



天津濱海泰達物流集團股份有限公司
Tianjin Binhai Teda Logistics (Group) Corporation Limited*

(a joint stock limited company incorporated in the People's Republic of China with limited liability)

Stock Code : 8348

2008

First Quarterly Report

* For identification purposes only

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This report, for which the directors (the “Directors”) of Tianjin Binhai Teda Logistics (Group) Corporation Limited (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: (i) the information contained in this report is accurate and complete in all material respects and not misleading; (ii) there are no other matters the omission of which would make any statement in this report misleading; and (iii) all opinions expressed in this report have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

This report will remain on the “Latest Company reports” page of the GEM website at www.hkgem.com for at least seven days from the date of its publication and on the website of the Company at www.tbt.com.cn.

HIGHLIGHTS

- The Company's shares were listed on GEM of the Stock Exchange on 30 April 2008.
- Turnover increased by approximately 79.5% to RMB338,873,000
- Gross profit rose by approximately 12.5% to RMB40,115,000
- Profit attributable to shareholders increased by approximately 19.0% to RMB16,664,000
- Earnings per share achieved RMB6.3 cents

UNAUDITED CONSOLIDATED FIRST QUARTERLY RESULTS OF 2008

The board of directors (the "Board") of the Company hereby announces the unaudited results of the Company and its subsidiaries (collectively referred to as the "Group") for the three months ended 31 March 2008 together with the comparative unaudited figures for the corresponding period in 2007.

Condensed Consolidated Income Statement

For the three months ended 31 March 2008

	Note	Three months ended 31 March	
		2008 (unaudited) RMB'000	2007 (unaudited) RMB'000
Turnover	4	338,873	188,755
Cost of sales		(298,758)	(153,083)
Gross profit		40,115	35,672
Other income		519	264
Administrative expenses		(10,347)	(6,790)
Share of results of associates		333	(45)
Finance costs		(443)	(136)
Profit before taxation	5	30,177	28,965
Taxation	6	(5,759)	(5,068)
Profit for the period		24,418	23,897
Attributable to:			
Equity holders of the Company		16,664	14,001
Minority interests		7,754	9,896
		24,418	23,897
Earnings per share – Basic	8	RMB0.06	RMB0.05

NOTES TO THE INTERIM FINANCIAL INFORMATION

For the three months ended 31 March 2008

1. General

The Company was established as an investment holding company in the People's Republic of China (the "PRC") by its promoters, Tianjin Teda Investment Holding Co., Ltd. ("Teda Holding") and Tianjin Economic and Technological Development Area State Asset Operation Company ("TEDA Asset Company"), as a joint stock limited company on 26 June 2006 with an operating period of 50 years. Pursuant to the group reorganisation (the "Reorganisation") in preparation of the listing of the Company's overseas listed foreign shares ("H shares") on the Growth Enterprises Market ("GEM") of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), the Company has become the holding company of the Group in June 2006. The Company's H shares were listed on the GEM of the Stock Exchange on 30 April 2008.

The Company together with its subsidiaries are hereafter collectively referred to as the Group ("Group"). The Group is engaged in provision of logistics and supply chain solutions services and steel procurement services.

2. Basis of preparation

The interim financial information has been prepared in accordance with the applicable disclosure requirements of Chapter 18 of the Rules Governing the Listing of Securities on GEM of the Stock Exchange.

The amounts included in this interim financial information have been computed in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board applicable to interim periods. However, it does not contain sufficient information to constitute an interim financial report as defined in IFRS.

3. Principal accounting policies

The interim financial information has been prepared on the historical cost basis.

The accounting policies used in the interim financial information are consistent with those followed in the preparation of the Group's consolidated financial statements for the three years ended 31 December 2007 included in the Prospectus of the Company dated 24 April 2008.

In the current interim period, the Group has applied, for the first time, the following new International Financial Reporting Interpretations Committee (the "IFRIC") issued by International Accountants Standards Board ("IASB"), which are effective for the Group's financial year beginning on 1 January 2008.

3. Principal accounting policies (Continued)

IFRIC 11	IFRS 2: Group and treasury share transactions
IFRIC 12	Service Concession arrangements
IFRIC 14	IAS 19 – The limit on a defined benefit asset, minimum funding requirements and their interaction

The adoption of these new IFRICs had no material effect on the results or financial position for the current or prior accounting periods. Accordingly, no prior period adjustment has been required.

The Group has not early applied the following new standards, amendments or interpretations that have been issued but are not yet effective at the date of the report.

IAS 1 (Revised)	Presentation of financial statements ¹
IAS 23 (Revised)	Borrowing costs ¹
IAS 27 (Revised)	Consolidated and separate financial statements ²
IAS 32 & 1 (Amendment)	Puttable financial instruments and obligations arising on liquidation ¹
IFRS 2 (Amendment)	Vesting conditions and cancellation ¹
IFRS 3 (Revised)	Business combinations ²
IFRS 8	Operating segments ¹
IFRIC 13	Customer loyalty programmes ³

¹ Effective for annual periods beginning on or after 1 January 2009.

² Effective for annual periods beginning on or after 1 July 2009.

³ Effective for annual periods beginning on or after 1 July 2008.

The Directors anticipate that the application of these standards, amendments or interpretations will have no material impact on the results and the financial position of the Group except that the adoption of IFRS 3 (Revised) Business combinations and IAS 27 (Revised) Consolidation and separate financial statements. IFRS 3 (Revised) may affect the accounting for business combination for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 July 2009. IAS 27 (Revised) will affect the accounting treatment for changes in a parent's ownership interest in a subsidiary that do not result in a loss of control, which will be accounted for as equity transactions.

4. Segment information

Business segments

During the three months ended 31 March 2007, the Group has only one segment of logistics and supply chain solutions.

During the three months ended 31 March 2008, for management purposes, the Group is mainly organised into two operating divisions – (i) logistics and supply chain solutions and (ii) steel procurement services.

Principal activities of the two segments are as follows:

Logistics and supply chain solutions – Render logistics services and supply chain management i.e. planning, storage and transportation management for automobile components, electronic production materials, finished goods and materials procurement logistics services i.e. purchase and sale of resins and electronic components as a value-added service to the Group's existing customers of logistics and supply chain management at the pre-production stage.

Steel procurement services – Sales of steel materials to customers comprised principally trading companies and provision of related services of transportation management, storage, warehouse supervising and management.

Segment information about the two segments for the three months ended 31 March 2008 is as follows:

Three months ended 31 March 2008

	Logistics and supply chain solutions (unaudited) RMB'000	Steel procurement services (unaudited) RMB'000	Total (unaudited) RMB'000
Revenue	260,879	77,994	338,873
Segment result	28,808	2,506	31,314
Unallocated other income			503
Unallocated corporate expenses			(1,530)
Share of results of associates	333	–	333
Finance costs			(443)
Profit before taxation			30,177
Taxation			(5,759)
Profit for the period			24,418

5. Profit before taxation

Profit before taxation has been arrived at after charging:

	Three months ended 31 March	
	2008 (unaudited) RMB'000	2007 (unaudited) RMB'000
Depreciation of property, plant and equipment	4,774	3,547
Amortisation of prepaid lease payments included in administrative expenses	362	334
Exchange loss	606	150

6. Taxation

	Three months ended 31 March	
	2008 (unaudited) RMB'000	2007 (unaudited) RMB'000
The charge comprises the PRC enterprise income tax ("EIT")		
Current taxation		
– the Company and its subsidiaries	4,181	4,189
– jointly controlled entities	1,578	879
	5,759	5,068

The Group and the jointly controlled entities are, except for as stated below, subject to EIT levied at a rate of 25% (three months ended 31 March 2007: 33%) of taxable income determined in accordance with the relevant new laws and regulations in the PRC promulgated by PRC government which have been effective from 1 January 2008.

Name of subsidiary/jointly controlled entity	Three months ended 31 March	
	2008 (unaudited) EIT rate	2007 (unaudited) EIT rate
Tianjin Fengtian Logistics Co., Ltd. ("Tianjin Fengtian")	18%	15%
Tianjin Alps Teda Logistics Company Limited * ("Tianjin Alps Teda")	18%	15%

6. Taxation (Continued)

Pursuant to the relevant approval by the tax authorities, both Tianjin Fengtian and Tianjin Alps Teda, which recognised as manufactory foreign investment enterprises, entitled a preferential tax rate of 15% since 2005. Upon the implementation of the new PRC tax law, a five-year transitional period has been granted to the entity that previously enjoys the preferential tax rate of 15%. Therefore, the applicable tax rate of these two entities is 18% in 2008. For the Company, other subsidiaries and jointly controlled entities, their applicable tax rate have been changed immediately to 25% from 2008.

* *Tianjin Alps Teda is jointly controlled entity.*

7. Dividends

The directors do not recommend the payment of an interim dividend for the three months ended 31 March 2008 (three months ended 31 March 2007: Nil). No dividends were paid during the period.

8. Earnings per share

The calculation of the basis earnings per share are based on the profit attributable to equity holders of the Company for the three months ended 31 March 2008 and 2007 and on the number of 265,000,000 shares outstanding for the both periods.

No diluted earnings per share have been presented as the Company had no potential ordinary shares during both periods or at the balance sheet date.

9. Share capital and reserves

	Attributable to equity holders of the Company						
	Share capital (unaudited) RMB'000	Other reserves (unaudited) RMB'000	Statutory reserves (unaudited) RMB'000	Retained profits (unaudited) RMB'000	Attributable to equity holders of parent entity (unaudited) RMB'000	Minority interests (unaudited) RMB'000	Total (unaudited) RMB'000
At 1 January 2007	265,000	(73,258)	12,717	51,203	255,662	61,975	317,637
Profit for the period and total recognised income and expenses for the period	-	-	-	14,001	14,001	9,896	23,897
At 31 March 2007	265,000	(73,258)	12,717	65,204	269,663	71,871	341,534
At 1 January 2008	265,000	(73,258)	30,569	82,775	305,086	83,537	388,623
Profit for the period and total recognised income and expenses for the period	-	-	-	16,664	16,664	7,754	24,418
At 31 March 2008	265,000	(73,258)	30,569	99,439	321,750	91,291	413,041

10. Subsequent events

- (i) On 14 April 2008, the Group repaid RMB2,393,000 to a minority shareholder of Tianjin Binhai Yuan Sheng Steel Market Operation and Management Co., Ltd. (“Binhai Yuan Sheng”).
- (ii) On 22 April 2008, the Group repaid the full outstanding amount of RMB40,000,000 to Tianjin Economic and Technological Development Area Administrative Commission, the owner of Teda Holding, being the holding company of the Company.
- (iii) On 29 April 2008, pursuant to the extraordinary general meeting held on 19 March 2008,
 - (a) the Company issued 88,600,000 H Shares at RMB 1 each and
 - (b) 8,860,000 H Shares were converted from domestic shares and held by the National Council for Social Security Fund (“NSSF Council”) of the PRC, as a result of a transfer by Teda Holding and TEDA Asset Company of such domestic shares to NSSF Council pursuant to the Provisional Administrative Measures for the Reduction of State-owned Shares in Raising the Social Security Fund promulgated by the State Council of the PRC on 12 June 2001.

Accordingly, the Company’s issued share capital on 29 April 2008 comprises 256,140,000 domestic shares and 97,460,000 H shares, respectively at RMB1 each, amounting to RMB353,600,000.

- (iv) On 30 April 2008, the Company’s H Shares were listed on GEM of the Stock Exchange.

MANAGEMENT DISCUSSION AND ANALYSIS

Financial review

The turnover of the Group increased by approximately 79.5% from RMB188,755,000 for the three months ended 31 March 2007 to RMB338,873,000 for the three months ended 2008. The substantial increase in turnover of the Group was mainly due to the increase in turnover from logistics services and supply chain management of 39.3% to approximately RMB243,934,000 (2007: RMB175,079,000) and the steel procurement services being a new logistics product that the Group commenced in late 2007 of approximately RMB77,994,000 (2007: RMB nil).

The significant growth in turnover from logistics services and supply chain management was mainly contributed by the increase in demand for logistics services for automobiles driven by the rise in the national sales volume of automobiles in the PRC and the introduction of new major customers. Total number of the imported and domestic automobiles handled by the Group increased from over 64,000 vehicles in the first quarter of 2007 to over 92,000 vehicles in the first quarter of 2008. Turnover from procurement services for resins and electronic production materials increased by 23.9% to approximately RMB16,945,000 as a result of increase in business volume of existing major customers.

The overall gross profit margin decreased from 18.9% to 11.8% for the three month ended 2008 comparing with corresponding period in previous year. The decrease in overall gross profit margin was mainly due to the introduction of steel procurement services and the increase in initial operating expenses for the expansion of operating scale of Tianjin Fengtian Logistics Company Limited.

The net profit attributable to the equity holders of the Company increased by 19.0% to RMB16,664,000 for the three months ended 31 March 2008 from RMB14,001,000 for the three months ended 31 March 2007. The increase in net profit was mainly attributable to the expansion in logistics services and supply chain management and steel procurement services.

Business review

From the three months ended 31 March 2008, the Group has achieved steady and continuous growth in respect of its major businesses. In particular, the logistics services for car and electronic components as well as the bonded warehousing services have recorded strong growth due to the increase in demands of both the existing and new customers of the Group.


The business of the steel procurement services has expanded substantially during the first quarter of 2008. The Group has successfully established business relationships with a number of major steel manufacturing corporations in Northern China region. Also, Binhai Yuan Sheng has commenced its business in the core region of the Tianjin Binhai New Area.

The steel procurement services is an extension of services on the basis of the existing supply chain solutions services provided by the Group, including pre-production preparation, materials procurement, transportation and warehousing, with a view to providing one-stop logistics solutions to customers.

Prospects

According to the latest report announced by the China Federation of Logistics & Purchasing, the value of the PRC national logistics demand for the first quarter of 2008 amounts to approximately RMB1,930 billion, which includes the logistics industry growth of RMB422.6 billion and the total national logistics expenses of RMB1,114 billion. Both the logistics industry growth and the total national logistics expenses have recorded double-digit growth. It is expected that the logistics industry in China will continue to grow rapidly in the year of 2008.

In view of the rapid growth in logistics industry in China, the Group will strive to fully utilize its competitive advantages in Tianjin Binhai New Area by expanding its existing operations in provision of logistics services for automobile and electronic components as well as developing other new logistics product. In addition, the business of the steel procurement services is expected to be stable in the next quarter and the steel products market operated by Binhai Yuan Sheng will commence in the second quarter of 2008. The Group will also commence the development of various infrastructure projects as once the proceeds obtained from the listing are available.



Given the huge potential of Tianjin Binhai New Area and the competitive advantages enjoyed the Group in the region, the Group will keep on looking for good investment opportunities in logistics infrastructure in the region.

DIRECTORS, SUPERVISORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY

As the shares of the Company were listed on GEM of the Stock Exchange on 30 April 2008, no disclosure of beneficial interests or short positions of any Directors, supervisors (the "Supervisors"), and/or chief executive of the Company in the shares, underlying shares or debentures of the Company or its associated corporations (within meaning of Part XV of the Securities and Futures Ordinance, Cap.571 (the "SFO")) were made to the Company under Divisions 7 and 8 of Part XV of the SFO as at 31 March 2008. So far as is known to the Directors, as at the date of this report, none of the Directors, the Supervisors and chief executives of the Company nor their respective associates (as defined under the GEM Listing Rules) had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (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 provisions of the SFO), or which were recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO or which were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange as at the date of this report.

DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVES' RIGHTS TO ACQUIRE SHARES OR DEBENTURES OF THE COMPANY

So far as is known to the Directors, as at 31 March 2008 and as at the date of this report, none of the Directors, the Supervisors or chief executives of the Company or any of their spouses and children under 18 years of age had any interest in, or has been granted, or exercised, any rights to subscribe for shares (or warrants or debentures, if applicable) in the Company or to acquire shares in the Company.

SUBSTANTIAL SHAREHOLDERS

As the shares of the Company were listed on GEM of the Stock Exchange on 30 April 2008, no disclosure of beneficial interests or short positions of substantial shareholders in the shares or underlying shares of the Company were made to the Company under Divisions 2 and 3 of Part XV of the SFO as at 31 March 2008. According to the register kept by the Company pursuant to section 336 of the SFO, and so far as is known to the Directors, as at the date of this report, the following persons (other than a Director or a Supervisor or chief executive of the Company) had, or were deemed or taken 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 or who were directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group are as follows:

Name	Capacity	Number and class of shares (Note 1)	Approximate percentage of shareholding in the same class of shares	Approximate percentage of shareholding in the Company's total issued share capital
Tianjin Teda Investment Holding Company Limited	Beneficial owner	178,814,717 (L) Domestic shares	69.81%	50.57%
Tianjin Economic and Technological Development Area State Asset Operation Company	Beneficial owner	77,325,283 (L) Domestic shares	30.19%	21.87%
Tianjin Port Development Holdings Limited	Beneficial owner	20,000,000 (L) H shares	20.52%	5.66%
Guotai Junan Securities Co., Ltd. (Note 2)	Interest in controlled corporations	13,290,000 (L) H shares	13.64%	3.76%
Guotai Junan Securities Co., Ltd. (Note 3)	Interest in controlled corporations	13,290,000 (S) H shares	13.64%	3.76%
Hongkong Topway Trading Co., Limited	Beneficial owner	10,000,000 (L) H shares	10.26%	2.83%
Guotai Junan Assets (Asia) Limited	Investment manager	9,700,000 (L) H shares	9.95%	2.74%
The National Council for Social Security Fund of the People's Republic of China	Beneficial owner	8,860,000 (L) H shares	9.09%	2.51%

Notes:

1. The letter "L" denotes the shareholders' long position in the share capital of the Company. The letter "S" denotes the shareholders' short position in the share capital of the Company.
2. Guotai Junan Securities Co., Ltd. is interested in 100% of the issued share capital of Guotai Junan Financial Holdings Limited. Guotai Junan Financial Holdings Limited is interested in 100% of the issued share capital of Guotai Junan (Hong Kong) Limited. Guotai Junan (Hong Kong) Limited is interested in 100% of the issued share capital of Guotai Junan Securities (Hong Kong) Limited, which in turn is interested in 13.64% of H shares of the Company as long position.
3. Guotai Junan Securities Co., Ltd. is interested in 100% of the issued share capital of Guotai Junan Financial Holdings Limited. Guotai Junan Financial Holdings Limited is interested in 100% of the issued share capital of Guotai Junan (Hong Kong) Limited. Guotai Junan (Hong Kong) Limited is interested in 100% of the issued share capital of Guotai Junan Securities (Hong Kong) Limited, which in turn is interested in 13.64% of H shares of the Company as short position.

Save as disclosed above, the Directors are not aware of any persons (other than a Director or a Supervisor or chief executive of the Company) who had, or were deemed or taken 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 or who were directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group as at the date of this report.

DIRECTORS' AND SUPERVISORS' INTERESTS IN A COMPETING BUSINESS

For the three months period ended 31 March 2008, the Directors are not aware of any business or interest of the Directors, the Supervisors, the management shareholders of the Company and their respective associates (as defined under the GEM Listing Rules) that compete or may compete (directly or indirectly) with the business of the Company and any other conflicts of interests which any such person has or may have with the Company.

SHARE OPTION SCHEME

No share options have been granted nor any existing share option scheme has been adopted by the Company as at the date of this report.

INTERESTS OF THE COMPLIANCE ADVISER

As notified by Guotai Junan Capital Limited ("Guotai Junan"), the Company's compliance adviser, neither Guotai Junan nor its directors or employees or associates had any interests in the share capital of the Company or any member of the Group (including options or rights to subscribe for such securities) as at 31 March 2008.

Pursuant to an agreement dated 25 April 2008 entered into between Guotai Junan and the Company, Guotai Junan received and will receive fees for acting as the Company's compliance adviser.

CODE ON CORPORATE GOVERNANCE PRACTICES

The Company complied with the Code on Corporate Governance Practices of the GEM Listing Rules since the commencement of trading of its shares on GEM.

COMPLIANCE WITH CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has adopted a code of conduct regarding securities transactions by Directors on terms no less exacting than the required standard of dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Having made specific enquiry of all Directors, the Directors have complied with the required standard of dealings and the code of conduct regarding securities transactions by the Directors since the commencement of trading of the H Shares of the Company on GEM on 30 April 2008.

PURCHASE, SALE OR REDEMPTION OF SECURITIES

Since the commencement of listing of the H Shares of the Company on GEM on 30 April 2008, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any listed shares of the Company.

AUDIT COMMITTEE

In compliance with Rules 5.28 to 5.29 of the GEM Listing Rules, the Company established an audit committee with written terms of reference on 22 December 2006. The primary duties of the audit committee are to review and supervise the financial reporting process and internal control systems of the Group. The audit committee comprises three Independent Non-Executive Directors, namely, Mr. Zhang Limin, Mr. Luo Yongtai and Mr. Liu Jing Fu. Mr. Zhang Limin is the chairman of the audit committee.

The audit committee has reviewed the Company's unaudited results for the three months ended 31 March 2008 and had the opinion that the preparation of the results complied with the applicable accounting standards and requirements and that adequate disclosures have been made.

As at the date of this report, the Board of directors of the Company comprises (1) Mr. Zhang Jian and (2) Mr. Sun Quan as Executive Directors; (3) Mr. Zhang Jun; (4) Mr. Ding Yi as Non-Executive Directors; and (5) Mr. Zhang Limin; (6) Mr. Luo Yongtai and (7) Mr. Liu Jing Fu as Independent Non-Executive Directors.

By order of the Board

天津濱海泰達物流集團股份有限公司

Tianjin Binhai Teda Logistics (Group) Corporation Limited

Zhang Jian

Chairman

Tianjin, PRC, 15 May 2008