



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

2012 Third Quarterly Report

(a joint stock limited company incorporated in the People's Republic of China with limited liability)
Stock Code: 8348



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This report, for which the directors collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM of The Stock Exchange of Kong Hong Limited for the purpose of giving information with regard to the Company. The directors having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.

HIGHLIGHTS

The following are the financial highlights during the nine months ended 30 September 2012:

- Turnover decreased by approximately 5.87% to RMB1,531,955,000.
- Gross profit increased by approximately 9.01% to RMB93,886,000.
- Profit attributable to shareholders decreased by approximately 12.68% to RMB54,805,000.
- Earnings per share was RMB15 cents.

UNAUDITED CONSOLIDATED THIRD QUARTERLY RESULTS OF 2012

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 nine months ended 30 September 2012 together with the comparative unaudited figures for the corresponding period in 2011.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

For the nine months ended 30 September 2012

	Notes	Three months ended 30 September		Nine months ended 30 September	
		2012 RMB'000 (unaudited)	2011 RMB'000 (unaudited)	2012 RMB'000 (unaudited)	2011 RMB'000 (unaudited)
Turnover	4	524,342	619,774	1,531,955	1,627,482
Cost of sales	5	(492,443)	(579,624)	(1,438,069)	(1,541,358)
Gross profit		31,899	40,150	93,886	86,124
Other income		1,163	1,818	18,587	18,990
Administrative expenses	5	(15,571)	(14,678)	(44,492)	(43,691)
Finance costs		(2,813)	(2,429)	(9,779)	(6,353)
Share of results of associates		6,257	6,360	21,752	21,987
Profit before tax		20,935	31,221	79,954	77,057
Taxation	6	(2,724)	(3,993)	(12,108)	(7,307)
Profit for the period		18,211	27,228	67,846	69,750
Attributable to:					
Owners of the Company		14,803	22,121	54,805	62,764
Minority interests		3,408	5,107	13,041	6,986
Earnings per share		18,211	27,228	67,846	69,750
Basic and diluted (RMB cents)	8	4	6	15	18

NOTES TO THE FINANCIAL INFORMATION (UNAUDITED)

For the nine months ended 30 September 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. TEDA Holding is supervised by Tianjin State-owned Assets Supervision and Administration Commission and TEDA Asset Company is controlled by Tianjin Economic and Technological Development Area Administrative Commission ("TEDA Administrative Commission").

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 hereinafter collectively referred to as the Group ("the Group"). The Group is engaged in 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 financial information has been prepared in accordance with the applicable disclosure requirements set out in Chapter 18 of the Rules Governing the Listing of Securities on the GEM 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 third quarterly financial information, and has caused no material change to the accounting policies of the Group.

4. Segment information

For the nine months ended 30 September 2012

	Logistics and supply chain services for finished automobiles and their 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	844,598	423,264	437,750	1,705,612	40,371	1,745,983
Inter-segment revenue	-	-	-	-	(2,397)	(2,397)
Revenue from external customers	844,598	423,264	437,750	1,705,612	37,974	1,743,586
Segment results	31,928	48,156	10,291	90,375	1,311	91,686
Depreciation and amortisation	(9,693)	(4,910)	(365)	(14,968)	(9,522)	(24,490)
Share of results of associates			2,330	2,330	19,422	21,752
Income tax expense	(4,954)	(12,512)	(320)	(17,786)	(578)	(18,364)

For the three months ended 30 September 2012

	Logistics and supply chain services for finished automobiles and their 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	271,685	152,738	161,885	586,308	15,954	602,262
Inter-segment revenue	-	-	-	-	(1,552)	(1,552)
Revenue from external customers	271,685	152,738	161,885	586,308	14,402	600,710
Segment results	8,365	19,632	(1,116)	26,881	1,113	27,994
Depreciation and amortisation	(3,307)	(1,600)	2,677	(2,230)	(6,345)	(8,575)
Share of results of associates			1,183	1,183	5,074	6,257
Income tax expense	(1,257)	(4,968)	1,595	(4,630)	(578)	(5,208)

For the nine months ended 30 September 2011

	Logistics and supply chain services for finished automobiles and their 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	686,133	399,540	717,328	1,803,001	30,452	1,833,453
Inter-segment revenue	(6)	(7,720)	(1,390)	(9,116)	(946)	(10,062)
Revenue from external customers	686,127	391,820	715,938	1,793,885	29,506	1,823,391
Segment results	12,257	37,259	12,275	61,791	3,925	65,716
Depreciation and amortisation	(9,399)	(5,016)	(3,658)	(18,073)	(4,715)	(22,788)
Share of results of associates			2,072	2,072	19,915	21,987
Income tax expense	1,767	(9,567)	(3,861)	(11,661)	(430)	(12,091)

For the three months ended 30 September 2011

	Logistics and supply chain services for finished automobiles and their 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	271,963	148,491	264,561	685,015	10,651	695,666
Inter-segment revenue		(2,796)		(2,796)	(249)	(3,045)
Revenue from external customers	271,963	145,695	264,561	682,219	10,402	692,621
Segment results	10,954	15,916	(1,536)	25,334	2,317	27,651
Depreciation and amortisation	(3,161)	(1,693)	(1,235)	(6,089)	(1,577)	(7,666)
Share of results of associates			366	366	5,994	6,360
Income tax expense	(427)	(4,323)	(1,304)	(6,054)	(101)	(6,155)

	For the three months ended 30 September 2012 RMB'000 (unaudited)	For the three months ended 30 September 2011 RMB'000 (unaudited)	For the nine months ended 30 September 2012 RMB'000 (unaudited)	For the nine months ended 30 September 2011 RMB'000 (unaudited)
Revenue for reportable segments	586,308	682,219	1,705,612	1,793,885
Revenue attributable to joint ventures partners	(76,368)	(72,847)	(211,631)	(195,909)
Other segments	14,402	10,402	37,974	29,506
Revenue of the Group	524,342	619,774	1,531,955	1,627,482
Reportable segment results	26,881	25,334	90,375	61,791
Segment results attributable to joint ventures partners	(9,816)	(7,959)	(24,078)	(18,630)
Other segments	17,065	17,375	66,297	43,161
	1,113	2,317	1,311	3,925
Segment total	18,178	19,692	67,608	47,086
Share of results of associates	6,257	6,360	21,752	21,987
Unallocated other income	611	9,089	2,925	17,245
Unallocated corporate expenses	(1,298)	(1,491)	(2,552)	(2,908)
Finance costs	(2,813)	(2,429)	(9,779)	(6,353)
Profit before income tax	20,935	31,221	79,954	77,057
Income tax expense	(2,724)	(3,993)	(12,108)	(7,307)
Profit for the year	18,211	27,228	67,846	69,750

5. Expenses by nature

	Three months ended 30 September		Nine months ended 30 September	
	2012 RMB'000 (unaudited)	2011 RMB'000 (unaudited)	2012 RMB'000 (unaudited)	2011 RMB'000 (unaudited)
Depreciation of property, plant and equipment	5,372	5,312	15,719	15,778
Amortisation of prepaid lease payments included in administrative expenses	588	820	1,701	1,566
Exchange loss	34	423	10	953

6. Income tax expense

	Three months ended 30 September		Nine months ended 30 September	
	2012 RMB'000 (unaudited)	2011 RMB'000 (unaudited)	2012 RMB'000 (unaudited)	2011 RMB'000 (unaudited)
Current income tax				
– The Company and its subsidiaries	239	1,831	5,851	2,523
– Jointly controlled entities	2,485	2,162	6,257	4,784
Total	2,724	3,993	12,108	7,307

7. Dividend

The Board recommends the payment of an interim dividend of RMB0.05 per share (corresponding period of 2011: nil) to shareholders whose names appear on the register of members of the Company on 3 January 2013. Such dividend will be paid on or before 5 March 2013.

8. Earnings per share

	Three months ended 30 September		Nine months ended 30 September	
	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	14,803	22,121	54,805	62,764

	Number of shares Three months ended 30 September		Number of shares Nine months ended 30 September	
	2012 '000 (unaudited)	2011 '000 (unaudited)	2012 '000 (unaudited)	2011 '000 (unaudited)
Weighted average number of shares for the purpose of calculating basic and diluted earnings per share	354,312	354,312	354,312	354,312

There is no potential dilutive share for the period ended 30 September 2011 and 2012.

9. Share capital and reserves

	Attributable to equity holders of the Group							
	Share capital RMB'000	Share premium RMB'000	Other reserves RMB'000	Statutory reserves RMB'000	Retained profits RMB'000	Attributable to equity holders of parent entity RMB'000	Minority interests 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
Profit and total comprehensive income for the period					62,764	62,764	6,986	69,750
Capital increase								
Dividends					(7,086)	(7,086)	(16,985)	(24,071)
Transfers				2,300	(2,300)			
At 30 September 2011 (unaudited)	354,312	55,244	(73,258)	69,162	266,031	671,491	82,434	753,925
At 1 January 2012 (audited)	354,312	55,244	(73,258)	73,726	279,224	689,248	86,781	776,029
Profit and total comprehensive income for the period					54,805	54,805	13,041	67,846
Capital increase							79,855	79,855
Dividends					(7,086)	(7,086)	(10,408)	(17,494)
Transfers				2,312	(2,312)	-		-
At 30 September 2012 (unaudited)	354,312	55,244	(73,258)	76,038	324,631	736,967	169,269	906,236

MANAGEMENT DISCUSSION AND ANALYSIS

Financial review

For the nine months ended 30 September 2012, the Group recorded a turnover of RMB1,531,955,000, representing a decrease of RMB95,527,000 or 5.87% as compared to the turnover of RMB1,627,482,000 for the corresponding period last year. Such decrease was mainly due to the considerable decline in turnover of our materials procurement and related logistics services business during the reporting period compared with the corresponding period last year.

For the nine months ended 30 September 2012, overall gross profit margin of the Group was 6.13%, representing an increase of 0.84 percentage point as compared to the overall gross profit margin of 5.29% for the corresponding period last year.

For the nine months ended 30 September 2012, the share of results of associates of the Group was RMB21,752,000, substantially the same as compared with RMB21,987,000 of the corresponding period last year.

For the nine months ended 30 September 2012, net profit attributable to the equity holders of the Group amounted to RMB54,805,000, representing a decrease of RMB7,959,000 or 12.68% compared with RMB62,764,000 of the corresponding period last year. The main reasons for the decrease in profit of the Group were (i) lower operating results of the materials procurement and related logistics services business as compared to the corresponding period last year; (ii) an increase in the finance costs and corporate income tax expenses as compared to the corresponding period last year.

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

Business review

The principal businesses of the Group are logistics and supply chain services for finished automobiles and components, logistics and supply chain services for electronic components, materials procurement and related logistics services, and other services such as bonded warehouse, supervision and 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 declined as compared to the corresponding period last year. The Group's logistics and supply chain services for electronic components recorded steady growth with its operating revenue and profits increasing as compared to the corresponding period of last year. In the wake of the Japan earthquake, the operating results of the logistics and supply chain services for finished automobiles and components decreased significantly last year. However, in the first three quarters of this year, the business picked up the pace of growth, with a significant increase in the operating revenue and profits compared to the corresponding period last year. Other services such as bonded warehouse, supervision and agency services maintained a satisfactory momentum along with the continued expansion of business scale.

Logistics and supply chain services for finished automobiles and components

During the reporting period, the throughput of the logistics services for domestic finished automobiles reached 420,654 sets, increasing by 49,900 sets or 13% compared with the corresponding period last year. During the reporting period, the throughput of logistics services of the imported automobile was 24,639 sets, increasing by 10,237 sets or 71% compared with the corresponding period last year. Turnover for the reporting period amounted to RMB844,598,000, representing an increase of RMB158,471,000 or 23% compared with the corresponding period last year.

Logistics and supply chain services for electronic components

The turnover for the reporting period amounted to RMB423,264,000, representing an increase of RMB31,444,000 or 8% compared with the corresponding period last year.

Materials procurement and related logistics services

The turnover for the reporting period amounted to RMB437,750,000, representing a decrease of RMB278,188,000 or 39% compared with the corresponding period last year.

Other logistics services

The turnover for the reporting period amounted to RMB37,974,000, representing an increase of RMB8,468,000 or 29% compared with the corresponding period last year.

PROSPECTS

In the first three quarters of 2012, the global economic environment remained complex and challenging, while the domestic economy saw continuing decline in growth. The aggregate value of social logistics maintained modest growth momentum, whereas both the added value and the fixed assets investment of the logistics industry experienced fast growth. Nevertheless, there has been little improvement in the overall setting of the relatively high total costs of social logistics and the downward pressures on profits faced by logistics enterprises. The national macro-economic environment and the Company's enhanced risk control weighed on the operating results of the Group's materials procurement and related logistics services as compared to the corresponding period last year. Compared to the corresponding period last year, however, the Group's overall results for the first three quarters did not show a significant drop.

Meanwhile, due to the tension between China and Japan, imports of Toyota automobiles have been suspended and the output of domestic automobiles has also dropped significantly since September 2012. In spite of the slight impact of such incident on the third quarterly results of the Group, it is expected that the Group's logistics business for finished automobiles and related components will be materially affected in the subsequent periods.

Looking forward, the Group will proactively strive to enrich its business ideas, continue to optimise the business structure, enhance the operation management, rapidly respond to the fierce market competition and effects of various unfavourable factors at home and abroad, and constantly explore new businesses in cold chain logistics and other fields of logistics, in an effort to consolidate its leading position and sharpen its competitive advantages in the logistics industry.

DIVIDENDS AND EXTRAORDINARY GENERAL MEETING

The Board proposes the distribution of an interim dividend of RMB0.05 per share for the period ended 30 September 2012. The total amount of dividends to be distributed is approximately RMB17,715,600. The proposal to declare and distribute the interim dividend will be submitted at the extraordinary general meeting to be held on 20 December 2012 for shareholders' approval. Dividends for domestic shares will be distributed and paid in RMB, whereas dividends for H shares will be distributed in RMB and paid in Hong Kong dollars. The exchange rate will be calculated based on the average median exchange rate of RMB to Hong Kong dollars (RMB0.8130 to HK\$1.00) announced by the People's Bank of China on the last five business days before the announcement of the third quarterly results (i.e. 26, 29, 30 and 31 October and 1 November 2012).

Pursuant to the Enterprise Income Tax Law of the People's Republic of China and the Rules for the Implementation of the Enterprise Income Tax Law of the People's Republic of China, both of which were implemented in 2008 and came into force from 1 January 2008, the Company shall be obliged to withhold and pay the enterprise income tax on behalf of non-resident enterprise shareholders whose names appear on the register of members of H shares of the Company with a tax rate of 10% when distributing any dividends to them. As such, any H shares of the Company registered other than in the name(s) of individual(s), including those registered in the name of HKSCC Nominees Limited, other nominees, trustees, or other organisations or groups, shall be deemed to be H shares held by non-resident enterprise shareholder(s) and the enterprise income tax shall be withheld from any dividends payable thereon. The Company shall comply with the relevant rules and regulations to withhold and pay the enterprise income tax on behalf of the relevant holders of H shares whose names appear on the register of members of H shares of the Company as of 3 January 2013 (Thursday) for the interim dividend of H shares.

Due to the recent changes in the PRC tax regulations, the individual holders of H shares of the Company whose names appear on the register of members of H shares of the Company (the "Individual H Shareholders") are no longer exempted from the individual income tax payment.

Pursuant to Notice on the Issues on Levy of Individual Income Tax after the Abolishment of Guo Shui Fa [1993] No. 045 Document (the "Notice") issued by the State Administration of Taxation on 28 June 2011, the dividend to be distributed by the PRC non-foreign invested enterprises whose shares have been issued in Hong Kong to the overseas resident individual shareholders are subject to the individual income tax with a tax rate of 10% in general. However, the tax rates for respective overseas resident individual shareholders may vary depending on the relevant tax agreements between the countries where they are residing and the PRC.

Pursuant to the aforesaid Notice, when the interim dividend is distributed to the Individual H Shareholders whose names appear on the register of members of H shares of the Company on 3 January 2013 (Thursday), the Company will withhold 10% of the dividend as individual income tax unless otherwise specified by the relevant tax regulations, tax agreements or the Notice.

Should the holders of H shares of the Company have any doubt in relation to the aforesaid arrangements, they are recommended to consult their tax advisors for advice in respect of the relevant tax impact on the possession and disposal of the H shares of the Company.

CLOSURE OF REGISTER OF MEMBERS FOR INTERIM DIVIDENDS

The register of members of the Company will be closed from Friday, 28 December 2012 to Thursday, 3 January 2013, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for the interim dividend of the Company, all transfer documents together with the relevant share certificates and transfer forms must be lodged with the Company's Hong Kong share registrar, Computershare Hong Kong Investor Services Limited, at Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong not later than 4:30 p.m. on Thursday, 27 December 2012. Subject to approval at the extraordinary general meeting, dividends will be distributed around or before 5 March 2013 to shareholders whose names appear on the register of members of the Company on 3 January 2013.

DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE 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 the 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 September 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 September 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. During the Reporting Period, the two aforementioned domestic share transfers were approved by the relevant state-owned assets supervision and administration authorities of the PRC and are subject to the completion of the registration procedures of the related transfers. So far as is known to the directors, chief executives and supervisors of the Company, as at 30 September 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	Beneficial owner	28,344,960 (L) Domestic shares	11.07%	8%
Fortune (Shanghai) Limited	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.	Beneficial owner	77,303,789 (L) Domestic shares	30.19%	21.82%
Sino Biopharmaceutical Limited	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:

- 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 September 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 and substantial shareholders of the Company or their respective associates are engaged in business that competes or may compete with the business of the Group, nor do they 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 September 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 has an in-depth understanding of the business operation of the Group 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. Wang Jincal and Mr. Chen Fang as non-executive Directors; and Mr. Zhang Limin, Mr. Luo Yongtai, Mr. Liu Jingfu 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
2 November 2012

* *For identification purposes only*