



GAMMA LOGISTICS CORPORATION

(Incorporated in the Cayman Islands with limited liability)

Stock code: 8310

2013 Third Quarterly Report



CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET OF THE STOCK EXCHANGE OF HONG KONG LIMITED

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This report, for which the directors (the “Directors”) of Gamma Logistics Corporation (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (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 report 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 report misleading.

The board of Directors of the Company (the "Board") is pleased to present the unaudited consolidated financial results of the Company and its subsidiaries (collectively referred to as "the Group") for the three months and nine months ended 30 September 2013 together with the comparative figures for the corresponding periods in 2012 as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three months and nine months ended 30 September 2013

	Note	Unaudited Three months ended 30 September		Unaudited Nine months ended 30 September	
		2013 HK\$'000	2012 HK\$'000	2013 HK\$'000	2012 HK\$'000
Revenue	2	121,578	113,701	355,864	321,112
Cost of sales		(99,700)	(91,018)	(287,664)	(256,357)
Gross profit		21,878	22,683	68,200	64,755
Other income		346	1,061	864	2,062
Administrative expenses		(24,299)	(18,315)	(61,254)	(57,742)
Finance costs	3	(337)	(571)	(943)	(2,187)
Share of results of associates		872	1,256	1,134	2,070
Profit (loss) before taxation	3	(1,540)	6,114	8,001	8,958
Taxation	4	(136)	(857)	(2,360)	(1,498)
Profit (loss) for the period		(1,676)	5,257	5,641	7,460
Other comprehensive income:					
Item that may be reclassified to profit or loss in subsequent periods					
Exchange difference arising from translation of foreign operations		-	-	-	395
Total comprehensive income (loss) for the period		(1,676)	5,257	5,641	7,855

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three months and nine months ended 30 September 2013

	Note	Unaudited Three months ended 30 September		Unaudited Nine months ended 30 September	
		2013	2012	2013	2012
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
Profit (loss) attributable to:					
Equity holders of the Company		(2,635)	3,285	2,518	3,880
Non-controlling interests		959	1,972	3,123	3,580
		(1,676)	5,257	5,641	7,460
Total comprehensive income (loss) attributable to:					
Equity holders of the Company		(2,635)	3,285	2,518	4,275
Non-controlling interests		959	1,972	3,123	3,580
		(1,676)	5,257	5,641	7,855
Earnings (Loss) per share attributable to equity holders of the Company					
Basic and Diluted	6	(0.38) HK cents	0.55 HK cents	0.40 HK cents	0.65 HK cents



NOTES TO THE UNAUDITED CONSOLIDATED QUARTERLY FINANCIAL STATEMENT

For the three months and nine months ended 30 September 2013

1. REORGANISATION OF THE GROUP AND BASIS OF PREPARATION

Group reorganisation

The Company was incorporated in the Cayman Islands on 13 September 2011 as an exempted company with limited liability under the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. Pursuant to a group reorganisation completed on 3 August 2013 (the “Reorganisation”) to rationalise the corporate structure in preparation for the listing of the Company’s shares on the Growth Enterprise Market (“GEM”) of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”), the Company became intermediate holding company of the Group (collectively referred to as the “Group”) and Golden Fame International Investments Group Limited (“GFII”) became the ultimate holding company of the Group. Details of the Reorganisation were set out in the prospectus of the Company dated 14 August 2013 (the “Prospectus”).

The shares of the Company were listed on the GEM of the Stock Exchange on 22 August 2013 (the “Listing”).

As the Group were controlled by the ultimate holding company of the Group (the “Controlling Party”) before and after the Reorganisation, the Reorganisation is considered as a business combination under common control and is accounted for by applying the principles of the merger accounting under Hong Kong Accounting Guideline 5 “Merger accounting for common control combinations” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”).

Under this basis, the unaudited consolidated third quarterly financial statements for the three months and nine months ended 30 September 2013 (the “Third Quarterly Financial Statements”), including comparative figures, are presented as if the current group structure had been in existence on 1 January 2012, as appropriate, the beginning of the earliest period presented.

NOTES TO THE UNAUDITED CONSOLIDATED QUARTERLY FINANCIAL STATEMENT

For the three months and nine months ended 30 September 2013

Basis of preparation

The Third Quarterly Financial Statements have been prepared in accordance with the applicable disclosure requirements of Chapter 18 of the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (the "GEM Listing Rules").

The preparation of the Third Quarterly Financial Statements requires the management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

The Third Quarterly Financial Statements include an explanation of events and transactions that are significant to an understanding of the financial performances of the Group since 1 January 2013, and therefore, do not include all of the information required for full set of financial statements prepared in accordance with the Hong Kong Financial Reporting Standards ("HKFRS") which collective term includes all applicable individual HKFRS, Hong Kong Accounting Standards and Interpretations issued by the HKICPA. They shall be read in conjunction with the accountants' report as set out in Appendix I of the Prospectus (the "Accountants' Report").

The Third Quarterly Financial Statements have been prepared on the historical costs basis.

The accounting policies and methods of computation applied in the preparation of the Third Quarterly Financial Statements are consistent with those applied in preparing the Accountants' Report.

Adoption of new/revised HKFRS

The adoption of the new/revised HKFRS that are relevant to the Group and effective from the current period, did not have any significant effect on the results and financial position of the Group for the current and prior accounting periods.

The Group has not early adopted any new/revised HKFRS that have been issued but are not yet effective for the current period. The Directors have already commenced an assessment of the impact of these new and revised HKFRS but are not yet in a position to reasonably estimate whether these new and revised HKFRS would have a significant impact on the Group's results of operations and financial position.

NOTES TO THE UNAUDITED CONSOLIDATED QUARTERLY FINANCIAL STATEMENT

For the three months and nine months ended 30 September 2013

2. REVENUE

Revenue, which represents income from provision of integrated logistics freight services, provision of fuel cards and provision of tractor repair and maintenance and insurance agency service, is analysed by category as follows:

	Unaudited Three months ended 30 September		Unaudited Nine months ended 30 September	
	2013 HK\$'000	2012 HK\$'000	2013 HK\$'000	2012 HK\$'000
Income from provision of integrated logistics freight services	114,713	109,769	339,821	309,179
Income from provision of fuel cards	6,445	3,721	15,304	11,519
Tractor repair and maintenance fee and insurance agency fee	420	211	739	414
	121,578	113,701	355,864	321,112

3. PROFIT (LOSS) BEFORE TAXATION

	Unaudited Three months ended 30 September		Unaudited Nine months ended 30 September	
	2013 HK\$'000	2012 HK\$'000	2013 HK\$'000	2012 HK\$'000
This is stated after charging:				
Finance costs				
Interest on bank loans, overdrafts and other borrowings wholly repayable within five years	254	507	644	1,987
Finance charge on obligations under finance leases	83	64	299	200
	337	571	943	2,187
Other item				
Depreciation	1,971	2,087	6,432	6,293

NOTES TO THE UNAUDITED CONSOLIDATED QUARTERLY FINANCIAL STATEMENT

For the three months and nine months ended 30 September 2013

4. TAXATION

Hong Kong Profits Tax has been provided at the rate of 16.5% (2012: 16.5%) of the estimated assessable profits for the period. The People's Republic of China ("PRC") Enterprise Income Tax is calculated at the prevailing tax rate at 25% on taxable income determined in accordance with the relevant laws and regulations in the PRC.

	Unaudited Three months ended 30 September		Unaudited Nine months ended 30 September	
	2013	2012	2013	2012
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Current tax				
Hong Kong Profits Tax	(143)	807	1,861	1,376
PRC Enterprise Income Tax				
— Current period	279	50	394	109
— Under-provision in prior period	—	—	105	13
	279	50	499	122
	136	857	2,360	1,498

5. DIVIDEND

The Board does not recommend the payment of an interim dividend for the nine months ended 30 September 2013 (2012: Nil).

NOTES TO THE UNAUDITED CONSOLIDATED QUARTERLY FINANCIAL STATEMENT

For the three months and nine months ended 30 September 2013

6. EARNINGS (LOSS) PER SHARE

Basic earnings (loss) per share for the three months and nine months ended 30 September 2013 and 2012 is calculated by dividing the profit (loss) attributable to the equity holders of the Company by the weighted average number of ordinary shares in issue.

In determining the weighted average number of ordinary shares in issue, 9,999,999 ordinary shares issued as consideration for the acquisition of the entire issued share capital of Gamma Logistics (B.V.I.) Corporation ("GLBVI") and the capitalisation issue of 590,000,000 ordinary shares upon the Listing on 22 August 2013 were deemed to have been in issue on 1 January 2012 for the purpose of the calculation of basic earnings (loss) per share.

	Unaudited Three months ended 30 September		Unaudited Nine months ended 30 September	
	2013 HK\$'000	2012 HK\$'000	2013 HK\$'000	2012 HK\$'000
Profit (loss) attributable to equity holders of the Company	(2,635)	3,285	2,518	3,880
Weighted average number of ordinary shares in issue	684,782,609	600,000,000	628,571,429	600,000,000
Basic earnings (loss) per share	(0.38) HK cents	0.55 HK cents	0.40 HK cents	0.65 HK cents

Basic and diluted earnings (loss) per share amounts are the same as the Company did not have any dilutive potential ordinary shares during the periods.

NOTES TO THE UNAUDITED CONSOLIDATED QUARTERLY FINANCIAL STATEMENT

For the three months and nine months ended 30 September 2013

7. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to equity holders of the Company							Total	Non-controlling interests	Total equity
	Share capital	Share premium	Capital reserve	Exchange reserve	Statutory reserves	Other reserves	Accumulated profits			
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
For the nine months ended 30 September 2012										
At 1 January 2012 (audited)	-	-	(18,224)	937	170	-	24,757	7,640	7,512	15,152
Profit for the period	-	-	-	-	-	-	3,880	3,880	3,580	7,460
Other comprehensive income										
Exchange difference arising from translation of foreign operations	-	-	-	395	-	-	-	395	-	395
Total comprehensive income for the period	-	-	-	395	-	-	3,880	4,275	3,580	7,855
Dividend	-	-	-	-	-	-	-	-	(2,000)	(2,000)
At 30 September 2012 (unaudited)	-	-	(18,224)	1,332	170	-	28,637	11,915	9,092	21,007

NOTES TO THE UNAUDITED CONSOLIDATED QUARTERLY FINANCIAL STATEMENT

For the three months and nine months ended 30 September 2013

Note	Attributable to equity holders of the Company							Total HK\$'000	Non- controlling interests HK\$'000	Total equity HK\$'000
	Share capital HK\$'000	Share premium HK\$'000	Capital reserve HK\$'000	Exchange reserve HK\$'000	Statutory reserves HK\$'000	Other reserves HK\$'000	Accumulated profits HK\$'000			
For the nine months ended 30 September 2013										
At 1 January 2013 (audited)	-	-	(8,224)	1,332	170	-	33,457	26,735	9,378	36,113
Profit and total comprehensive income for the period	-	-	-	-	-	-	2,518	2,518	3,123	5,641
Reorganisation (i)	100	-	887	-	-	-	-	987	-	987
Acquisition of additional interest in non-wholly owned subsidiaries (ii)	-	-	-	-	-	(6,857)	-	(6,857)	(6,143)	(13,000)
Placing of shares (iii)	2,000	48,000	-	-	-	-	-	50,000	-	50,000
Share placement expenses (iii)	-	(14,010)	-	-	-	-	-	(14,010)	-	(14,010)
Capitalisation issue (iv)	5,900	(5,900)	-	-	-	-	-	-	-	-
	8,000	28,090	887	-	-	(6,857)	2,518	32,638	(3,020)	29,618
Dividend	-	-	-	-	-	-	-	-	(3,800)	(3,800)
At 30 September 2013 (unaudited)	8,000	28,090	(7,337)	1,332	170	(6,857)	35,975	59,373	2,558	61,931

NOTES TO THE UNAUDITED CONSOLIDATED QUARTERLY FINANCIAL STATEMENT

For the three months and nine months ended 30 September 2013

Notes:

- (i) As mentioned in the paragraph headed "Reorganisation" in the section headed "History, Reorganisation and Corporate Structure" of the Prospectus, GLBVI capitalised the amount due to GFII of HK\$986,795, resulting from execution of several assignments and novations, by allotting and issuing 20 new shares of US\$1 each, credited as fully paid to GFII on 25 July 2013.

Followed by the capitalisation of the amount due to GFII mentioned above, the Company acquired the entire issued capital of GLBVI from GFII and in consideration of and in exchange for which, the Company allotted and issued 9,999,999 shares, credited as fully paid to GFII on 3 August 2013.

The net effects of the capitalisation of amount due to GFII and acquisition of GLBVI, as parts of the Reorganisation, have been credited to the capital reserve.

- (ii) During the period, the Group acquired the remaining equity interests of two subsidiaries namely, Win Top Shipping Company Limited and Wintop Logistics Development Co., Ltd, from the non-controlling shareholder. The excess of the fair value of the consideration paid over the carrying amount of the net assets acquired has been debited to equity. The total consideration of HK\$13,000,000 were settled in cash.
- (iii) On 22 August 2013, 200,000,000 ordinary shares ("Placing Shares") of HK\$0.01 each were issued by way of placing (the "Placing") at a price of HK\$0.25 per share for cash consideration of HK\$50,000,000. The excess of the placing price over the par value of the shares issued, net of listing expenses of HK\$14,010,000, was credited to the share premium account.
- (iv) Pursuant to the written resolution of the sole shareholder passed on 3 August 2013, the Company capitalised an amount of HK\$5,900,000 from the amount standing to the credit of the share premium account, being credited as a result of the issue of the Placing Shares, by applying such sum to pay up in full at par a total of 590,000,000 shares for allotment and issue to GFII, the sole shareholder appears on the register of members of the Company at the close of business on 7 August 2013.

8. APPROVAL OF THE UNAUDITED CONSOLIDATED THIRD QUARTERLY FINANCIAL STATEMENTS

The Third Quarterly Financial Statements were approved and authorised for issue by the Board on 14 November 2013.



MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

During the nine months ended 30 September 2013 under review, the Group's principal business remains the same as those set out in the Prospectus issued by the Company in connection with the listing of the shares in the Company on the Stock Exchange on 22 August 2013 (the "Listing Date").

The Group is principally engaged in the provision of integrated logistics freight services with a primary focus on logistics services between Hong Kong and the Pearl River Delta region and has the following major business activities during the period under review.

Our integrated logistics freight services can be divided into below categories during the period under review:

1. Integrated Logistics Freight Services

(a) Land and ocean freight services

The land and ocean freight services remain as the Group's core business. The Group's container throughput increased by 10.0% from approximately 221,000 Twenty-foot Equivalent Units ("TEUs") for the nine months ended 30 September 2012 to 243,000 TEUs for the nine months ended 30 September 2013. The increase in the Group's container throughput was resulted from the increase in demand of our services from our clients continued from the second half of year 2012 to the period under review.

(b) Air freight forwarding services

The Group continued to focus its air freight forwarding services within the East Asia region. During the period under review, Hong Kong flight movements in terms of cargo decreased mildly, while external trade by air in the East Asia region, especially India and Malaysia, decreased significantly as compared to the corresponding period in 2012. Nevertheless, the Group's air freight forwarding services income was able to maintain at approximately HK\$25.0 million for the nine months ended 30 September 2013, which is about the same as that for the corresponding period in 2012.

(c) Operation equipment rental services

The operation equipment rental services increased slightly during the period under review. The slight increase of equipment rental services has reflected the steady recovery of intra PRC and Hong Kong trading activities since the second half of 2012, and the trend continued for the nine months ended 30 September 2013.

MANAGEMENT DISCUSSION AND ANALYSIS

2. Supporting Services

The Group's income from supporting services comprising of provision of fuel cards and tractor repair and maintenance services and insurance agency services. The relevant income increased from approximately HK\$11.9 million for the nine months ended 30 September 2012 to approximately HK\$16.0 million for the nine months ended 30 September 2013.

(a) Provision of fuel cards

The increase in the Group's supporting services income was mainly driven by the increase in income from provision of fuel cards by approximately 33.0% from the nine months ended 30 September 2012 to the corresponding period in 2013 as a result of increase discount offered to our clients.

(b) Tractor repair and maintenance services and insurance agency services

Tractor repair and maintenance services and insurance agency services, albeit their contribution to our Group's revenue being relatively insignificant, served as a major type of value-added-service to our land and ocean freight clients during the period under review. The relevant revenue increased by approximately 78.5% from the nine months ended 30 September 2012 to the corresponding period in 2013.

OUTLOOKS

The Company's shares were listed on GEM of the Stock Exchange on 22 August 2013. The funds raised from the listing helped to build a solid foundation for the Group's future development.

Looking forward, the Group will continue to engage in the integrated logistics freight services and our Directors expect a moderate and stable growth of our business in the near future.

The Group will also continue to enhance the core business in land and ocean freight services while also expand our business in air freight forwarding business and explore other business to diversify the revenue stream and to enhance the interest of the shareholders of the Company.

FINANCIAL REVIEW

The Group's revenue grew by approximately 10.8% to approximately HK\$355.9 million for the nine months ended 30 September 2013 from approximately HK\$321.1 million for the corresponding period in 2012. The increase in the Group's revenue was mainly attributable to the increase in revenue generated from the Group's feeder shipping services; intra-PRC sea freight forwarding services and its inland transportation services.



MANAGEMENT DISCUSSION AND ANALYSIS

The Group's cost of sales increased by approximately 12.2% to approximately HK\$287.7 million for the nine months ended 30 September 2013 from approximately HK\$256.4 million for the corresponding period in 2012. The increase was mainly driven by the increase in the Group's drayage charges and freight and transportation costs, which increased by approximately 19.8%.

With the combined effects of revenue and cost of sales, the Group's gross profit margin slightly decreased from approximately 20.2% to approximately 19.2% from the nine months ended 30 September 2012 to the corresponding period in 2013.

The Group's finance cost decreased sharply by approximately 59.1% to approximately HK\$0.9 million for the nine months ended 30 September 2013 from approximately HK\$2.2 million for the corresponding period in 2012, due to the debt restructuring of the Group in the last quarter of 2012.

The Group's net profit after taxation decreased to approximately HK\$5.6 million for the nine months ended 30 September 2013 from approximately HK\$7.5 million as to the corresponding periods in 2012 as the Group recognized listing expenses of approximately HK\$8.1 million during the nine months ended 30 September 2013, as compared to approximately HK\$4.5 million for the corresponding period in 2012.

Capital structure

There has been no change in the capital structure of the Company since the Listing Date. The capital of the Company mainly comprises ordinary shares and capital reserves.

Interim dividend

The Board does not recommend the payment of an interim dividend in respect of the nine months ended 30 September 2013 (2012: HK\$Nil).

OTHER INFORMATION

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION

The Company's shares were listed on GEM of the Stock Exchange on 22 August 2013. As at 30 September 2013, the interests and short positions of each director and chief executive of the Company in the shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) ("SFO")) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO) or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or which were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by the Directors, to be notified to the Company and the Stock Exchange, were as follows:

Long positions in shares and underlying shares of the Company

Name of Director	Capacity/Nature of interests	Number of shares held	% of the Company's issued share capital
Mr. Lo Wong Fung	Interest of a controlled corporation (Note 1)	600,000,000	75%

Note:

1. The shares are held by Golden Fame International Investments Group Limited ("GFII"), a company incorporated in Hong Kong and an investment holding company which is beneficially owned as to 40% by Smart Oriental Limited, as to 20% by B & O Global Invest Limited and as to the remaining 40% by Mr. Lo Wong Fung. Under the SFO, Mr. Lo Wong Fung is deemed to be interested in the Shares registered in the name of GFII.

Save as disclosed above, as at 30 September 2013, none of the Directors and chief executive of the Company had any other interests or short positions in any shares, underlying shares or debentures of the Company or its associated corporation (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or which were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by the Directors, to be notified to the Company and the Stock Exchange.



OTHER INFORMATION

SHARE OPTION SCHEME

The Company operates a share option scheme (the “Share Option Scheme”) for the purpose of providing incentives and to recognise and acknowledge the contributions that eligible persons had made or may make to the Group. The Share Option Scheme has been adopted pursuant to the written resolutions of the sole shareholder of the Company passed on 3 August 2013. Since the Share Option Scheme came into effect after the Company’s shares were listed on GEM of the Stock Exchange, no share options were granted, exercised or cancelled by the Company under the Share Option Scheme during the period under review and there were no outstanding share options under the Share Option Scheme as at 30 September 2013 and at the date of this report.

SUBSTANTIAL SHAREHOLDERS’ INTERESTS AND OTHER PERSONS’ INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 30 September 2013, so far as was known to the Directors, the following persons/entities (other than the Directors or chief executive of the Company) had, or were deemed to have, interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

Name of Shareholders	Capacity/Nature of interests	Number of shares held (Note 1)	% of the Company’s issued share capital
GFII	Beneficial owner	600,000,000 (L)	75%
Smart Oriental Limited (Note 2)	Interest of controlled corporation	600,000,000 (L)	75%
Mr. Lo Wong Fung (Note 2)	Interest of controlled corporation	600,000,000 (L)	75%

Notes:

1. The letter “L” denotes a long position in the shareholder’s interest in the share capital of the relevant member of our Group.
2. Smart Oriental and Mr. Lo Wong Fung are deemed to be interested in the shares held by GFII under the SFO.

OTHER INFORMATION

Save as disclosed above, as at 30 September 2013, the Directors were not aware of any other persons/entities (other than the Directors and chief executive of the Company) who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

PURCHASE, SALES OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

The Company's shares were listed on GEM of the Stock Exchange on 22 August 2013. Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the three months ended 30 September 2013, except as disclosed in the Prospectus.

INTERESTS OF THE COMPLIANCE ADVISER

As notified by Asian Capital (Corporate Finance) Limited ("Asian Capital"), the compliance adviser of the Company, neither Asian Capital nor its directors or employees or associates had any interests in any class of securities of the Company or any other company in the Group (including options or rights to subscribe for such securities) as at 30 September 2013, except as disclosed in the Prospectus.

Asian Capital received and will receive fees for acting as the compliance adviser of the Company.

INTERESTS IN COMPETING BUSINESSES

None of the Directors and controlling shareholders of the Company nor their respective associates (as defined under the GEM Listing Rules) had any interest in any other companies as at 30 September 2013 which may, directly or indirectly, compete with the Group's business.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding securities transactions by Directors on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Having made specific enquiries to all the Directors, the Company was not aware of any non-compliance with the required standard of dealings and its code of conduct regarding securities transactions by Directors from the Listing Date up to and including 30 September 2013.



OTHER INFORMATION

CORPORATE GOVERNANCE CODE

In the opinion of the Directors, the Company has complied with all the code provisions as set out in the Corporate Governance Code contained in Appendix 15 to the GEM Listing Rules from the Listing Date up to and including 30 September 2013.

AUDIT COMMITTEE

The Company established an audit committee on 3 August 2013 with written terms of reference in compliance with Rules 5.28 to 5.33 of the GEM Listing Rules, and paragraph C.3 of the Code on Corporate Governance Practices as set out in Appendix 15 to the GEM Listing Rules. The members of the audit committee comprise Mr. Lam Ying Hung, Andy, Mr. Zschiesche, Gustav and Mr. Hung Chiu Shing, Wilson, all of whom are independent non-executive Directors. The chairman of the audit committee is Mr. Lam Ying Hung, Andy. The primary duties of the audit committee are mainly to make recommendations to our Board on the appointment, reappointment and removal of the external auditor, to review the Company's financial statements and related materials and significant financial reporting judgments contained in the financial statements and to provide advice in respect of the financial reporting process and oversee the internal control procedures of our Group.

The unaudited quarterly results of the Group for the nine months ended 30 September 2013 have not been audited by the Company's auditors, but have been reviewed by the audit committee. The audit committee is of the opinion that the financial statements complied with the applicable accounting standards, the GEM Listing Rules and legal requirements, and that adequate disclosures have been made.

APPRECIATION

On behalf of the Directors, I would like to extend our gratitude and sincere appreciation to all management and staff members for their diligence and dedication, the continuing support of our business partners, customers and the Company's shareholders.

By Order of the Board
Gamma Logistics Corporation
Lo Wong Fung
Chairman

Hong Kong, 14 November 2013

As at the date of this report, the executive Directors are Mr. Lo Wong Fung, Mr. Lo Ka Man and Ms. Leung Wai Ching; and the independent non-executive Directors are Mr. Lam Ying Hung, Andy, Mr. Zschiesche Gustav and Mr. Hung Chiu Shing, Wilson.