GAMMA LOGISTICS CORPORATION
伽瑪物流集團*

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 8310)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2014

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

Growth Enterprise Market ("GEM") has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

This announcement, 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 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.

* *For identification purposes only*

FINANCIAL HIGHLIGHTS

— The Group's revenue declined by approximately 21.2% to approximately HK$367.6 million for the Financial Year (2013: HK$466.5 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 15.9% to approximately HK$313.6 million for the Financial Year (2013: HK$372.9 million), mainly driven by the decline in revenue from integrated logistics freight services but the fixed cost remained relatively stable.

— With the combined effects of revenue and cost of sales, the Company's gross profit margin significant declined by 26.9% to 14.7% for the Financial Year (2013: 20.1%).

— The Group's finance costs amounted to approximately HK$1.3 million for the Financial Year (2013: HK$1.3 million), the finance costs consist of interest on bank loans, overdraft and other borrowings as well as the finance charge on obligation under finance lease.

— The Group recorded the loss for the Financial Year of approximately HK$18.6 million (2013: profit of approximately HK$12.7 million).

— The Board does not recommend the payment of a dividend for the Financial Year (2013: Nil).

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2014

	Note	2014 HK$'000	2013 HK$'000
Revenue	3	**367,620**	466,456
Cost of sales		**(313,644)**	(372,866)
Gross profit		**53,976**	93,590
Other income	4	**6,268**	1,215
Administrative expenses		**(75,918)**	(78,177)
Finance costs	5	**(1,280)**	(1,317)
Share of results of associates		**115**	1,267
(Loss) Profit before taxation	5	**(16,839)**	16,578
Taxation	6	**(1,738)**	(3,890)
(Loss) Profit for the year		**(18,577)**	12,688
Other comprehensive income			
Item that may be reclassified to profit and loss in subsequent periods:			
Exchange difference arising from translation of foreign operations		**28**	–
Total comprehensive (loss) income for the year		**(18,549)**	12,688
(Loss) Profit attributable to:			
Equity holders of the Company		**(19,275)**	10,095
Non-controlling interests		**698**	2,593
		(18,577)	12,688
Total comprehensive (loss) income attributable to:			
Equity holders of the Company		**(19,247)**	10,095
Non-controlling interests		**698**	2,593
		(18,549)	12,688
(Loss) Earnings per share attributable to equity holders of the Company			
Basic and Diluted	7	**(1.98) HK cents**	1.50 HK cents

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 31 December 2014

	Note	2014 HK$'000	2013 HK$'000
Non-current assets			
Property, plant and equipment		**17,095**	22,705
Interests in associates		**11,460**	12,046
		28,555	34,751
Current assets			
Trade and other receivables	9	**80,433**	105,657
Pledged bank deposits		**155**	400
Bank balances and cash		**92,380**	40,405
		172,968	146,462
Current liabilities			
Trade and other payables	10	**57,336**	88,178
Current portion of interest-bearing borrowings		**6,909**	13,310
Bank overdrafts (secured)		**–**	3,515
Taxation		**1,992**	3,458
		66,237	108,461
Net current assets		**106,731**	38,001
Total assets less current liabilities		**135,286**	72,752
Non-current liabilities			
Non-current portion of interest-bearing borrowings		**2,942**	3,107
Deferred tax liabilities		**634**	667
		3,576	3,774
NET ASSETS		**131,710**	68,978
Capital and reserves			
Share capital	11	**11,200**	8,000
Reserves		**117,784**	58,950
Total equity attributable to equity holders of the Company		**128,984**	66,950
Non-controlling interests		**2,726**	2,028
TOTAL EQUITY		**131,710**	68,978

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2014

	Attributable to equity holders of the Company									
	Share capital	Share premium	Capital reserve	Exchange reserve	Statutory reserve	Other reserve	Accumulated profits	Total	Non-controlling interests	Total equity
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
At 1 January 2013	–	–	(8,224)	1,332	170	–	33,457	26,735	9,378	36,113
Profit and total comprehensive income for the year	–	–	–	–	–	–	10,095	10,095	2,593	12,688
Transactions with owners										
Contributions and distributions										
Placing of shares	2,000	48,000	–	–	–	–	–	50,000	–	50,000
Share placement expenses	–	(14,010)	–	–	–	–	–	(14,010)	–	(14,010)
Capitalisation issue	5,900	(5,900)	–	–	–	–	–	–	–	–
Dividend	–	–	–	–	–	–	–	–	(3,800)	(3,800)
	7,900	28,090	–	–	–	–	–	35,990	(3,800)	32,190
Changes in ownership interests										
Reorganisation	100	–	887	–	–	–	–	987	–	987
Acquisition of additional interest in non-wholly owned subsidiaries	–	–	–	–	–	(6,857)	–	(6,857)	(6,143)	(13,000)
	100	–	887	–	–	(6,857)	–	(5,870)	(6,143)	(12,013)
Total transactions with owners	8,000	28,090	887	–	–	(6,857)	–	30,120	(9,943)	20,177
At 31 December 2013 and 1 January 2014	**8,000**	**28,090**	**(7,337)**	**1,332**	**170**	**(6,857)**	**43,552**	**66,950**	**2,028**	**68,978**
Loss for the year	**–**	**–**	**–**	**–**	**–**	**–**	**(19,275)**	**(19,275)**	**698**	**(18,577)**
Other comprehensive income (loss)										
Exchange difference arising from translation of foreign operations	**–**	**–**	**–**	**28**	**–**	**–**	**–**	**28**	**–**	**28**
Total comprehensive income (loss)	**–**	**–**	**–**	**28**	**–**	**–**	**(19,275)**	**(19,247)**	**698**	**(18,549)**
Transactions with owners										
Contributions and distributions										
Placing of shares on 16 May 2014	**1,600**	**41,920**	**–**	**–**	**–**	**–**	**–**	**43,520**	**–**	**43,520**
Placing of shares on 17 July 2014	**1,600**	**38,400**	**–**	**–**	**–**	**–**	**–**	**40,000**	**–**	**40,000**
Share placement expenses on 16 May 2014	**–**	**(1,164)**	**–**	**–**	**–**	**–**	**–**	**(1,164)**	**–**	**(1,164)**
Share placement expenses on 17 July 2014	**–**	**(1,075)**	**–**	**–**	**–**	**–**	**–**	**(1,075)**	**–**	**(1,075)**
Total transactions with owners	**3,200**	**78,081**	**–**	**–**	**–**	**–**	**–**	**81,281**	**–**	**81,281**
At 31 December 2014	**11,200**	**106,171**	**(7,337)**	**1,360**	**170**	**(6,857)**	**24,277**	**128,984**	**2,726**	**131,710**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. REORGANISATION OF THE GROUP AND BASIS OF PRESENTATION

Group Reorganisation

Pursuant to a group reorganisation completed on 3 August 2013 (the "**Reorganisation**") to rationalise the corporate structure in preparation for the initial 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 and Golden Fame International Investments Group Limited ("**GFII**") became the then 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**").

Upon the completion of placing shares on 17 July 2014 as set out in Note 11(a) to the consolidated financial statements in this announcement, in the opinion of the directors of the Company, GFII was no longer the ultimate holding company of the Group.

Basis of presentation

As the Group was controlled by the ultimate holding company of the Group (the "**Controlling Party**") before and after the Reorganisation, the Reorganisation was considered as a business combination under common control and was 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 consolidated financial statements of the Group for the year ended 31 December 2013 had been presented as a continuation of the existing group using the pooling of interests method. Accordingly, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows were prepared as if the current group structure had been in existence throughout the year ended 31 December 2013.

At the time of common control combination, the net assets of the consolidating entities or businesses were consolidated using the existing book values from the Controlling Party's perspective. No amount was recognised as consideration for goodwill or gain on bargain purchase, to the extent of the continuation of the Controlling Party's interest.

There was no adjustment made to the net assets nor the profit or loss of any combining entities in order to achieve consistency of the Group's accounting policies.

Adoption of new/revised HKFRSs

Amendments to HKAS 32: Presentation — Offsetting Financial Assets and Financial Liabilities

The amendments to HKAS 32 clarify the requirements for offsetting financial instruments. These amendments do not have an impact on the consolidated financial statements as they are consistent with the policies already adopted by the Group.

Amendments to HKAS 36: Recoverable Amount Disclosures for Non-Financial Assets

The amendments to HKAS 36 modify the disclosure requirements for impaired non-financial assets. Among them, additional information is required to be disclosed when the recoverable amount of impaired assets is based on fair value less costs of disposal. These amendments do not have an impact on the consolidated financial statements.

Future changes in HKFRSs

At the date of authorisation of these consolidated financial statements, the HKICPA has issued the following new/revised HKFRSs that are not yet effective for the current year, which the Group has not early adopted.

Amendments to HKAS 19 (2011)	Defined Benefit Plans — Employee Contributions[1]
Various HKFRSs	Annual Improvements Project — 2010–2012 Cycle[2]
Various HKFRSs	Annual Improvements Project — 2011–2013 Cycle[2]
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation[3]
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer Plants[3]
Amendments to HKAS 27 (2011)	Equity Method in Separate Financial Statements[3]
Amendments to HKAS 28 (2011) and HKFRS 10	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[3]
Amendments to HKFRS 11	Accounting for Acquisitions of Interests in Joint Operations[3]
HKFRS 14	Regulatory Deferral Accounts[3]
Various HKFRSs	Annual Improvements Project — 2012–2014 Cycle[4]
HKFRS 15	Revenue from Contracts with Customers[5]
HKFRS 9 (2014)	Financial Instruments[6]

[1] Effective for annual periods beginning on or after 1 July 2014
[2] Effective for annual periods beginning on or after 1 July 2014, with limited exceptions
[3] Effective for annual periods beginning on or after 1 January 2016
[4] Effective for annual periods beginning on or after 1 January 2016, with limited exceptions
[5] Effective for annual periods beginning on or after 1 January 2017
[6] Effective for annual periods beginning on or after 1 January 2018

The directors anticipate that the application of these new and revised standards, amendments or interpretations will have no material impact on the results and the financial position of the Group and the Company.

2. SEGMENT INFORMATION

The chief operating decision maker has been identified collectively as the executive directors of the Company. An operating segment is a component of the Group that is engaged in business activities from which the Group may earn revenue and incur expenses, and is identified on the basis of the internal management reporting information that is provided to and regularly reviewed by the Group's executive directors in order to allocate resources and assess performance of the segment.

For management purposes, the Group is currently organised into the following operating segments:

Operating segments	**Principal activities**
— Integrated logistics freight services	— Provision of ocean freight and land transportation and container drayage services — Provision of ocean freight forwarding services — Provision of air freight forwarding services — Provision of feeder container storage facilities and hiring services of barges and vehicles
— Provision of fuel cards	— Provision of fuel cards
— Tractors repairs and maintenance services and insurance agency services	— Tractors repairs and maintenance — Provision of insurance agency services

For the purposes of assessing segment performance and allocating resources between segments, the Group's senior executive management monitors the results, assets and liabilities attributable to each reportable segment on the following bases:

Segments assets include all property, plant and equipment, receivables, bank deposits and cash and cash equivalents other than interests in associates and corporate assets which are managed on a group basis. All liabilities are allocated to reportable segment liabilities other than unallocated head office and corporate liabilities which are managed on a group basis and certain other payables and accrued charges.

Revenues and expenses are allocated to the reporting segments with reference to sales generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation of assets attributable to those segments. The measure used for reporting segment results is profit before taxation without allocation of share of results of associates and other unallocated corporate expenses and income. For the purpose of assessing the performance of the operating segments and allocation of resources between segments, the Group's results are further adjusted for items not specifically attributed to individual segments and other head office or corporate administration costs.

Inter-segment sales transactions are charged at prevailing market prices.

Operating segments

Segment information is presented below:

For the year ended 31 December 2014

	Integrated logistics freight services	Provision of fuel cards	Tractor repair and maintenance services and insurance agency services	Inter-segment elimination	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Revenue (from external customers)	**336,648**	**29,975**	**997**	**–**	**367,620**
— Inter-segment revenue	**49,678**	**3,153**	**2,877**	**(55,708)**	**–**
Total revenue	**386,326**	**33,128**	**3,874**	**(55,708)**	**367,620**
Results					
Segment result	**(8,515)**	**406**	**(288)**	**–**	**(8,397)**
Share of results of associates					**115**
Other unallocated corporate income					**264**
Other unallocated corporate expenses					**(8,821)**
Loss before taxation					**(16,839)**
Taxation					**(1,738)**
Loss for the year					**(18,577)**

For the year ended 31 December 2013

	Integrated logistics freight services	Provision of fuel cards	Tractor repair and maintenance services and insurance agency services	Inter-segment elimination	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Revenue (from external customers)	443,261	22,434	761	–	466,456
— Inter-segment revenue	59,512	1,638	4,198	(65,348)	–
Total revenue	502,773	24,072	4,959	(65,348)	466,456
Results					
Segment result	25,743	618	85	–	26,446
Share of results of associates					1,267
Other unallocated corporate income					10
Other unallocated corporate expenses					(11,145)
Profit before taxation					16,578
Taxation					(3,890)
Profit for the year					12,688

As at 31 December 2014

	Integrated logistics freight services *HK$'000*	Provision of fuel cards *HK$'000*	Tractor repair and maintenance services and insurance agency services *HK$'000*	Total *HK$'000*
ASSETS				
Segment assets	**102,322**	**9,868**	**3,036**	**115,226**
Unallocated corporate assets				**86,297**
Consolidated total assets				**201,523**
LIABILITIES				
Segment liabilities	**(63,857)**	**(2,404)**	**(2,178)**	**(68,439)**
Unallocated corporate liabilities				**(1,374)**
Consolidated total liabilities				**(69,813)**
OTHER INFORMATION				
Capital additions	**3,374**	**–**	**79**	**3,453**
Capital additions (unallocated)	**–**	**–**	**–**	**28**
Depreciation	**7,836**	**–**	**9**	**7,845**
Depreciation (unallocated)	**–**	**–**	**–**	**5**
Finance costs	**1,280**	**–**	**–**	**1,280**
Interest income	**16**	**–**	**–**	**16**
Interest income (unallocated)	**–**	**–**	**–**	**264**

As at 31 December 2013

	Integrated logistics freight services *HK$'000*	Provision of fuel cards *HK$'000*	Tractor repair and maintenance services and insurance agency services *HK$'000*	Total *HK$'000*
ASSETS				
Segment assets	131,079	8,799	2,361	142,239
Unallocated corporate assets				38,974
Consolidated total assets				181,213
LIABILITIES				
Segment liabilities	(105,273)	(2,393)	(2,354)	(110,020)
Unallocated corporate liabilities				(2,215)
Consolidated total liabilities				(112,235)
OTHER INFORMATION				
Capital additions	11,374	–	–	11,374
Depreciation	8,443	–	6	8,449
Finance costs	1,317	–	–	1,317
Interest income	16	–	–	16
Interest income (unallocated)	–	–	–	4

Geographical information

Geographical segment

The Group operates and derives revenue in two principal geographical areas: Hong Kong and Mainland China.

The following table sets out the revenue derived from geographical areas which are based on the geographical location of the customers:

	2014	2013
	HK$'000	*HK$'000*
Revenue from external customers:		
Hong Kong	**282,101**	375,331
Mainland China	**77,695**	83,044
Others *(Note)*	**7,824**	8,081
	367,620	466,456

Note: The locations of others include Europe, U.S.A., Asia (other than Hong Kong and Mainland China), South Africa and others.

The geographical location of the specified non-current assets is based on the physical location of the asset, in the case of property, plant and equipment, and the location of the operation, in the case of interests in associates. The analysis of the Group's non-current assets by geographical location is as follows:

	2014	2013
	HK$'000	*HK$'000*
Property, plant and equipment		
— Hong Kong	**7,311**	9,703
— Mainland China	**9,784**	13,002
	17,095	22,705
Interests in associates		
— Hong Kong	**10,260**	10,885
— Mainland China	**1,200**	1,161
	11,460	12,046
Total specified non-current assets	**28,555**	34,751

Information about major customers

During the year ended 31 December 2014, revenue of approximately HK$40,388,000, contributing over 10% of the total revenue of the Group, was derived from a single customer attributable to integrated logistics freight services segment.

No customer of the Group has individually accounted for 10% or more of the Group's total revenue during the year ended 31 December 2013, therefore, no information about major customers is presented.

3. REVENUE

	2014	2013
	HK$'000	*HK$'000*
Income from provision of integrated logistics freight services	**336,648**	443,261
Income from provision of fuel cards	**29,975**	22,434
Tractor repair and maintenance services and insurance agency fee	**997**	761
	367,620	466,456

4. OTHER INCOME

	2014	2013
	HK$'000	*HK$'000*
Bank interest income	**280**	20
Exchange gain	**51**	104
Gain on disposal of property, plant and equipment *(Note)*	**4,294**	–
Management fee income	**398**	393
Sundry income	**1,245**	698
	6,268	1,215

Note: During the year ended 31 December 2014, the Hong Kong Government granted subsidies of HK$3,515,000 (2013: Nil) to the Group under an ex-gratia payment scheme to phase out pre-Euro IV diesel commercial vehicles. The subsidies are recorded as gain on disposal of those vehicles.

5. (LOSS) PROFIT BEFORE TAXATION

	2014	2013
	HK$'000	*HK$'000*
This is stated after charging:		
Finance costs		
Interest on bank loans, overdrafts and other borrowings wholly repayable within five years	**1,063**	809
Finance charge on obligations under finance leases	**217**	508
	1,280	1,317
Other items		
Auditors' remuneration	**1,000**	1,050
Depreciation	**7,850**	8,449
Operating lease payments on premises	**13,410**	17,293
Staff costs		
Salaries, allowances and the other short-term employee benefits including directors' emoluments	**60,267**	59,555
Contributions to defined contribution plans	**3,227**	3,202
	63,494	62,757

6. TAXATION

	2014	2013
	HK$'000	*HK$'000*
Current tax:		
Hong Kong Profits Tax		
— Current year	**1,446**	4,033
— Over-provision in prior year	**(287)**	(381)
	1,159	3,652
PRC Enterprise Income Tax		
— Current year	**456**	864
— Under-provision in prior year	**154**	85
	610	949
Deferred tax credit	**(31)**	(711)
Total income tax recognised in profit or loss	**1,738**	3,890

(i) Hong Kong Profits Tax

Hong Kong Profits Tax has been provided at the rate of 16.5% (2013: 16.5%) on the Group's estimated assessable profits arising from Hong Kong during the year.

(ii) Income taxes outside Hong Kong

The Company's subsidiaries in the PRC are subject to Enterprise Income Tax. 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.

Pursuant to the rules and regulations of the British Virgin Islands ("**BVI**") and the Cayman Islands, the Group is not subject to any taxation under jurisdictions of the BVI and the Cayman Islands.

(iii) PRC taxes of Golden Fame Delta Shipping Limited ("GFDS")

For safeguard reasons, GFDS had, through a tax advisor, sought a view from the relevant PRC tax authority on the potential tax exposure of a company operating in the scenario as GFDS carries on its business in the PRC on a no-name basis. The view given was that such company would not be eligible for the PRC tax exemption even if it is normally managed or controlled in Hong Kong with its profit assessed under Hong Kong tax.

During the year ended 31 December 2012, in order to avoid delay, GFDS has reached an agreement with the relevant local tax authorities on the bases of computation of the PRC tax liabilities and paid an amount of approximately RMB742,000, including Business Tax and Enterprise Income Tax, in respect of the 3 years from 2009 to 2011 and surcharge for late payment of approximately RMB249,000 under the self-reporting system of the PRC tax rules.

Having settled the aforesaid PRC tax liabilities and surcharge, the management has reassessed the adequacy of provision for tax and related payments made in the past years and determined that the said payments should not have caused a significant financial impact on the Group's results and financial positions throughout the year.

Reconciliation of tax expenses

The tax charge for the year can be reconciled to the (loss) profit per the consolidated statement of comprehensive income as follows:

	2014	2013
	HK$'000	*HK$'000*
(Loss) Profit before taxation	**(16,839)**	16,578
Income tax at applicable tax rate of 16.5%	**(2,779)**	2,735
Effects of different tax rates of subsidiaries operating in other jurisdictions	**163**	233
Non-deductible expenses	**2,336**	2,829
Tax exempt revenue	**(489)**	(1,205)
Tax effect of share of results of associates	**(19)**	(208)
Utilisation of previously unrecognised tax losses	**(158)**	(60)
Unrecognised temporary differences	**398**	217
Over provision in prior year	**(133)**	(296)
Tax effect of tax loss not recognised	**2,435**	294
Others	**(16)**	(649)
Tax expense for the year	**1,738**	3,890

Tax exempt revenue mainly included profits not taxed in Hong Kong under S.23B of the Inland Revenue Ordinance for being carriage shipped outside Hong Kong and bank interest income. Non-deductible expenses mainly included bank loan and overdraft interest incurred for non-producing assets, loss not allowable in Hong Kong under S.23B of the Inland Revenue Ordinance for being carriage shipped outside Hong Kong.

7. (LOSS) EARNINGS PER SHARE

Basic (loss) earnings per share for the years ended 31 December 2014 and 2013 are calculated by dividing the (loss) profit 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, 1 ordinary share issued on incorporation of the Company, 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 2013 for the purpose of the calculation of basic earnings per share.

	2014	2013
	HK$'000	*HK$'000*
(Loss) Profit attributable to equity holders of the Company	**(19,275)**	10,095
Weighted average number of ordinary shares in issue	**974,465,753**	671,780,822
Basic (loss) earnings per share	**(1.98) HK cents**	1.50 HK cents

Basic and diluted earnings per share are the same as the Company did not have any dilutive potential ordinary shares during the years ended 31 December 2014 and 2013.

8. DIVIDENDS

The board does not recommend the payment of a dividend for the year ended 31 December 2014 (2013: NIL).

9. TRADE AND OTHER RECEIVABLES

	2014	2013
	HK$'000	*HK$'000*
Trade receivables	**59,400**	78,847
Other receivables		
Deposits, prepayments and other debtors	**19,007**	24,461
Due from associates	**2,026**	2,349
	21,033	26,810
	80,433	105,657

The ageing analysis of trade receivables, based on the invoice date, is as follows:

	2014	2013
	HK$'000	*HK$'000*
Outstanding balances which aged:		
90 days or below	**54,783**	73,349
91–180 days	**4,191**	5,007
181–365 days	**282**	436
More than 365 days	**144**	55
	59,400	78,847

The Group allows a credit period of 60 to 90 days to its trade debtors.

10. TRADE AND OTHER PAYABLES

	2014	2013
	HK$'000	*HK$'000*
Trade payables	**34,412**	57,092
Other payables		
Accrued charges and other creditors	**13,777**	22,002
Due to associates	**9,147**	9,084
	22,924	31,086
	57,336	88,178

The ageing analysis of trade payables is as follows:

	2014	2013
	HK$'000	*HK$'000*
90 days or below	**32,300**	48,600
91–180 days	**1,958**	7,733
181–365 days	**154**	759
	34,412	57,092

11. SHARE CAPITAL

	Note	2014 Number of shares	2014 Nominal value HK$'000	2013 Number of shares	2013 Nominal value HK$'000
Ordinary shares of HK$0.01 each					
Authorised					
At beginning of year		**10,000,000,000**	**100,000**	38,000,000	380
Increase in authorised capital		**–**	**–**	9,962,000,000	99,620
At end of year		**10,000,000,000**	**100,000**	10,000,000,000	100,000
Issued and fully paid					
At beginning of year		**800,000,000**	**8,000**	1	–
Issue of shares upon reorganisation		**–**	**–**	9,999,999	100
Placing of new shares	*11(a)*	**320,000,000**	**3,200**	200,000,000	2,000
Capitalisation issue		**–**	**–**	590,000,000	5,900
At end of year		**1,120,000,000**	**11,200**	800,000,000	8,000

Note:

(a) On 16 May 2014, 160,000,000 ordinary shares of HK$0.01 each were issued by way of placing at a price of HK$0.272 per share for cash consideration of HK$43,520,000. The excess of placing price over the par value of the share issued, net of placing expenses of HK$1,164,000, was credited to the share premium account.

On 17 July 2014, 160,000,000 ordinary shares of HK$0.01 each were issued by way of placing at a price of HK$0.25 per share for cash consideration of HK$40,000,000. The excess of placing price over the par value of the share issued, net of placing expenses of HK$1,075,000, was credited to the share premium account.

All the shares issued during the year ended 31 December 2014 rank pari passu in all respects with the then existing shares.

BUSINESS REVIEW

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

For the Financial Year, 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 Financial Year under review.

Our integrated logistics freight services can be divided into below categories during the Financial Year 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 Financial Year under review, the Group's containers throughput (to and from Hong Kong and PRD region) decreased by 21.7% to approximately 245,000 Twenty-foot Equivalent Units ("**TEU**") for the Financial Year from approximately 313,000 TEUs in the last year. The Group recorded a decrease of 25.6% of revenue in the land and ocean freight services to approximately HK$298.9 million for the Financial Year (2013: HK$401.8 million).

The decrease in revenue was mainly attributable to the decline of the Group's business in integrated logistics freight services. During the Financial Year, the Group implemented a profit optimization strategy with gradual increase in shipping freight charges up to 30% on customers to optimize the return on the shareholders' equity. The Board expected that the profit optimization strategy would incur loss of customers who contribute low profit margin, but it might be able to optimize the profit stream in the future and a more high quality services provided to high profit margin clients. Consequently, it had a negative impact on the revenue and the gross profit margin throughout the Financial Year.

During the Financial Year, the Group had disposed certain redundant and old facilities (e.g. containers, tractors and trailers) and recognized a gain of approximately HK$4.3 million to mitigate the negative impact on the decline in revenue and gross profit margin.

(b) Air freight forwarding services

During the Financial Year, the Group continued to focus on its air freight forwarding services within the East Asia region. The air freight forwarding services income increased to approximately HK$35.8 million for the Financial Year (2013: HK$31.8 million), which is generally in line with the air cargo growth in the East Asia region.

(c) Operation equipment rental services

During the Financial Year, the Group recorded an income from operation equipment rental services of approximately HK$1.9 million (2013: approximately HK$9.6 million). The declined in income from equipment rental services reflected the decrease in containers being transported to and from PRC and Hong Kong during the Financial Year.

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 to approximately HK$31.0 million for the Financial Year (2013: HK$23.2 million).

(a) Provision of fuel cards

During the Financial Year, the increase in the Group's supporting services income was mainly driven by the increase in income from provision of fuel cards of approximately 33.6% as a result of increased 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 Financial Year. The relevant revenue increased by approximately 31.0% during the Financial Year as compared with the last year.

OUTLOOKS

Looking forward, the Group will continue to engage in the integrated logistics freight services. 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 interests of the shareholders of the Company.

FINANCIAL REVIEW

The Group's revenue declined by approximately 21.2% to approximately HK$367.6 million for the Financial Year (2013: HK$466.5 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 15.9% to approximately HK$313.6 million for the Financial Year (2013: HK$372.9 million), mainly driven by the decline in revenue from integrated logistics freight services but the fixed cost remained relatively stable.

With the combined effects of revenue and cost of sales, the Company's gross profit margin significant declined by 26.9% to 14.7% for the Financial Year (2013: 20.1%).

The Group's finance costs amounted to approximately HK$1.3 million for the Financial Year (2013: HK$1.3 million), the finance costs consist of interest on bank loans, overdraft and other borrowings as well as the finance charge on obligation under finance lease.

The Group recorded the loss for the Financial Year of approximately HK$18.6 million (2013: profit of approximately HK$12.7 million). The loss attributable to the equity holders of the Company was approximately HK$19.3 million (2013: profit of approximately HK$10.1 million) and the loss per share was 1.98 HK cents (2013: earnings per share was 1.50 HK cents).

LIQUIDITY AND FINANCIAL RESOURCES

The Group continued to adopt a prudent financial management policy and has a healthy financial position.

As at 31 December 2014, the Group had net current assets of approximately HK$106.7 million (2013: approximately HK$38.0 million) including bank balances and cash equivalents of approximately HK$92.4 million (2013: approximately HK$36.9 million).

The Group's equity capital and bank borrowings have been applied to fund its working capital and other operational needs. The Group's current ratio as at 31 December 2014 was 2.61 (2013: 1.35).

As at 31 December 2014, the Group's gearing ratio (defined as the ratio of total debts to total equity) was 7.5% (2013: 28.9%).

DIVIDEND

The Board does not recommend the payment of a dividend for the Financial Year (2013: Nil).

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND ASSOCIATED COMPANIES

The Group has no material acquisitions and disposals of subsidiaries and associated companies during the Financial Year.

CONTINGENT LIABILITIES

As at 31 December 2014, the Group had no material contingent liabilities (2013: Nil).

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 December 2014, the interests and short positions of each Director and chief executives 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 of the Company

Name of Director	Capacity/ Nature of interests	Number of shares held	% of the Company's issued share capital (Approximate)
Mr. Lo Wong Fung	Interest of a controlled corporation *(Note)*	520,000,000	46.43%

Note: The Shares were held by Golden Fame International Investments Group Limited ("**GFII**"), of which Mr. Lo Wong Fung is legally and beneficially owned as to 40% of the entire issued share capital. 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 31 December 2014, none of the Directors and chief executives 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.

SHARE OPTION SCHEME

The Company operates a share option scheme (the "**Scheme**") for the purpose of providing incentives and to recognise 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 Financial Year and there were no outstanding share options under the Scheme as at 31 December 2014 and at the date of this announcement.

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

As at 31 December 2014, 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)**
GFII	Beneficial owner	520,000,000 (L)	46.43%
Smart Oriental Limited *(Note 3)*	Interest of controlled corporation	520,000,000 (L)	46.43%
Loyal Fine Limited	Interest of controlled corporation	520,000,000 (L)	46.43%

Notes:

1. The letter "L" denotes a long position in the interest in the issued share capital of the Company.

2. GFII, a company incorporated in Hong Kong and an investment holding company, 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.

3. Smart Oriental Limited is a company incorporated under the laws of the British Virgin Islands and is directly held as to 100% by Loyal Fine Limited. Loyal Fine Limited is a company incorporated under the laws of the British Virgin Islands and is directly held as to 100% by Forefront Group Limited, a company whose shares are listed on the Stock Exchange (stock code: 885).

Save as disclosed above, as at 31 December 2014, 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.

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 GFII 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 46.63% of the existing issued share capital of the Company.

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 11 March 2015, the Offeror had received valid acceptances of 220,020,000 Offer Shares (the "**Acceptance Shares**"), representing approximately 19.64% of the existing issued share capital of the Company. Taking into account the Acceptance Shares and 520,000,000 Shares held by the Offeror and parties acting in concert with it, they were interested in an aggregate of 740,020,000 Shares, representing approximately 66.07% of the total issued share capital of the Company. Accordingly, the condition of the Share Offer had been fulfilled and had become unconditional in all aspects on 11 March 2015. Pursuant to the Takeovers Code, the Share Offer will remain open for acceptance for a period of no less than 14 days after the Share Offer becomes unconditional in all aspects. Accordingly, the latest time and date for the Share Offer extended to 4:00 p.m. on 25 March 2015 (or such other time as the Offeror may further determine and announce with the consent of the Executive in accordance with the Takeovers Code), being the latest time and date for the Share Offer to remain open for acceptance.

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 and 11 March 2015 and the composite offer and response document dated 18 February 2015 jointly issued by the Offeror and the Company.

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**"). A circular containing, among other things, details of the proposed Change of Company Name and a notice convening the general meeting will be dispatched to the Shareholders as soon as practicable. Details of the proposed Change of Company Name were set out in the Company's announcement dated 11 March 2015.

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

During the Financial Year, 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 December 2014, except as disclosed in the Prospectus.

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 December 2014 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 Financial Year.

CORPORATE GOVERNANCE CODE

Pursuant to code provision A.6.7, independent non-executive directors should attend general meetings. Mr. Lam Ying Hung, Andy and Mr. Zschiesche, Gustav (both resigned as independent non-executive Directors on 12 June 2014), were unable to attend an annual general meeting of the Company held on 15 May 2014 due to their other prior engagements.

AUDIT COMMITTEE

An 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.

REVIEW OF RESULTS

The Audit Committee has reviewed the accounting principles and practices adopted by the Group and the consolidated financial statements for the year ended 31 December 2014.

The figures in respect of the preliminary announcement of the Group's results for the year ended 31 December 2014 have been agreed by the Group's auditor, Mazars CPA Limited ("**Mazars**"), to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Mazars in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Mazars on the preliminary announcement.

By order of the Board
Gamma Logistics Corporation
Ni Xiangrong
Chairman

Hong Kong, 24 March 2015

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

Executive Directors	*Non-executive Directors*	*Independent Non-executive Directors*
Mr. Ni Xiangrong *(Chairman)*	Mr. Ji Longtao	Mr. Luk Chi Shing
Mr. Wang Yijun	Mr. Yang Yue Xia	Mr. Zhang Fangmao
Mr. Shum Kan Kim		Mr. Wang Zongbo
Mr. Lo Ka Man		

This announcement will remain on the "Latest Company Announcements" page of the GEM website at www.hkgem.com for a minimum period of 7 days from the date of its publication and on the Company's website at www.gamma-corporation.com.