



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

# 2012 Interim Report

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

Stock Code: 8348



\* For identification purposes only

## **CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)**

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**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.**

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*This report, for which the directors of the issuer collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules of the Stock Exchange of Hong Kong Limited (“GEM Listing Rules”) for the purpose of giving information with regard to the issuer. The directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the figures 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.*

## HIGHLIGHTS

The following are the financial highlights during the six months ended 30 June 2012:

- Total turnover amounted to approximately RMB1,007,613,000 (corresponding period in 2011: RMB1,007,708,000), which was substantially the same as compared with the corresponding period last year.
- Gross profit was approximately RMB61,987,000 (corresponding period in 2011: RMB45,973,000), representing an increase of approximately 34.83% as compared with the corresponding period last year.
- Gross profit margin was approximately 6.15%, representing an increase of approximately 1.59% as compared with 4.56% achieved in the corresponding period last year.
- Profit attributable to shareholders amounted to approximately RMB40,002,000 (corresponding period in 2011: RMB40,643,000), which was substantially the same as compared with the corresponding period last year.
- Earnings per share was RMB11 cents.

## UNAUDITED CONSOLIDATED INTERIM RESULTS OF 2012

The board of Directors (the "Board") of the Company hereby announces the unaudited results of the Company and its subsidiaries (collectively the "Group") for the six months ended 30 June 2012 together with the unaudited comparative figures for the corresponding period in 2011.

### CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

For the six months ended 30 June 2012

	Notes	Three months ended 30 June		Six months ended 30 June	
		2012 RMB'000 (unaudited)	2011 RMB'000 (unaudited)	2012 RMB'000 (unaudited)	2011 RMB'000 (unaudited)
Turnover	4	<b>489,818</b>	417,334	<b>1,007,613</b>	1,007,708
Cost of sales	7	<b>(459,301)</b>	(405,182)	<b>(945,626)</b>	(961,735)
Gross profit		<b>30,517</b>	12,152	<b>61,987</b>	45,973
Other income	5	<b>14,614</b>	7,326	<b>17,424</b>	17,172
Administrative expenses	7	<b>(14,401)</b>	(11,000)	<b>(28,921)</b>	(29,012)
Finance costs	6	<b>(2,834)</b>	(2,042)	<b>(6,966)</b>	(3,924)
Share of results of associates		<b>7,225</b>	9,670	<b>15,495</b>	15,627
Profit before tax		<b>35,121</b>	16,106	<b>59,019</b>	45,836
Income tax expense	8	<b>(5,941)</b>	1,570	<b>(9,384)</b>	(3,314)
Profit/total comprehensive income for the period		<b>29,180</b>	17,676	<b>49,635</b>	42,522
Profit attributable to Equity holders of the Company		<b>24,613</b>	19,869	<b>40,002</b>	40,643
Minority interests		<b>4,567</b>	(2,193)	<b>9,633</b>	1,879
		<b>29,180</b>	17,676	<b>49,635</b>	42,522
Earnings per share Basic and diluted (RMB Cents)	10	<b>7</b>	6	<b>11</b>	11

## CONDENSED CONSOLIDATED BALANCE SHEET (UNAUDITED)

As of 30 June 2012

	Notes	30 June 2012 RMB'000 (unaudited)	31 December 2011 RMB'000 (audited)
<b>Non-current assets</b>			
Land use rights		148,537	149,759
Property, plant and equipment	11	418,241	346,206
Investment properties		90,562	92,784
Interests in subsidiaries		69,741	56,046
Goodwill		105	105
		<b>727,186</b>	<b>644,900</b>
<b>Current assets</b>			
Inventories		39,894	41,752
Trade and other receivables	12	421,337	566,120
Pledged bank deposits		28,056	67,552
Bank balances and cash		311,130	296,419
		<b>800,417</b>	<b>971,843</b>
<b>Total assets</b>		<b>1,527,603</b>	<b>1,616,743</b>
<b>EQUITY</b>			
<b>Share capital and reserves attributable to equity holders of the Company</b>			
Share capital	15	354,312	354,312
Other reserves		58,024	55,712
Retained earnings		316,915	279,224
		<b>729,251</b>	<b>689,248</b>
Minority interests		165,852	86,781
<b>Total equity</b>		<b>895,103</b>	<b>776,029</b>

	<i>Notes</i>	<b>30 June 2012 RMB'000 (unaudited)</b>	31 December 2011 RMB'000 (audited)
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Deferred income		<b>11,921</b>	10,063
		<b>11,921</b>	10,063
<b>Current liabilities</b>			
Trade and other payables	13	<b>409,014</b>	572,386
Amounts due to an associate			15
Dividend payable		<b>5,077</b>	
Taxation payable		<b>3,958</b>	5,730
Bank borrowings	14	<b>202,530</b>	252,520
		<b>620,579</b>	830,651
Total liabilities		<b>632,500</b>	840,714
Total equity and liabilities		<b>1,527,603</b>	1,616,743
<b>Net current assets</b>		<b>179,838</b>	141,192
<b>Total assets less current liabilities</b>		<b>907,024</b>	786,092

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

As of 30 June 2012

	Attributable to equity holders of the Group						Minority interests RMB'000	Total RMB'000
	Share capital RMB'000	Share premium RMB'000	Other reserves RMB'000	Statutory reserves RMB'000	Retained profits RMB'000	Total RMB'000		
At 1 January 2011 (audited)	354,312	55,244	(73,258)	66,862	212,653	615,813	92,433	708,246
Total comprehensive income for the period					40,643	40,643	1,879	42,522
Dividend							(16,985)	(16,985)
Transfer				2,300	(2,300)			
At 30 June 2011 (unaudited)	354,312	55,244	(73,258)	69,162	250,996	656,456	77,327	733,783
At 1 January 2012 (audited)	354,312	55,244	(73,258)	73,726	279,224	689,248	86,781	776,029
Total comprehensive income for the period					40,002	40,002	9,632	49,634
Dividend							(10,408)	(10,408)
Transfer				2,312	(2,312)			
Capital increase							79,847	79,847
At 30 June 2012 (unaudited)	354,312	55,244	(73,258)	76,038	316,914	729,250	165,852	895,102

## CONDENSED CONSOLIDATED CASH FLOW STATEMENT (UNAUDITED)

For the six months ended 30 June 2012

	Six months ended 30 June	
	2012 RMB'000 (unaudited)	2011 RMB'000 (unaudited)
<b>Net cash generated from (used in) operating activities</b>	<b>34,200</b>	(59,703)
<b>Net cash generated from (used in) investing activities</b>	<b>(37,049)</b>	20,076
<b>Net cash generated from (used in) financing activities</b>	<b>17,560</b>	(11,309)
Net increase in cash and cash equivalents	<b>14,711</b>	(50,936)
Cash and cash equivalents at 1 January	<b>296,419</b>	311,247
Cash and cash equivalents at 30 June represented by bank balances and cash	<b>311,130</b>	260,311

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

For the six months ended 30 June 2012

## 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. Both TEDA Holding and TEDA Asset Company are controlled by Tianjin Economic and Technological Development Area Administrative Commission ("TEDA Administrative Commission").

Pursuant to the group reorganisation (the "Reorganisation") in preparation for the listing of the Company's overseas listed foreign shares ("H shares") on the Growth Enterprise Market ("GEM") of the Stock Exchange of Hong Kong Limited ("Stock Exchange"), the Company became 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 hereinafter collectively referred to as the Group ("Group"). The Group is engaged in the provision of logistics and supply chain solutions services and materials procurement and related logistics services.

The Group's principal operations are conducted in the PRC. The consolidated financial statements have been presented in Renminbi ("RMB"), which is the functional currency of the Company.

## 2. Basis of preparation

The condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34 (Interim Financial Reporting) and the disclosure requirements of the GEM Listing Rules of the Stock Exchange.

## 3. Principal Accounting Policies

The accounting policies used in the financial information are consistent with those applied in the Company's consolidated financial statements for the year ended 31 December 2011.

The Group has adopted the new or amended IFRS, amendments of standards and interpretations effective for the accounting periods beginning on or after 1 January 2012. Adoption of such new or amended standards, amendments of standards and interpretations has no material effects on the condensed consolidated interim financial information, and has caused no material change to the accounting policies of the Group.

#### 4. Segment information

	For the six months ended 30 June 2012					
	Logistics and supply chain services for finished automobiles and components RMB'000 (Unaudited)	Logistics and supply chain services for electronic components RMB'000 (Unaudited)	Materials procurement and related logistics services RMB'000 (Unaudited)	Reportable segments subtotal RMB'000 (Unaudited)	All other segments RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
Revenue	572,913	270,526	275,865	1,119,304	24,417	1,143,721
Inter-segment revenue	-	-	-	-	(845)	(845)
Revenue from external customers	572,913	270,526	275,865	1,119,304	23,572	1,142,876
Segment results	23,563	28,524	11,407	63,494	198	63,692
Depreciation and amortisation	(6,386)	(3,310)	(3,042)	(12,738)	(3,177)	(15,915)
Share of results of associates	-	-	1,147	1,147	14,348	15,495
Income tax expense	(3,697)	(7,544)	(1,915)	(13,156)	-	(13,156)

	For the three months ended 30 June 2012					
	Logistics and supply chain services for finished automobiles and components RMB'000 (Unaudited)	Logistics and supply chain services for electronic components RMB'000 (Unaudited)	Materials procurement and related logistics services RMB'000 (Unaudited)	Reportable segments subtotal RMB'000 (Unaudited)	All other segments RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
Revenue	287,897	141,294	119,085	548,276	12,762	561,038
Inter-segment revenue	-	-	-	-	(573)	(573)
Revenue from external customers	287,897	141,294	119,085	548,276	12,189	560,465
Segment results	11,326	16,428	12,315	40,069	(23)	40,046
Depreciation and amortization	(3,170)	(1,630)	(1,534)	(6,334)	(1,730)	(8,064)
Share of results of associates	-	-	624	624	6,601	7,225
Income tax expense	(1,924)	(4,204)	(1,915)	(8,043)	-	(8,043)

	For the six months ended 30 June 2011					
	Logistics and supply chain services for finished automobiles and components RMB'000 (Unaudited)	Logistics and supply chain services for electronic components RMB'000 (Unaudited)	Materials procurement and related logistics services RMB'000 (Unaudited)	Reportable segments subtotal RMB'000 (Unaudited)	All other segments RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
Revenue	414,170	251,050	452,767	1,117,987	19,801	1,137,788
Inter-segment revenue	-	(4,924)	(1,390)	(6,314)	(697)	(7,011)
Revenue from external customers	414,170	246,126	451,377	1,111,673	19,104	1,130,777
Segment results	1,303	21,343	13,811	36,457	1,608	38,065
Depreciation and amortisation	(6,238)	(3,323)	(2,423)	(11,984)	(3,138)	(15,122)
Share of results of associates	-	-	1,706	1,706	13,921	15,627
Income tax expense	2,194	(5,244)	(2,557)	(5,607)	(329)	(5,936)

	For the three months ended 30 June 2011					
	Logistics and supply chain services for finished automobiles and components RMB'000 (Unaudited)	Logistics and supply chain services for electronic components RMB'000 (Unaudited)	Materials procurement and related logistics services RMB'000 (Unaudited)	Reportable segments subtotal RMB'000 (Unaudited)	All other segments RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
Revenue	166,793	131,448	177,885	476,126	9,769	485,895
Inter-segment revenue	-	(2,224)	(1,390)	(3,614)	(335)	(3,949)
Revenue from external customers	166,793	129,224	176,495	472,512	9,434	481,946
Segment results	(8,561)	12,260	4,162	7,861	492	8,353
Depreciation and amortisation	(3,163)	(1,402)	(1,218)	(5,783)	(1,577)	(7,360)
Share of results of associates			1,801	1,801	7,869	9,670
Income tax expense	3,710	(3,007)	(526)	177	(111)	66

	<b>For the three months ended 30 June 2012 RMB'000 (unaudited)</b>	For the three months ended 30 June 2011 RMB'000 (unaudited)	<b>For the six months ended 30 June 2012 RMB'000 (unaudited)</b>	For the six months ended 30 June 2011 RMB'000 (unaudited)
Revenue for reportable segments	<b>548,276</b>	472,512	<b>1,119,304</b>	1,111,667
Revenue attributable to joint venture partners	<b>(70,647)</b>	(64,612)	<b>(135,263)</b>	(123,063)
Other segments	<b>12,189</b>	9,434	<b>23,572</b>	19,104
<b>Revenue of the Group</b>	<b>489,818</b>	417,334	<b>1,007,613</b>	1,007,708
Reportable segment results	<b>40,069</b>	7,861	<b>63,494</b>	36,457
Segment results attributable to joint venture partners	<b>(8,214)</b>	(6,129)	<b>(14,262)</b>	(10,671)
Other segments	<b>31,855 (23)</b>	1,732 492	<b>49,232 198</b>	25,786 1,608
<b>Total segments</b>	<b>31,832</b>	2,224	<b>49,430</b>	27,394
Share of results of associates	<b>7,225</b>	9,670	<b>15,495</b>	15,627
Unallocated other income	<b>(223)</b>	7,055	<b>2,314</b>	8,156
Unallocated corporate expenses	<b>(879)</b>	(801)	<b>(1,254)</b>	(1,417)
Finance costs	<b>(2,834)</b>	(2,042)	<b>(6,966)</b>	(3,924)
<b>Profit before income tax</b>	<b>35,121</b>	16,106	<b>59,019</b>	45,836
Income tax expense	<b>(5,941)</b>	1,571	<b>(9,384)</b>	(3,314)
<b>Profit for the year</b>	<b>29,180</b>	17,677	<b>49,635</b>	42,522

## 5. Other income

	Three months ended 30 June		Six months ended 30 June	
	2012 RMB'000 (Unaudited)	2011 RMB'000 (Unaudited)	2012 RMB'000 (Unaudited)	2011 RMB'000 (Unaudited)
Interest income	695	1,056	2,394	2,156
Subsidy income	12,953	270	12,953	9,016
Others	966	6,000	2,077	6,000
<b>Total</b>	<b>14,614</b>	<b>7,326</b>	<b>17,424</b>	<b>17,172</b>

## 6. Finance costs

	Three months ended 30 June		Six months ended 30 June	
	2012 RMB'000 (Unaudited)	2011 RMB'000 (Unaudited)	2012 RMB'000 (Unaudited)	2011 RMB'000 (Unaudited)
Interest on bank borrowings	2,834	2,042	6,966	3,924

## 7. Expenses by nature

	Three months ended 30 June		Six months ended 30 June	
	2012 RMB'000 (Unaudited)	2011 RMB'000 (Unaudited)	2012 RMB'000 (Unaudited)	2011 RMB'000 (Unaudited)
Depreciation of property, plant and equipment	5,174	5,034	10,347	10,208
Amortisation of prepaid lease payments included in administrative expenses	601	442	1,113	746
Exchange loss	(117)	326	(24)	530
Other expenses	8,743	5,198	17,485	17,528
Cost of sales	459,301	405,182	945,626	961,735
<b>Total cost of sales and administrative expenses</b>	<b>473,702</b>	<b>416,182</b>	<b>974,547</b>	<b>990,747</b>

## 8. Income tax expense

	Three months ended 30 June		Six months ended 30 June	
	2012 RMB'000 (Unaudited)	2011 RMB'000 (Unaudited)	2012 RMB'000 (Unaudited)	2011 RMB'000 (Unaudited)
Current income tax				
– the Company and its subsidiaries	3,839	(3,074)	5,612	692
– jointly controlled entities	2,102	1,504	3,772	2,622
<b>Total</b>	<b>5,941</b>	<b>(1,570)</b>	<b>9,384</b>	<b>3,314</b>

Under the prevailing tax law in the PRC, the Enterprise Income Tax rate of the Company, the subsidiaries and the jointly controlled entities, other than those stated below, is 25%.

Pursuant to the approval by the tax authorities, Tianjin Fengtian Logistics Co., Ltd., a subsidiary of the Group, is recognised as a new high-tech enterprise, entitled to a preferential tax rate of 15% for 2012 (2011: 15%). The preferential tax treatment is subject to review by the relevant tax authority on an annual basis.

## 9. Dividend

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2012 (the payment of an interim dividend of RMB0.02 per share for the six months ended 30 June 2011).

## 10. Earnings per share

	Three months ended 30 June		Six months ended 30 June	
	2012 RMB'000 (Unaudited)	2011 RMB'000 (Unaudited)	2012 RMB'000 (Unaudited)	2011 RMB'000 (Unaudited)
Profit for the period attributable to equity holders of the Company and earnings for the purpose of calculating basic and diluted earnings per share	24,613	19,869	40,002	40,643

	Number of shares Three months ended 30 June		Number of shares Six months ended 30 June	
	2012 '000 (Unaudited)	2011 '000 (Unaudited)	2012 '000 (Unaudited)	2011 '000 (Unaudited)
Weighted average number of shares for calculating basic and diluted earnings per share	354,312	354,312	354,312	354,312

## 11. Property, plant and equipment

During the period, the Group spent RMB80,345,132 (six months ended 30 June 2011: RMB30,421,000) on acquisition of property, plant and equipment.

## 12. Trade and other receivables

	<b>30 June 2012 RMB'000 (Unaudited)</b>	31 December 2011 RMB'000 (Audited)
Trade receivables	<b>190,243</b>	170,481
Less: impairment loss recognised	<b>(8)</b>	(8)
Bills receivables	<b>3,838</b>	41,000
Prepayments to suppliers	<b>194,073</b>	211,473
Other receivables	<b>27,744</b>	28,734
Less: impairment loss recognised	<b>(10)</b>	(253)
Total trade and other receivables	<b>421,337</b>	566,120

The average credit period that the Group grants to its trade customers ranges from 30 to 90 days. As at 30 June 2012, the ageing analysis of trade and bills receivables is as follows:

	<b>30 June 2012 RMB'000 (Unaudited)</b>	31 December 2011 RMB'000 (Audited)
0 – 90 days	<b>190,076</b>	204,784
91 – 180 days	<b>1,211</b>	4,834
181 – 365 days	<b>1,551</b>	150
Over 1 year	<b>1,235</b>	1,705
	<b>194,073</b>	211,473

### 13. Trade and other payables

	30 June 2012 RMB'000 (Unaudited)	31 December 2011 RMB'000 (Audited)
Trade payables	143,714	112,496
Bills payables (note)	140,000	337,480
	<b>283,714</b>	449,976
Deposits from customers	61,258	44,773
Other payables	64,042	77,637
Total trade and other payables	<b>409,014</b>	572,386

	30 June 2012 RMB'000 (Unaudited)	31 December 2011 RMB'000 (Audited)
0 – 90 days	278,678	226,699
91 – 180 days	3,964	219,082
181 – 365 days	680	2,245
Over 1 year	392	1,950
	<b>283,714</b>	449,976

### 14. Borrowings

	30 June 2012 RMB'000 (Unaudited)	31 December 2011 RMB'000 (Audited)
Short-term bank borrowings	202,530	252,520
Bank acceptance bills discounted with recourse	–	–
Total	<b>202,530</b>	252,520

### 15. Share capital

	Number of shares		Amount RMB'000
	Domestic shares	H shares	
At 31 December 2011 and 30 June 2012	256,068,800	98,243,200	354,312,000

## 16. Capital commitments

	<b>30 June 2012 RMB'000 (Unaudited)</b>	31 December 2011 RMB'000 (Audited)
– The Company and subsidiaries	<b>163,834</b>	147,979
– Jointly controlled entities	–	–
<b>Total</b>	<b>163,834</b>	147,979

## 17. Related party disclosures

### a. Transactions/balances with other state-controlled entities in the PRC

The Group operates in an economic environment currently predominated by enterprises directly or indirectly owned or controlled by the PRC government (hereinafter collectively referred to as "state-controlled entities"). The directors of the Company consider those state-controlled entities are independent third parties so far as the Group's business transactions with them are concerned. During this reporting period, the Group's significant transactions with these state-controlled entities include purchases of raw materials for trading purposes and fuel for transportation vehicles used in the logistics business. As at the end of this reporting period, the majority of the Group's cash and bank balances and borrowings are deposited in state-controlled banks or borrowings from state-controlled banks.

### b. Key management personnel and remuneration

The short-term benefits paid or payable by the Group to directors and other members of key management of the Company during the six months ended 30 June 2012 amounted to RMB2,046,000 (six months ended 30 June 2011: RMB2,105,000).

	<b>Three months ended 30 June</b>		<b>Six months ended 30 June</b>	
	<b>2012 RMB'000 (Unaudited)</b>	2011 RMB'000 (Unaudited)	<b>2012 RMB'000 (Unaudited)</b>	2011 RMB'000 (Unaudited)
<b>Rental income</b>	–	–	–	95

## MANAGEMENT DISCUSSION AND ANALYSIS

### Financial Review

For the six months ended 30 June 2012, the Group recorded a turnover of RMB1,007,613,000, substantially the same as that of the corresponding period last year. During the reporting period, the operating results of the Group's materials procurement and related logistics services decreased, while the turnover and operating profits of logistics and supply chain services for automobiles and their components recorded significant increase, compared with the corresponding period last year.

For the six months ended 30 June 2012, overall gross profit margin for the Group was 6.15%, representing an increase of 1.59 percentage points as compared with 4.56% of the corresponding period last year. The increase in overall gross profit margin of the Group was mainly due to the significant increase in the gross profit of the logistics and supply chain services for automobiles and their components compared with the corresponding period last year.

For the six months ended 30 June 2012, management expenses for the Group was RMB28,921,000, representing a decrease of RMB91,000 as compared with RMB29,012,000 of the corresponding period last year.

For the six months ended 30 June 2012, the share of results of associates of the Group was RMB15,495,000, substantially the same as that of the corresponding period last year, which was RMB15,627,000. During the reporting period, operating results of associates remained stable.

For the six months ended 30 June 2012, finance costs for the Group was RMB6,966,000, representing an increase of RMB3,042,000 or 78% as compared with RMB3,924,000 of the corresponding period last year. The increase in finance costs was mainly due to an increase in the scale of the Group's bank liquidity loan compared with the corresponding period last year.

For the six months ended 30 June 2012, net profit attributable to the equity holders of the Group amounted to RMB40,002,000, substantially the same as that of corresponding period last year, which was RMB40,643,000.

During the period under review, the Company did not purchase any derivative instrument for investment or other purpose.

### Business Review

The principal businesses of the Group are logistics and supply chain services for automobiles and their components, logistics and supply chain services for electronic components, materials procurement and related logistics services, and other bonded warehouse, supervision, agency services. During the reporting period, affected by the national macro economic environment and the Company's enhancement of risk control, the operating results of the Group's materials procurement and related logistics services decreased compared to the corresponding period last year. The Group's logistics and supply chain services for electronic components recorded steady growth, with its operating income and profits increasing compared to the corresponding period of last year. Being affected by the Japan earthquake, the operating results of the logistics and supply chain services for automobiles and their components decreased significantly last year; while in the first half of this year, growth resumed in the business, resulting in a significant increase in the operating income and profits compared to the corresponding period last year. Other services such as bonded warehouse, supervision and agency services maintained a good stage of development with further expansion of business scale.

#### *Logistics and supply chain services for automobiles and their components*

During the reporting period, the throughput of the logistics services for domestic finished automobiles was 295,942 sets, increasing by 97,953 sets or 49% compared with last year. During the reporting period, the throughput of logistics services of the imported automobile was 16,562 sets, increasing by 8,119 sets or 96% compared with the corresponding period last year. Turnover recorded for the reporting period amounted to RMB572,913,000, representing an increase of RMB158,743,000 or 38% compared with the corresponding period last year.

#### *Logistics and supply chain services for electronic components*

Turnover recorded for the reporting period amounted to RMB270,526,000, representing an increase of RMB24,400,000 or 10% compared with the corresponding period last year.

#### *Materials procurement and related logistics services*

Turnover recorded for the reporting period amounted to RMB275,865,000, representing a decrease of RMB175,512,000 or 39% compared with corresponding period last year.

#### *Other logistics services*

Turnover recorded for the reporting period amounted to RMB23,572,000, representing an increase of RMB4,468,000 or 23% compared with corresponding period last year.

## **OUTLOOK AND PROSPECTS**

The global environment was complicated and challenging in the first half of 2012, while the domestic economic growth had slowed down. The first half of the year recorded a year-on-year increase of 7.8% in the GDP, falling to break the level of 8%. The overall performance of the domestic logistics operation continued to achieve moderate growth, with a relatively rapid growth in gross output value of social logistics showing a modestly-slowdown-to-stabilizing trend. The value-added services of logistics industry grew steadily, while the fixed asset investments in the logistics industry recorded a faster pace of growth. However, the gross costs of social logistics remained stubbornly high and costs of logistic enterprises climbed higher, leading to a certain degree of effect on profitability. As the Group has kept on optimizing its business structure and strengthening its risk-resistance capability, the overall results of the Group were substantially the same as compared to the corresponding period of last year, maintaining a basically stable performance.

The Cold Chain Logistics Centre at Tianjin Port of Tedahang Cold Chain Logistics Co., Ltd. (泰達行(天津)冷鏈物流有限公司), a subsidiary of the Group, will commence operation in the second half of the year, which will provide new support to the improvement of the Group's result. Meanwhile, it is expected that our logistics and supply chain services for finished automobiles and components, logistics and supply chain services for electronic components and other services such as bonded warehouse, supervision and agency services will continue to grow steadily.

The Company will actively develop operation concepts and keep on optimizing its business structure to enhance operation and management standard, taking proactive measures to cope with the fierce market competition and impacts of various negative factors both at home and abroad. Furthermore, the Company will enhance operation and management of the Cold Chain Logistics Centre at Tianjin Port and continuously exploit new businesses in the cold chain logistics and other logistics fields, with an aim to consolidate and foster our competitive position and advantage in the industry.

## **LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE**

The Group's working capital was generally financed by internally generated net cash inflow and bank borrowings. As at 30 June 2012, total assets of the Group amounted to RMB1,527,603,000. Amongst which, current assets amounted to RMB800,417,000, and non-current assets were RMB727,186,000. The Group's total liabilities were RMB632,500,000, of which current liabilities amounted to RMB620,579,000, and non-current liabilities amounted to RMB11,921,000. Total equity amounted to RMB895,103,000, of which equity interest attributable to the Group amounted to RMB729,251,000 and minority interests amounted to RMB165,852,000.

## **CHARGE ON ASSETS OF THE GROUP**

During the reporting period, there has been no charge on assets of the Group.

## **GEARING RATIO**

As at 30 June 2012, the Group's gearing ratio was approximately 41% (31 December 2011: approximately 52%), which was measured by the total liabilities over the total assets.

## **FOREIGN CURRENCY GAINS AND LOSSES**

All the operating revenues and expenses of the Group are denominated in Renminbi.

The Group has no significant investments except those in the PRC. The Group, however, may be exposed to certain extent of foreign currency gains and losses mainly as the holding subsidiaries of the Group, Tianjin Alps Teda Logistics Co., Ltd., Dalian Alps Teda Logistics Co., Ltd. and Tianjin Fengtian Logistics Co., Ltd., have foreign currency business for United States Dollars or Japanese Yen. For the six months ended 30 June 2012, the Group had an exchange gain of RMB24,000 due to the appreciation of foreign currencies.

## **MATERIAL ACQUISITIONS AND DISPOSALS**

During the reporting period, there was no material acquisition and disposal by the Group.

## **CONTINGENT LIABILITIES**

At 30 June 2012, the Group had no material contingent liabilities.

## **EMPLOYEES**

As at 30 June 2012, the Group employed 2,213 employees (corresponding period in 2011: 2,029 employees). During the reporting period, staff costs, including directors' and supervisors' remunerations, amounted to approximately RMB68,738,000 (corresponding period in 2011: approximately RMB61,469,000). The Group's remuneration and bonus of employees are mainly determined by the provisions under the Group's remuneration policy and performance assessment of individual employee.

## **DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARE CAPITAL OF THE COMPANY AND ITS ASSOCIATES**

During the period under review, none of the Directors, supervisors and chief executives of the Company or their respective associates (within the meaning of the GEM Listing Rules) held 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 Securities and Futures Ordinance ("SFO")), which were required to be notified to the Company and the Stock Exchange under Divisions 7 and 8 of Part XV of Chapter 571 of the SFO (including interests or short positions which they have been taken or deemed to have under the SFO), or which were recorded in the register required to be kept by the Company under Section 352 of the SFO, or which were otherwise required to be notified to the Company and Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules.

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

So far as is known to the Directors, as at 30 June 2012, none of the Directors, supervisors and chief executives of the Company or any of their spouses and children under 18 years of age had any interest in the shares of the Company, or has been granted, or exercised, any rights to subscribe for shares (or warrants or debentures, if applicable) of the Company or to purchase shares of the Company.

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

So far as is known to the directors, chief executives and supervisors of the Company, as at 30 June 2012, the following persons (other than the directors, chief executives and supervisors of the Company) had interests or short positions in the shares and underlying shares of the Company, which were required to be disclosed to the Company pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, or 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 the Company, or which were required to be recorded in the register referred to in Section 336 of the SFO:

### Long Position in Shares

Name	Capacity	Number and class of shares (Note 1)	Approximate percentage of shareholding in the same class of shares	Approximate percentage of shareholding to the Company's total issued share capital
Tianjin Teda Investment Holding Co., Ltd.	Beneficial owner	178,765,011 (L) Domestic shares	69.81%	50.45%
Tianjin Economic and Technological Development Area State Asset Operation Company	Beneficial owner	77,303,789 (L) Domestic shares	30.19%	21.82%
Tianjin Port Development Holdings Limited	Beneficial owner	20,000,000 (L) H shares	20.36%	5.64%
Hongkong Topway Trading Co., Limited	Beneficial owner	10,000,000 (L) H shares	10.18%	2.82%
The National Council for Social Security Fund of the People's Republic of China	Beneficial owner	8,931,200 (L) H shares	9.09%	2.52%

On 18 November 2011, Tianjin Teda Investment Holding Co., Ltd. entered into a share transfer agreement with Chia Tai Land Company Limited, while Tianjin Economic and Technological Development Area State Asset Operation Company entered into a share transfer agreement with Chia Tai Pharmaceutical Investment (Beijing) Co., Ltd.. Accordingly, Tianjin Teda Investment Holding Co., Ltd. and Tianjin Economic and Technological Development Area State Asset Operation Company agreed to transfer 28,344,960 and 77,303,789 domestic shares of the Company held by them to Chia Tai Land Company Limited and Chia Tai Pharmaceutical Investment (Beijing) Co., Ltd., respectively. In accordance with the relevant requirements and regulations for state-owned assets administration of the PRC, the two aforementioned domestic share transfers are pending for approval by the relevant state-owned assets supervision and administration authorities of the PRC. So far as is known to the directors, chief executives and supervisors of the Company, as at 30 June 2012, the deemed interests of Chia Tai Land Company Limited, Chia Tai Pharmaceutical Investment (Beijing) Co., Ltd. and their associates under Part XV of the SFO 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 to the Company's total issued share capital
Chia Tai Land Company Limited 正大置地有限公司	Beneficial owner	28,344,960 (L) Domestic shares	11.07%	8%
Fortune (Shanghai) Limited 富泰(上海)有限公司	Interest of corporation controlled by a substantial shareholder	28,344,960 (L) Domestic shares	11.07%	8%
Charoen Pokphand Group Co., Ltd.	Interest of corporation controlled by a substantial shareholder	28,344,960 (L) Domestic shares	11.07%	8%
Chia Tai Pharmaceutical Investment (Beijing) Co., Ltd. 正大製藥投資(北京)有限公司	Beneficial owner	77,303,789 (L) Domestic shares	30.19%	21.82%
Sino Biopharmaceutical Limited 中國生物製藥有限公司	Interest of corporation controlled by a substantial shareholder	77,303,789 (L) Domestic shares	30.19%	21.82%
Tse Ping	Interest of corporation controlled by a substantial shareholder	77,303,789 (L) Domestic shares	30.19%	21.82%
Cheng Cheung Ling	Interest of a substantial shareholder's child under 18 and spouse	77,303,789 (L) Domestic shares	30.19%	21.82%

Note:

1. The letter "L" denotes the shareholders' long position in the share capital of the Company.

Save as disclosed in this report, so far as is known to the directors and chief executives of the Company, as at 30 June 2012, no any other persons (other than directors, chief executives and supervisors of the Company) had interests or short positions which would fall to be disclosed to the Company under provisions of Divisions 2 and 3 of Part XV 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 the Company and/or any subsidiary of the Company or, which were required to be recorded in the register referred to in Section 336 of the SFO.

## COMPETITION AND CONFLICT OF INTERESTS

None of the Directors, management shareholders, substantial shareholders of the Company nor their respective associates are engaged in business that competes or may compete with the business of the Group and have any other conflicts of interests with the Group.

## CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has complied with the code provisions in the Code on Corporate Governance Practices (the "CG Code") as set out in Appendix 15 of the GEM Listing Rules throughout the period under review, except for the following deviations: according to code provision A.2.1, the roles of the chairman of the Board (the "Chairman") and the chief executive officer (the "CEO") should be separate and should not be performed by the same individual. The division of responsibilities between the Chairman and CEO should be clearly established and set out in writing.

As at 30 June 2012, Mr. Zhang Jian was both the Chairman and CEO of the Company who is responsible for managing the Board and the Group's business. The Board considers that Mr. Zhang Jian understands the business operation of the Group well and can make decisions which are in the interest of the shareholders as a whole in a timely manner. The combination of the roles of Chairman and CEO can effectively formulate and implement the strategies of the Group and react swiftly to changes in the market. The Board also considers that there is no immediate need to separate the roles of Chairman and CEO. However, the Board will continue to review the effectiveness of the Group's corporate governance structure to assess whether the separation of the positions of Chairman and CEO is necessary.

## AUDIT COMMITTEE

The Company has established an audit committee with terms of reference, which clearly defines the powers and duties of the committee. The primary duties of the audit committee are to review and supervise the financial reporting process and internal control systems of the Company, as well as providing opinion and recommendation to the Directors of the Company. The audit committee comprises three independent non-executive Directors, namely Mr. Zhang Limin, Mr. Liu Jingfu and Mr. Luo Yongtai. Mr. Zhang Limin is the chairman of the audit committee. The audit committee has reviewed the Company's unaudited results for the reporting period and respective recommendation and opinion have been made.

## SECURITIES TRANSACTIONS BY DIRECTORS

The Company has not adopted the model code for securities transactions by Directors. However, having made specific enquiry to all Directors, the Company was not aware of any Directors' non-compliance with the rules and standards for transactions and the code of conduct regarding securities transactions by the directors as set out in Rules 5.48 to 5.67 of the GEM Listing Rules during this reporting period.

## PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the period under review, neither the Company nor any of its subsidiaries have purchased, redeemed or sold or cancelled any listed securities of the Company.

*As at the date of this report, the Board of the Company comprises Mr. Zhang Jian as executive Director; Mr. Hu Jun, Mr. Zhang Jun, Mr. Chen Fang and Mr. Wang Jincan as non-executive Directors; and Mr. Zhang Limin, Mr. Liu Jingfu, Mr. Luo Yongtai and Mr. Japhet Sebastian Law as independent non-executive Directors.*

By order of the Board  
**Tianjin Binhai Teda Logistics (Group) Corporation Limited\***  
**Zhang Jian**  
Chairman

Tianjin, the PRC  
13 August 2012

\* For identification purposes only