is required to take place in CCASS on the second business day after any trading day. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. All necessary arrangements have been made for the Shares to be admitted into CCASS.

No receipt will be issued for subscription monies for the Placing Shares. The Company will not issue temporary documents of title.

The share certificates for the Placing Shares allotted and issued to the placees will be deposited into CCASS on Tuesday, 5 July 2016 for credit to the respective CCASS participants' or the CCASS investor participants' stock accounts designated by AOCL (for itself and on behalf of the Underwriters), the placees or their respective agents (as the case may be).

Prospective investors of the Placing Shares should note that AOCL (for itself and on behalf of the Underwriters) is entitled, in its discretion, to terminate its obligations under the Underwriting Agreement by giving notice in writing to the Company upon the occurrence of any of the events set forth under the section headed "Underwriting — 2.2 Grounds for termination" in the Prospectus at any time prior to 8:00 a.m. (Hong Kong time) on the Listing Date, i.e. Wednesday, 6 July 2016. In the event that the Underwriting Agreement is terminated, the Placing will lapse and thereafter, all money received will be refunded to applicants of the Placing without interests and the Stock Exchange will be notified immediately. Notice of the lapse of the Placing will be published by the Company on the Stock Exchange's website at www.hkexnews.hk and the Company's website at www.worldgate.com.my accordingly.

All share certificates for the Placing Shares will only become valid certificates of title when the Placing has become unconditional in all respects and the Underwriting Agreement has not been terminated in accordance with its terms prior to 8:00 a.m. (Hong Kong time) on the Listing Date.

COMMENCEMENT OF DEALINGS

Dealings in the Shares on GEM are expected to commence at 9:00 a.m. (Hong Kong time) on Wednesday, 6 July 2016. If there is any change to the expected timetable, an announcement will be published immediately by the Company on the Stock Exchange's Website at www.hkexnews.hk and the Company's website at www.worldgate.com.my. Shares will be traded in board lots of 10,000 Shares each. The stock code for the Shares is 8292.

By order of the Board
WORLDGATE GLOBAL LOGISTICS LTD
Lee Chooi Seng
Chairman

Hong Kong, 5 July 2016

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. Wong Siu Keung Joe, Mr. Liew Weng Keat and Mr. Lee Kwok Tung Louis.

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, (i) the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive; and (ii) there are no other matters the omission of which would make any statement herein or in this announcement misleading.

This announcement will remain on the GEM Website at www.hkgem.com and in the case of this announcement, on the "Latest Company Announcements" page for at least 7 days from the day of its posting. This announcement will also be published on the Company's website at www.worldgate.com.my.