



2013

Third Quarterly Report

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

Stock Code: 8348



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

* For identification purposes only

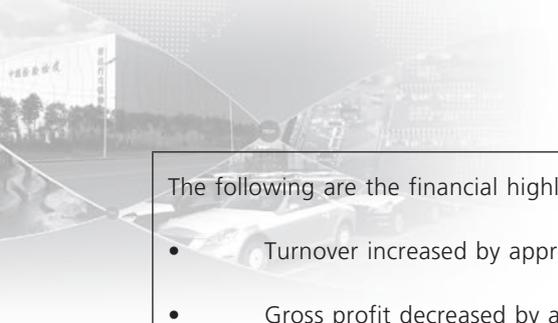
CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

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

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

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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 Hong Kong 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.



The following are the financial highlights during the nine months ended 30 September 2013:

- Turnover increased by approximately 45% to RMB1,908,445,000
- Gross profit decreased by approximately 8% to RMB54,694,000
- Profit attributable to shareholders decreased by approximately 60% to RMB21,882,000
- Earnings per share was RMB6 cents

Unaudited Consolidated Third Quarterly Results of 2013

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 2013 together with the comparative unaudited figures for the corresponding period in 2012.

Condensed Consolidated Statement of Comprehensive Income (Unaudited)

For the nine months ended 30 September 2013

		Nine months ended 30 September	
	Notes	2013 RMB'000 (Unaudited)	2012 RMB'000 (Unaudited) (Restated)
Turnover	4	1,908,445	1,320,323
Cost of sales	5	(1,853,751)	(1,260,822)
Gross profit		54,694	59,501
Administrative expenses	5	(43,495)	(33,538)
Other income		6,743	17,835
Finance costs		(16,990)	(9,732)
Share of results of associates		24,401	39,631
Profit before tax		25,353	73,697
Income tax expense	6	(5,983)	(5,851)
Profit for the period		19,370	67,846
Attributable to:			
Equity holders of the Company		21,882	54,805
Minority interests		(2,512)	13,041
Earnings per share			
Basic and diluted			
(RMB cents)	8	6	15

Notes to the Financial Information (Unaudited)

For the nine months ended 30 September 2013

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 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 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.

On 18 November 2011, Teda Holding entered into a share transfer agreement with Chia Tai Land Company Limited ("Chia Tai Company"), while TEDA Asset Company entered into a share transfer agreement with Chia Tai Pharmaceutical Investment (Beijing) Co., Ltd. ("Chia Tai Pharmaceutical Company"). Accordingly, Teda Holding and TEDA Asset Company agreed to transfer 28,344,960 (8% of ordinary shares) and 77,303,789 (21.82% of ordinary shares) domestic shares of the Company to Chia Tai Company and Chia Tai Pharmaceutical Company respectively. During the period, the registration procedures of the two aforementioned domestic share transfers were completed.

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

Prior to 1 January 2012, the Group's interests in jointly-controlled entities were proportionately consolidated.

The Group has adopted IFRS 11, 'Joint arrangements', on 1 January 2013 ("date of initial application"). This resulted in the Group changing its accounting policy for its interests in joint arrangements.

Under IFRS 11, investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations each investor has rather than the legal structure of the joint arrangements. The Group has assessed the nature of its joint arrangements and determined them to be joint ventures.

The Group has applied the new policy for interests in joint ventures occurring on or after 1 January 2012 in accordance with the transition provisions of IFRS 11.

The Group recognised its investment in joint ventures at the beginning of the period immediately preceding the date of initial application (1 January 2012), as the total of the carrying amounts of the assets and liabilities previously proportionately consolidated by the Group. This is the deemed cost of the Group's investments in joint ventures for applying equity accounting.

Under the equity method of accounting, interests in joint ventures are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition of profits or losses and movements in other comprehensive income. When the Group's share of losses in a joint venture equals or exceeds its interests in the joint ventures (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint ventures), the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint ventures.

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of the joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Group. The change in accounting policy has been applied as from 1 January 2012. There is no impact on the net assets of the periods presented.

The effects of the change in accounting policies on the comprehensive (loss)/income of the Group for periods ended 30 September 2013 and 2012 respectively are summarised below. The change in accounting policy has had no impact on (loss)/earnings per share.

	Note	For period ended 30 September 2013 RMB'000 (Unaudited)	Changes in accounting policy RMB'000 (Unaudited)	For period ended 30 September 2013 (As presented) RMB'000 (Unaudited)	For period ended 30 September 2012 RMB'000 (As previously reported)	Changes in accounting policy RMB'000 (Unaudited)	For period ended 30 September 2012 RMB'000 (Restated)
Revenue	4	2,116,070	(207,625)	1,908,445	1,531,955	(211,632)	1,320,323
Cost of sales	5	(2,031,578)	177,827	(1,853,751)	(1,438,069)	177,247	(1,260,822)
Gross profit		84,492	(29,798)	54,694	93,886	(34,385)	59,501
Administrative expenses	5	(55,219)	11,724	(43,495)	(44,492)	10,954	(33,538)
Other income		6,303	440	6,743	18,587	(752)	17,835
Finance costs		(17,012)	22	(16,990)	(9,779)	47	(9,732)
Share of results of investments accounted for using the equity method		11,192	13,209	24,401	21,752	17,879	39,631
(Loss)/profit before income tax		29,756	(4,403)	25,353	79,954	(6,257)	73,697
Income tax expense	6	(10,386)	4,403	(5,983)	(12,108)	6,257	(5,851)
(Loss)/profit and total comprehensive (loss)/ income for the period		19,370	–	19,370	67,846	–	67,846
Attributable to							
Owners of the Company		21,882	–	21,882	54,805	–	54,805
Non-controlling interests		(2,512)	–	(2,512)	13,041	–	13,041
Earnings per share	8						
– Basic (RMB cents)		6	–	6	15	–	15
– Diluted (RMB cents)		6	–	6	15	–	15

4. Segment information

For the nine months ended 30 September 2013

	Logistics and supply chain services for finished automobiles and their 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	626,784	1,197,021	1,823,805	94,941	1,918,746
Inter-segment revenue	(1)	–	(1)	(10,300)	(10,301)
Revenue from external customers	626,783	1,197,021	1,823,804	84,641	1,908,445
Segment results	16,596	12,156	28,752	(12,157)	16,595
Depreciation and amortisation	(10,046)	(261)	(10,307)	(19,925)	(30,232)
Share of results of associates	–	–	–	24,401	24,401
Income tax expense	(4,225)	(922)	(5,147)	(836)	(5,983)

For the nine months ended 30 September 2012

	Logistics and supply chain services for finished automobiles and their components RMB'000 (Unaudited) (Restated)	Materials procurement and related logistics services RMB'000 (Unaudited) (Restated)	Reportable segments subtotal RMB'000 (Unaudited) (Restated)	All other segments RMB'000 (Unaudited) (Restated)	Total RMB'000 (Unaudited) (Restated)
Revenue	844,598	437,750	1,282,348	40,372	1,322,720
Inter-segment revenue	–	–	–	(2,397)	(2,397)
Revenue from external customers	844,598	437,750	1,282,348	37,975	1,320,323
Segment results	31,928	10,291	42,219	1,310	43,529
Depreciation and amortisation	(9,693)	(365)	(10,058)	(9,522)	(19,580)
Share of results of associates	–	–	–	39,631	39,631
Income tax expense	(4,954)	(320)	(5,274)	(577)	(5,851)

	For the nine months ended 30 September	
	2013 RMB'000 (Unaudited)	2012 RMB'000 (Unaudited) (Restated)
Segment results	16,595	43,529
Share of results of associates	24,401	39,631
Unallocated other income	3,878	2,821
Unallocated corporate expenses	(2,531)	(2,552)
Finance costs	(16,990)	(9,732)
Profit before income tax	25,353	73,697
Income tax expense	(5,983)	(5,851)
Profit for the period	19,370	67,846

5. Expenses by nature

	Nine months ended 30 September	
	2013 RMB'000 (Unaudited)	2012 RMB'000 (Unaudited) (Restated)
Depreciation of property, plant and equipment	24,384	13,442
Amortisation of prepaid lease payments included in administrative expenses	268	301
Exchange (gain)/loss	(374)	54

6. Income tax expense

	Nine months ended 30 September	
	2013 RMB'000 (Unaudited)	2012 RMB'000 (Unaudited) (Restated)
Current income tax		
– The Company and its subsidiaries	5,983	5,851

7. Dividend

The Board recommends the payment of an interim dividend of RMB0.02 per share for the nine months ended 30 September 2013 (for the nine months ended 30 September 2012: RMB0.05 per share) to Shareholders whose names appear on the register of members of the Company on 22 January 2014.

8. Earnings per share

	Nine months ended 30 September	
	2013 RMB'000 (Unaudited)	2012 RMB'000 (Unaudited) (Restated)
Profit for the period attributable to owners of the Company and earnings for the purpose of calculating basic and diluted earnings per share	6	15

	Number of shares Nine months ended 30 September	
	2013 '000 (Unaudited)	2012 '000 (Unaudited) (Restated)
Weighted average number of shares for the purpose of calculating basic earnings per share	354,312	354,312

9. Share capital and reserves

	Attributable to equity holders of the Group						Minority interests	Total
	Share capital	Share premium	Other reserves	Statutory reserves	Retained profits	Total		
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
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	-	-	-	-	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
At 1 January 2013 (audited)	354,312	55,244	(73,258)	88,878	298,349	723,525	163,112	886,637
Total comprehensive income for the period	-	-	-	-	21,882	21,882	(2,512)	19,370
Capital increase	-	-	6	-	-	6	1,956	1,962
Dividends	-	-	-	-	(10,629)	(10,629)	(6,577)	(17,206)
Transfers	-	-	-	2,224	(2,224)	-	-	-
At 30 September 2013 (unaudited)	354,312	55,244	(73,252)	91,102	307,378	734,784	155,979	890,763

Management Discussion and Analysis

Financial Review

For the nine months ended 30 September 2013, the Group recorded a turnover of RMB1,908,445,000, representing an increase of RMB588,122,000 or 45% as compared to the turnover of RMB1,320,323,000 for the corresponding period last year. Such significant increase was mainly due to the considerable growth 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 2013, overall gross profit margin for the Group was 2.87%, representing a decrease of 1.64 percentage points as compared with 4.51% of the corresponding period last year. The decrease in overall gross profit margin was mainly due to the decrease in the gross profit margin of the logistics and supply chain services for finished automobiles and components with higher gross profit margin compared with the corresponding period last year, meanwhile the substantial increase in turnover of the materials procurement and related logistics services with lower gross profit margin led to further amortization of the overall gross profit margin.

For the nine months ended 30 September 2013, the share of results of associates of the Group was RMB24,401,000, representing a decrease of RMB15,230,000 or 38% as compared with RMB39,631,000 of the corresponding period last year. The substantial decrease in share of results of associates was mainly due to the decrease by different levels in the operating results of the international automobile logistics services at Tianjin Port and the logistics service for electronic components as compared to the corresponding period last year.

For the nine months ended 30 September 2013, net profit attributable to the equity holders of the Group amounted to RMB21,882,000, representing a decrease of RMB32,923,000 or 60% as compared with RMB54,805,000 of the corresponding period last year. The substantial decrease in net profit was mainly due to: 1. the significant decrease in operating results of the logistics and supply chain services for finished automobiles and components as compared to the corresponding period last year; 2. the losses arising from the frozen warehouse project of Tedahang Cold Chain Logistics Co., Ltd. during the reporting period since the project had just commenced operation; 3. the dramatic decrease in the income from investments in the invested companies as compared to the corresponding period last year; and 4. no subsidy income received by the Group from non-principal activities during the reporting period as compared with an income of RMB12,950,000 of 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, cold chain logistics services and other services such as bonded warehouse, supervision and agency services. During the reporting period, leveraging on the transformation and reserves made last year, the operating income and operating profits of the Group's materials procurement and related logistics services increased significantly as compared with the corresponding period last year. Despite the recovery as a result of our efforts to overcome the negative impact of various challenges, our logistics and supply chain services for finished automobiles and components suffered significant decline in operating results as compared with the corresponding period last year. The cold chain logistics business had been making losses in the near term as it commenced operation at the end of last year. Affected by the overall domestic economy, our invested companies Tianjin Port International Automobile Logistics Co., Ltd., Tianjin Alps Teda Logistics Co., Ltd. and Dalian Alps Teda Logistics Co., Ltd. experienced decline in operating results by different levels as compared to the corresponding period last year.

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 316,051 sets, decreasing by 104,603 sets or 25% compared with the corresponding period last year. During the reporting period, the throughput of logistics services of the imported automobile was 16,312 sets, decreasing by 8,327 sets or 34% compared with the corresponding period last year. Turnover for the reporting period amounted to RMB626,783,000, representing a decrease of RMB217,815,000 or 26% compared with the corresponding period last year.

Materials procurement and related logistics services

The turnover for the reporting period amounted to RMB1,197,021,000, representing an increase of RMB759,271,000 or 174% compared with the corresponding period last year.

Other logistics services

The turnover for the reporting period amounted to RMB84,641,000, representing an increase of RMB46,666,000 or 123% compared with the corresponding period last year.

Logistics and supply chain services for electronic components (conducted by investing joint ventures)

Turnover recorded for the reporting period amounted to RMB426,230,000, substantially the same as compared to the corresponding period last year.

Outlook and Prospects

In the third quarter, despite the mild improvement in the global economy as well as the stable and positive trend of the domestic economy, the challenges and risks in relation to the economic development remain significant. Under this circumstance, the business development of the Group still faces difficulties. Due to its persistent efforts in adhering to the operation policy of "improving the operation structure, reinforcing the integration of internal resources and exploring new business areas", the Group constantly improves its risk resistance capacity. As a whole, the operating indicators of the Group continue to maintain a good momentum since the second quarter, with various businesses showing a good development prospect. Despite the significant decline as compared to the corresponding period last year, the business has gradually shown a stabilizing growth trend. Therefore, the Group is confident in its future development.

Looking forward, the Group will continue to implement its existing operation policy, with an effort to alleviate adverse external impact and strengthen the development of internal base. As to the materials procurement, the Group will continue to maintain its business scale, mitigate business risks and develop new business types, so as to increase the profit margin level. As to automobile logistics, by adjusting its business structure as well as fully leveraging on the technical advantages in automobile logistics, the Group will enhance its competitiveness. Meanwhile, the Group will enhance the operation of its existing projects, fully utilize its existing resources as well as maintain, fortify and optimize its traditional businesses while looking for new businesses, with an aim to promote the sustainable development of the Group's performance.

A Third Interim Dividend and Extraordinary General Meeting

The Board proposes the distribution of a third interim dividend of RMB0.02 per share for the period ended 30 September 2013. The total amount of dividends to be distributed is approximately RMB7,086,240. 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 (RMB0.7924 to HK\$1.00) announced by the People's Bank of China on the last continual five business days before the announcement of the third quarterly results (i.e. 5, 6, 7, 8 and 11 November 2013).

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 22 January 2014 (Wednesday) for the interim dividend of H shares.

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 dividends 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 22 January 2014 (Wednesday), the Company will withhold and pay 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 a Third Interim Dividend

The register of members of the Company will be closed from Friday, 17 January 2014 to Wednesday, 22 January 2014, 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, 16 January 2014. Subject to approval at the extraordinary general meeting, dividends will be distributed on or before 18 March 2014 to shareholders whose names appear on the register of members of the Company on 22 January 2014.

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 2013, 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 2013, 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	150,420,051 (L) Domestic shares	58.74%	42.45%
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%
Chia Tai Land Company Limited 正大置地有限公司	Beneficial owner	28,344,960 (L) Domestic shares	11.07%	8%
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%

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 2013, 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 5% 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.

Corporate Governance Code

The Company has complied with the principles and code provisions in the Corporate Governance Code and Corporate Governance Report 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.

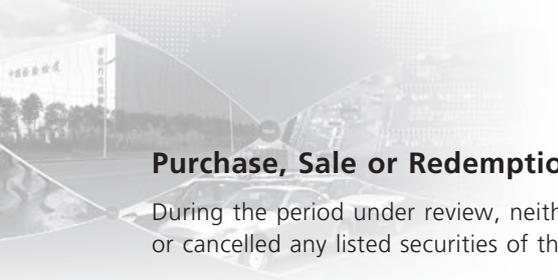
As at 30 September 2013, Mr. Zhang Jian was both the Chairman and CEO of the Company who is responsible for managing the Board and the Group's business. The Board considers that Mr. Zhang Jian has an in-depth understanding of the business operation of the Group and can make decisions which are in the 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 Securities

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. Zhang Jun, Mr. Hu Jun, Mr. Tse Ping and Mr. Yang Xiaoping 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 November 2013

* *For identification purposes only*