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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)

PROFIT WARNING

This announcement is made by Worldgate Global Logistics Ltd (the “**Company**” and together with its subsidiaries, the “**Group**”) pursuant to Rule 17.10 of the Rules (the “**GEM Listing Rules**”) Governing the Listing of Securities on the Growth Enterprise Market (“**GEM**”) of The Stock Exchange of Hong Kong Limited and the Inside Information Provisions (as defined in the GEM Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong).

The board (the “**Board**”) of directors of the Company (the “**Directors**”) wishes to inform the shareholders of the Company and potential investors that, based on the Group’s draft unaudited consolidated management accounts for the year ended 31 December 2016 (the “**Year 2016**”), the Group is expected to record a net loss for the Year 2016 as compared to the net profit for year ended 31 December 2015 (the “**Year 2015**”).

The loss was mainly due to recognition of the one-off listing expenses, and an increase in administrative expense including but not limited to the establishment of office premises and hiring additional staff in Hong Kong. Nevertheless, in order to cope with the keen competition of air freight business in Malaysia, during the fourth quarter, the Company reasonably lower its gross profit margin in an attempt to attract more customers as well as retaining existing customers and boost the revenue. As a result, the revenue increased despite a decrease in gross profit and gross profit rate. It is expected that the revenue for the Year 2016 increased by approximately 20% comparing to the Year 2015 and the gross profit for the Year 2016 decreased by not more than 20 % comparing to Year 2015.

The information in this announcement is only based on the information currently available to the Company and the draft unaudited consolidated management accounts of the Group for the Year 2016, which have not been finalized as at the date of this announcement. The financial result of the Group for the Year 2016 will be announced on March 2017.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

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

Hong Kong, 7 March 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. 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 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>.