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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 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 2017 (the “**Year 2017**”), for the one-off listing expenses incurred in previous year were excluded (adding back the one-off the listing expenses to loss), the Group is expected to record a loss for the Year 2017 as compared to a profit for year ended 31 December 2016 (the “**Year 2016**”).

The loss for the Year 2017 was mainly due to (i) in order to cope with the keen competition in the industry, the Group reasonably lower its gross profit margin in an attempt to attract more customers as well as retaining exiting customers and boost the revenue since the fourth quarter of the Year 2016, (ii) the Group entered into an “AMENDMENT TO THE LOGISTICS SERVICES AGREEMENT” with a major customer. The status had been changed from Regional Service Provider (RSP) to Local Service Provider (LSP) effective from 1 August 2017 and (iii) the Group recorded a significant decrease in revenue in the fourth quarter of Year 2017 comparing to that of the corresponding period for the Year 2016. As a result, the revenue for the Year 2017 decreased by approximately 10% as compared to that of the Year 2016 and the gross profit margin decreased from approximately 17% for the Year 2016 to approximately 15% for the Year 2017.

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 2017, which have not been finalized as at the date of this announcement. The financial result of the Group for the Year 2017 will be announced on 22 March 2018.

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, 13 March 2018

As at the date of this announcement, the executive Directors are Mr. Lee Chooi Seng, Mr. Chin Seng Leong and Ms. Wen Jianping; 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 "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>.