

First Quarterly Report 2015

# Gamma Logistics Corporation

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 8310



## **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 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 condensed consolidated financial results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the three months ended 31 March 2015 (the “**First Quarterly Financial Statements**”) together with the comparative figures for the corresponding periods in 2014 as follows:

## **CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

For the three months ended 31 March 2015

		<b>Unaudited Three months ended 31 March</b>	
	Note	2015 HK\$'000	2014 HK\$'000
<b>Revenue</b>	3	<b>65,099</b>	88,957
Cost of sales		<b>(57,429)</b>	(78,783)
Gross profit		<b>7,670</b>	10,174
Other income		<b>3,367</b>	2,449
Administrative expenses		<b>(18,994)</b>	(18,664)
Finance costs		<b>(180)</b>	(276)
Share of results of associates		<b>(1,102)</b>	(422)
<b>Loss before taxation</b>	4	<b>(9,239)</b>	(6,739)
Taxation	5	<b>(40)</b>	(21)
<b>Loss for the period</b>		<b>(9,279)</b>	(6,760)
<b>Other comprehensive income:</b>			
Item that may be reclassified to profit or loss in subsequent periods:			
Exchange difference arising from translation of foreign operations		–	243
<b>Total comprehensive loss for the period</b>		<b>(9,279)</b>	(6,517)

# CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three months ended 31 March 2015

	Note	Unaudited Three months ended 31 March	
		2015 HK\$'000	2014 HK\$'000
<b>Loss attributable to:</b>			
Equity holders of the Company		<b>(8,601)</b>	(7,021)
Non-controlling interests		<b>(678)</b>	261
		<b>(9,279)</b>	(6,760)
<b>Total comprehensive loss attributable to:</b>			
Equity holders of the Company		<b>(8,601)</b>	(6,778)
Non-controlling interests		<b>(678)</b>	261
		<b>(9,279)</b>	(6,517)
<b>Loss per share attributable to equity holders of the Company</b>			
Basic and Diluted (HK cents)	7	<b>(0.77)</b>	(0.88)



# NOTES TO THE UNAUDITED FIRST QUARTERLY FINANCIAL STATEMENTS

For the three months ended 31 March 2015

## 1. CORPORATION INFORMATION

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. The address of the registered office of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The Company is an investment holding company.

## 2. BASIS OF PREPARATION

The First Quarterly Financial Statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRS**”), which collective term includes all applicable individual HKFRS, Hong Kong Accounting Standards (“**HKAS**”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants, accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. The First Quarterly Financial Statements also complies with the applicable disclosure requirements under the GEM Listing Rules.

The First Quarterly Financial Statements have been prepared on a basis consistent with the accounting policies adopted in the Group’s audited financial statements for the year ended 31 December 2014.

### 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 FIRST QUARTERLY FINANCIAL STATEMENTS

For the three months ended 31 March 2015

### 3. REVENUE

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

	Unaudited Three months ended 31 March	
	2015 HK\$'000	2014 HK\$'000
Income from provision of integrated logistics freight services	59,475	81,880
Income from provision of fuel cards	5,401	6,901
Tractor repair and maintenance services and insurance agency services fee	223	176
	<b>65,099</b>	88,957

### 4. LOSS BEFORE TAXATION

	Unaudited Three months ended 31 March	
	2015 HK\$'000	2014 HK\$'000
This is stated after charging:		
<b>Finance costs</b>		
Interest on bank loans, overdrafts and other borrowings wholly repayable within five years	107	216
Finance charge on obligations under finance leases	73	60
	<b>180</b>	276
<b>Other items</b>		
Depreciation	1,602	2,097
Operating lease payments on premises	3,144	4,455

# NOTES TO THE UNAUDITED FIRST QUARTERLY FINANCIAL STATEMENTS

For the three months ended 31 March 2015

## 5. TAXATION

Hong Kong Profits Tax has been provided at the rate of 16.5% (2014: 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% (2014: 25%) on taxable income determined in accordance with the relevant laws and regulations in the PRC.

	Unaudited Three months ended 31 March	
	2015 HK\$'000	2014 HK\$'000
<b>Current tax</b>		
Hong Kong Profits Tax		
— Current period	<b>40</b>	—
PRC Enterprise Income Tax		
— Current period	—	—
— Under-provision in prior period	—	21
	—	21
<b>Total income tax recognized in profit or loss</b>	<b>40</b>	21

# NOTES TO THE UNAUDITED FIRST QUARTERLY FINANCIAL STATEMENTS

For the three months ended 31 March 2015

## 6. DIVIDEND

The Board does not recommend the payment of an interim dividend for the three months ended 31 March 2015 (2014: Nil).

## 7. LOSS PER SHARE

Basic loss per share for the three months ended 31 March 2015 and 2014 are calculated by dividing the loss attributable to the equity holders of the Company by the weighted average number of ordinary shares in issue.

	Unaudited Three months ended 31 March	
	2015	2014
Loss attributable to equity holders of the Company (HK\$'000)	<b>(8,601)</b>	(7,021)
Weighted average number of ordinary shares in issue	<b>1,120,000,000</b>	800,000,000
Basic loss per share (HK cents)	<b>(0.77)</b>	(0.88)

Basic and diluted loss per share are the same as the Company did not have any dilutive potential ordinary shares during the three months ended 31 March 2015 and 2014.



# NOTES TO THE UNAUDITED FIRST QUARTERLY FINANCIAL STATEMENTS

For the three months ended 31 March 2015

## 8. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	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 reserve HK\$'000	Other reserve HK\$'000	Accumulated profits HK\$'000			
At 1 January 2014 (audited)	8,000	28,090	(7,337)	1,332	170	(6,857)	43,552	66,950	2,028	68,978
Loss and total comprehensive loss for the period	-	-	-	243	-	-	(7,021)	(6,778)	261	(6,517)
At 31 March 2014 (unaudited)	8,000	28,090	(7,337)	1,575	170	(6,857)	36,531	60,172	2,289	62,461

	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 reserve HK\$'000	Other reserve HK\$'000	Accumulated profits HK\$'000			
At 1 January 2015 (audited)	11,200	106,171	(7,337)	1,360	170	(6,857)	24,277	128,984	2,726	131,710
Loss and total comprehensive loss for the period	-	-	-	-	-	-	(8,601)	(8,601)	(678)	(9,279)
At 31 March 2015 (unaudited)	11,200	106,171	(7,337)	1,360	170	(6,857)	15,676	120,383	2,048	122,431

## 9. APPROVAL OF THE UNAUDITED CONSOLIDATED FIRST QUARTERLY FINANCIAL STATEMENTS

The First Quarterly Financial Statements were approved and authorised for issue by the Board on 14 May 2015.

# MANAGEMENT DISCUSSION AND ANALYSIS

## BUSINESS REVIEW

The Company's shares were successfully listed on GEM of the Stock Exchange on 22 August 2013.

For the three months ended 31 March 2015 (the "Period"), 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 ("PRD") 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 composed as the core business of the Group. During the Period under review, the Group's containers throughput (to and from Hong Kong and PRD region) decreased by 27.8% to 43,557 Twenty-foot Equivalent Units ("TEU") for the Period from 60,308 TEUs for the corresponding period in 2014. The Group recorded a decrease of 25.7% of revenue in the land and ocean freight services to approximately HK\$55 million for the Period (2014: HK\$74 million).

During the Period, the Group had disposed certain redundant and old facilities and recognized a gain of approximately HK\$3 million to mitigate the negative impact on the decline in revenue.

#### (b) Air freight forwarding services

During the Period under review, the Group continued to focus on its air freight forwarding services within the East Asia region. The air freight forwarding services income decreased to approximately HK\$3 million for the Period (2014: approximately HK\$8 million), which is generally in line with the air cargo movement in the East Asia region.

#### (c) Operation equipment rental services

During the Period under review, the Group recorded an income from operation equipment rental services of approximately HK\$1 million (2014: Nil). The Group will continue lease out the unutilized equipment to increase source of income.



# 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 decrease from approximately HK\$7 million for the three months ended 31 March 2014 to approximately HK\$6 million for the Period.

### (a) Provision of fuel cards

During the Period, the decrease in the Group's supporting services income was mainly driven by the decrease in income from provision of fuel cards of approximately 21.7%. The Group will continue to increase marketing efforts for the promotion 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 major types of value-added-services to our land and ocean freight clients during the Period. The relevant revenue increased by approximately 26.7% during the Period as compared with the corresponding period in 2014.

## OUTLOOKS

Looking forward, the Group will continue to engage in the integrated logistics freight service. The Group will also continue to enhance the core business in land and ocean freight services, expand our business in air freight forwarding business and explore other business and investment opportunities to diversify the revenue stream and business portfolios to enhance the interest of the shareholders of the Company.

## FINANCIAL REVIEW

The Group's revenue declined by approximately 27% to approximately HK\$65 million for the Period (2014: HK\$89 million). The decrease in revenue was mainly attributable to the decline of the Group's business in integrated logistics freight services.

The Group's cost of sales decreased by 27% to approximately HK\$57 million for the Period (2014: HK\$79 million), mainly driven by the decline in revenue from integrated logistics freight services.

With the combined effects of revenue and cost of sales, the Company's gross profit margin slightly increased to 11.8% for the Period from 11.4% for the corresponding period in 2014.

# MANAGEMENT DISCUSSION AND ANALYSIS

The Group's finance cost amounted to approximately HK\$180,000 for the Period (2014: HK\$276,000), the finance costs consist of interest on bank loans, overdrafts and other borrowings as well as the finance charge on obligation under finance lease.

The Group recorded the loss for the Period of approximately HK\$9,279,000 (2014: approximately HK\$6,760,000). The loss attributable to the equity holders of the Company was approximately HK\$8,601,000 (2014: approximately HK\$7,021,000) and the loss per share was 0.77 HK cents (2014: 0.88 HK cents).

## Capital structure

As at 31 March 2015, the Group's total equity attributable to equity holders of the Company amounted to HK\$120,383,000 (31 December 2014: HK\$128,984,000). The capital of the Company mainly comprises ordinary shares and capital reserves.

## Dividend

The Board does not recommend the payment of an interim dividend in respect of the Period (2014: Nil).

## Proposed change of company name

On 11 March 2015, the Board proposed to change the English name of the Company from "Gamma Logistics Corporation" to "Dafeng Port Heshun Technology Company Limited", and adopt "大豐港和順科技股份有限公司" as the dual foreign name in Chinese of the Company to replace its existing Chinese name "伽瑪物流集團", which is currently used for identification purpose only (the "**Change of Company Name**"). Details of the proposed Change of Company Name were set out in the Company's announcement dated 11 March 2015 and circular dated 9 April 2015.

## Change of controlling shareholder and mandatory conditional cash offer

On 22 January 2015, Dafeng Port Overseas Investment Holdings Limited ("**Dafeng Port**" or the "**Offeror**") and Golden Fame International Investments Group Limited entered into a sale and purchase agreement (the "**SP Agreement**") in respect of the acquisition by the Offeror of the 520,000,000 shares of the Company (the "**Sale Shares**") for a consideration of HK\$197,600,000 (being HK\$0.38 per Sale Share). The Sale Shares represented approximately 46.43% of the entire issued share capital of the Company. Completion of the SP Agreement took place on 23 January 2015. Immediately after the completion of the SP Agreement, the Offeror was interested in 520,000,000 Sale Shares, representing approximately 46.43% of the existing issued share capital of the Company.



## MANAGEMENT DISCUSSION AND ANALYSIS

On 30 January 2015, Somerley Capital Limited and Kingston Securities Limited, on behalf of Dafeng Port, made mandatory conditional cash offer (the **"Share Offer"**) to acquire all the outstanding issued shares of the Company (the **"Offer Shares"**) (other than those shares already owned by Dafeng Port and parties acting in concert with it) in accordance with the Hong Kong Code on Takeovers and Mergers (the **"Takeovers Code"**).

On 25 March 2015 being the final closing date, the Offeror had received valid acceptances of 220,040,000 Offer Shares, representing approximately 19.65% of the existing issued share capital of the Company. Valid acceptances of the Share Offer together with 520,000,000 shares already held by the Offeror and the parties acting in concert with it, they are interested in an aggregate of 740,040,000 shares, representing approximately 66.08% of the issued share capital of the Company.

Details of the SP Agreement and the Share Offer, please refer to the joint announcements of Dafeng Port and the Company dated 30 January 2015, 18 February 2015, 27 February 2015, 11 March 2015 and 25 March 2015 and the composite offer and response document dated 18 February 2015 jointly issued by the Offeror and the Company.

## OTHER INFORMATION

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

As at 31 March 2015, none of the Directors or chief executives of the Company had any interests or short positions 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.

### **SHARE OPTION SCHEME**

The Company operates a share option scheme (the “Scheme”) for the purpose of providing incentives and to recognize and acknowledge the contributions that eligible persons had made or may make to our Group. The Scheme has been adopted pursuant to the written resolutions of the sole shareholder of the Company passed on 3 August 2013. Since the Scheme came into effect after the Company was listed on GEM of the Stock Exchange, no share options were granted, exercised or cancelled by the Company under the Scheme during the Period and there were no outstanding share options under the Scheme as at 31 March 2015 and at the date of this report.



## OTHER INFORMATION

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

As at 31 March 2015, so far as was known to the Directors, the following persons/entities (other than the Directors or chief executives 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 (Approximate)
Dafeng Port (Note 2)	Beneficial owner	740,040,000 (L)	66.08%
江蘇大豐海港控股集團有限公司 (Jiangsu Dafeng Harbor Holdings Limited*) (" <b>Jiangsu Dafeng</b> ") (Note 3)	Interest of controlled corporation	740,040,000 (L)	66.08%
大豐市人民政府 (the People's Government of Dafeng City*) (" <b>PGDC</b> ") (Note 3)	Interest of controlled corporation	740,040,000 (L)	66.08%

Notes:

1. The letter "L" denotes a long position in the interest in the issued share capital of the Company.
2. Dafeng Port, a company incorporated in Hong Kong with limited liability, and is owned as to 40% by Jiangsu Dafeng, which in turn is wholly owned by PGDC.
3. Jiangsu Dafeng and PGDC are deemed to be interested in the shares held by Dafeng Port under the SFO.

\* For identification purpose only

## **OTHER INFORMATION**

Save as disclosed above, as at 31 March 2015, the Directors were not aware of any other persons/entities (other than the Directors and chief executives 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, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES**

During the Period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

### **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 31 March 2015, except as disclosed in the prospectus of the Company dated 14 August 2013.

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

### **COMPETING INTERESTS**

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 31 March 2015 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 for the Period.





## OTHER INFORMATION

### CHANGE IN INFORMATION OF DIRECTORS

Pursuant to Rule 17.50A(1) of the GEM Listing Rules, the change in information of the Director since the date of an annual report of the Company for the year ended 31 December 2014 are set out below:

<b>Name of Directors</b>	<b>Details of changes</b>
Mr. Ni Xiangrong	<ul style="list-style-type: none"><li>— entered into a service contract with the Company as an executive Director for an initial term of one year commencing from 23 February 2015 subject to termination in certain circumstances as stipulated in his service contract; and</li><li>— entitled to an annual director's fee of HK\$960,000 and a discretionary bonus solely determined by the Board, which were determined with reference to his duties and responsibilities within the Group</li></ul>
Mr. Wang Yijun	<ul style="list-style-type: none"><li>— entered into a service contract with the Company as an executive Director for an initial term of one year commencing from 23 February 2015 subject to termination in certain circumstances as stipulated in his service contract; and</li><li>— entitled to an annual director's fee of HK\$720,000 and a discretionary bonus solely determined by the Board, which were determined with reference to his duties and responsibilities within the Group</li></ul>
Mr. Shum Kan Kim	<ul style="list-style-type: none"><li>— entered into a service contract with the Company as an executive Director for an initial term of one year commencing from 23 February 2015 subject to termination in certain circumstances as stipulated in his service contract; and</li><li>— entitled to an annual director's fee of HK\$600,000 and a discretionary bonus solely determined by the Board, which were determined with reference to his duties and responsibilities within the Group</li></ul>

## OTHER INFORMATION

<b>Name of Directors</b>	<b>Details of changes</b>
Mr. Ji Longtao	<ul style="list-style-type: none"><li>— entered into a service contract with the Company as a non-executive Director for an initial term of one year commencing from 23 February 2015 subject to termination in certain circumstances as stipulated in his service contract; and</li><li>— entitled to an annual director's fee of HK\$240,000, which were determined with reference to his duties and responsibilities within the Group</li></ul>
Mr. Yang Yue Xia	<ul style="list-style-type: none"><li>— entered into a service contract with the Company as a non-executive Director for an initial term of one year commencing from 12 March 2015 subject to termination in certain circumstances as stipulated in his service contract</li></ul>
Mr. Luk Chi Shing	<ul style="list-style-type: none"><li>— entered into a service contract with the Company as an independent non-executive Director for an initial term of one year commencing from 1 April 2015 subject to termination in certain circumstances as stipulated in his service contract; and</li><li>— has been appointed as an independent non-executive director of TeleEye Holdings Limited (stock code: 8051) with effect from 8 April 2015</li></ul>
Mr. Zhang Fangmao	<ul style="list-style-type: none"><li>— entered into a service contract with the Company as an independent non-executive Director for an initial term of one year commencing from 1 April 2015 subject to termination in certain circumstances as stipulated in his service contract</li></ul>

### **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 for the Period.



## OTHER INFORMATION

### AUDIT COMMITTEE

An audit committee of the Company (the “**Audit Committee**”) has been established on 3 August 2013 with written terms of reference in compliance with Rules 5.28 to 5.29 of the GEM Listing Rules and code provision C.3.3. The members of the Audit Committee comprise Mr. Luk Chi Shing, Mr. Zhang Fangmao and Mr. Wang Zongbo, all of whom are independent non-executive Directors. The chairman of the Audit Committee is Mr. Luk Chi Shing. The primary duties of the Audit Committee are mainly to make recommendations to our Board on the appointment and removal of the external auditor, review the financial statements and related materials and provide advice in respect of the financial reporting process and oversee the internal control procedures of our Group.

The First Quarterly Financial Statements have not been audited by the Company’s auditor, but have been reviewed by the Audit Committee. The Audit Committee is of the opinion that the First Quarterly 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**  
**Ni Xiangrong**  
*Chairman*

Hong Kong, 14 May 2015

As at the date of this report, the Board comprises the following members:

*Executive Directors*

Mr. Ni Xiangrong

*(Chairman)*

Mr. Wang Yijun

Mr. Shum Kan Kim

Mr. Lo Ka Man

*Non-executive Directors*

Mr. Ji Longtao

Mr. Yang Yue Xia

*Independent Non-executive Directors*

Mr. Luk Chi Shing

Mr. Zhang Fangmao

Mr. Wang Zongbo