



2014

First 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*

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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.

HIGHLIGHTS

For the three months ended 31 March 2014, the financial highlights were as follows:

- Turnover increased by approximately 60.24% to RMB669,836,000
- Gross profit increased by approximately 149.99% to RMB21,412,000
- Profit attributable to shareholders amounted to RMB6,321,000 compared with loss attributable to shareholders amounted to RMB1,636,000 of the corresponding period last year
- Earnings per share amounted to RMB2 cents

Unaudited Consolidated First Quarterly Results of 2014

The board of directors (the "Board") of Tianjin Binhai Teda Logistics (Group) Corporation Limited (the "Company") hereby announces the unaudited results of the Company and its subsidiaries (collectively referred to as the "Group") for the three months ended 31 March 2014 together with the unaudited comparative figures for the corresponding period in 2013.

Condensed consolidated statement of comprehensive income (unaudited)

For the three months ended 31 March 2014

	Notes	For the three months ended 31 March	
		2014 RMB'000 (Unaudited)	2013 RMB'000 (Unaudited) (Restated)
Revenue	4	669,836	418,018
Cost of sales	5	(648,424)	(409,453)
Gross profit		21,412	8,565
Administrative expenses	5	(12,107)	(11,027)
Other income		1,464	1,669
Other gains – net		158	86
Financial costs		10,927	(707)
Share of results of investments accounted for using the equity method		(4,254)	(3,058)
Profit/(losses) before tax		1,350	(278)
Income tax expense	6	8,023	(4,043)
		(1,710)	(813)
Profit/(losses)/total comprehensive income/(losses) for the period		6,313	(4,856)
Attributable to:			
Equity holders of the Company		6,321	(1,636)
Minority interests		(8)	(3,220)
Earnings/(losses) per share	8		
– Basic (RMB cents)		2	(0.5)
– Diluted (RMB cents)		2	(0.5)

Notes to the Financial Information (Unaudited)

For the three months ended 31 March 2014

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 State-owned Assets Supervision and Administration Commission of Tianjin Municipal People's Government ("Tianjin SASAC") and Tianjin Economic and Technological Development Area Administrative Commission ("TEDA Administrative Commission"), respectively.

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 Enterprise Market (the "GEM") of the Stock Exchange of Hong Kong Limited (the "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.

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. The two aforementioned domestic share transfers were approved by the relevant state-owned assets supervision and administration authorities of the PRC. The registration procedures of the related transfers have been completed on 7 June 2013.

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 to comply with the applicable disclosure requirements of Chapter 18 to the Rules Governing the Listing of Securities on GEM of the Stock Exchange.

3. Change in accounting policy

The Group adopted consequential amendments to IFRS 10, 'Consolidated financial statements' on 1 January 2013. The new accounting policy had the following impact on the consolidated financial statements:

As at 1 January 2012, the Group held 100% equity interest in Tedahang Cold Chain Logistics Co., Ltd ("Tedahang"). During 2012, the Group's equity interest in Tedahang was reduced to 60% upon contribution of additional capital by two non-controlling interests. Tedahang was treated as subsidiary by the Group in 2012. As at 1 January 2013, upon adoption of IFRS10, the Group considered the purpose and design of Tedahang and the relevant activities directed by means of contractual arrangements and treats Tedahang as a joint venture. The change in accounting policy has been applied as from 1 January 2013, and has had no impact on the net assets during the reporting period.

	As at 31 March 2014 RMB'000 (Unaudited)	Change in accounting policy RMB'000 (Unaudited)	As at 31 March 2014 RMB'000 (Unaudited) (As presented)	As at 31 March 2013 RMB'000 (Unaudited) (As previously reported)	Change in accounting policy RMB'000 (Unaudited)	As at 31 March 2013 RMB'000 (Unaudited) (Restated)
Revenue	675,372	(5,536)	669,836	423,125	(5,107)	418,018
Cost of sales	(656,999)	8,575	(648,424)	(418,451)	8,998	(409,453)
Gross profit	18,373	3,039	21,412	4,674	3,891	8,565
Administrative expenses	(14,039)	1,932	(12,107)	(13,118)	2,091	(11,027)
Other income	1,554	(90)	1,464	1,258	411	1,669
Other gains – net	569	(411)	158	86	–	86
	6,457	4,470	10,927	(7,100)	6,393	(707)
Finance costs	(7,213)	2,959	(4,254)	(5,018)	1,960	(3,058)
Share of results of investments accounted for using the equity method	5,808	(4,458)	1,350	4,734	(5,012)	(278)
Profit/(losses) before income tax	5,052	2,971	8,023	(7,384)	3,341	(4,043)
Income tax expense	(1,710)	–	(1,710)	(813)	–	(813)
Profit/(losses)/total comprehensive income/(losses) for the period	3,342	2,971	6,313	(8,197)	3,341	(4,856)
Attributable to:						
Owners of the Company	6,321	–	6,321	(1,636)	–	(1,636)
Non-controlling interests	(2,979)	2,971	(8)	(6,561)	3,341	(3,220)
Earnings/(losses) per share						
– Basic (RMB cents)	2	–	2	(0.5)	–	(0.5)
– Diluted (RMB cents)	2	–	2	(0.5)	–	(0.5)

4. Segment information

The Group reports two operating segments; these are managed independently by the responsible segment management bodies in line with the products and services offered and the distribution channels and customer profiles involved. Components of entity are defined as segments on the basis of the existence of segment managers with revenue and segment results (profit before tax less interest income, finance cost and corporate expenses) responsibility who report directly to the Group's senior management who make strategic decisions.

Principal activities of the two reportable segments are as follows:

Logistics and supply chain services for finished automobiles and components – Provision of logistics services and supply chain management, i.e. planning, storage and transportation management for finished automobiles and components;

Materials procurement services – Purchase of bulk raw materials and commodities for customers comprising manufacturers and trading companies and provision of related logistics and supply chain services.

	For the three months ended 31 March 2014				
	Logistics and supply chain services for finished automobiles and 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	194,381	448,661	643,042	28,759	671,801
Inter-segment revenue	(4)	–	(4)	(1,961)	(1,965)
Revenue from external customers	194,377	448,661	643,038	26,798	669,836
Segment results	(245)	8,436	8,191	2,206	10,397
Share of results of investments accounted for using the equity method					1,350
Unallocated other income					1,183
Unallocated corporate expenses					(653)
Finance costs					(4,254)
Profit before income tax					8,023
Income tax expense					(1,710)
Profit for the period					6,313
Other information:					
Depreciation and amortisation	(3,257)	(194)	(3,451)	(3,165)	(6,616)
Income tax expense	–	(1,521)	(1,521)	(189)	(1,710)

For the three months ended 31 March 2013 (Restated)

	Logistics and supply chain services for finished automobiles and 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	160,967	245,549	406,516	13,269	419,785
Inter-segment revenue	–	–	–	(1,767)	(1,767)
Revenue from external customers	160,967	245,549	406,516	11,502	418,018
Segment results	(5,476)	5,215	(261)	(868)	(1,129)
Share of results of investments accounted for using the equity method					(278)
Unallocated other income					1,090
Unallocated corporate expenses					(668)
Finance costs					(3,058)
(Losses) before income tax					(4,043)
Income tax expense					(813)
(Losses) for the period					(4,856)
Other information:					
Depreciation and amortisation	(3,474)	(229)	(3,703)	(3,131)	(6,834)
Income tax expense	–	(543)	(543)	(270)	(813)

5. Expenses by nature

	Three months ended 31 March	
	2014 RMB'000 (Unaudited)	2013 RMB'000 (Unaudited) (Restated)
Depreciation of property, plant and equipment	5,970	6,070
Amortisation of prepaid lease payments included in administrative expenses	126	90
Exchange gains	(134)	(127)

6. Taxation

	Three months ended 31 March	
	2014 RMB'000 (Unaudited)	2013 RMB'000 (Unaudited) (Restated)
The Company and its subsidiaries	(1,710)	(813)

7. Dividend

On 21 March 2014, the Board recommended the payment of a final dividend of RMB0.02 per share for the year ended 31 December 2013 (2012: nil).

The Board does not recommend the payment of an interim dividend for the three months ended 31 March 2014 (the payment of an interim dividend of RMB0.03 per share for the three months ended 31 March 2013).

8. Earnings per share – basic and diluted

	Three months ended 31 March	
	2014 RMB'000 (Unaudited)	2013 RMB'000 (Unaudited) (Restated)
Profit/(losses) for the period attributable to owners of the Company and earnings/(losses) for the purpose of calculating basic and diluted earnings per share	6,321	(1,636)

	Three months ended 31 March	
	2014 '000 (Unaudited)	2013 '000 (Unaudited) (Restated)
Weighted average number of shares for the purpose of calculating basic earnings per share	354,312	354,312

There is no potential dilutive share for the period ended 31 March 2013 and 2014.

9. Share capital and reserves

	Attributable to equity holders of the Group							
	Share capital RMB'000	Share premium RMB'000	Statutory reserves RMB'000	Other reserves RMB'000	Retained profits RMB'000	Attributable to equity holders of parent entity RMB'000	Minority shareholder interests RMB'000	Total RMB'000
At 1 January 2013 (audited and restated)	354,312	55,244	63,122	(40,620)	297,053	729,111	83,358	812,469
Profit for the period and total income and expense recognised for the period	-	-	-	-	(1,636)	(1,636)	(3,220)	(4,856)
Dividends	-	-	-	-	-	-	(6,577)	(6,577)
Transfers	-	-	2,224	-	(2,224)	-	-	-
At 31 March 2013 (unaudited and restated)	354,312	55,244	65,346	(40,620)	293,193	727,475	73,561	801,036
At 1 January 2014 (audited)	354,312	55,244	68,288	(40,614)	317,632	754,862	87,818	842,680
Profit for the period and total income and expense recognised for the period	-	-	-	-	6,321	6,321	(8)	6,313
Dividends	-	-	-	-	(7,086)	(7,086)	(10,819)	(17,905)
Transfers	-	-	2,896	-	(2,896)	-	-	-
At 31 March 2014 (unaudited)	354,312	55,244	71,184	(40,614)	313,971	754,097	76,991	831,088

10. Financial Guarantee Liabilities

At 31 March 2014, the Company has provided financial guarantee for Tedahang's bank borrowing facilities of RMB350 million. The borrowings drawn down by the joint venture as at 31 March 2014 was RMB194 million.

The following is an extract of the unaudited balance sheet of Tedahang as at 31 March 2014 as required under Rule 17.24 of the GEM Listing Rules:

	31 March 2014
	RMB'000
	(Unaudited)
Current	
Cash and cash equivalents	38,265
Other current assets	4,229
Total current assets	42,494
Financial liabilities	2,848
Other current liabilities	17,214
Total current liabilities	20,062
Total current net assets	22,432
Non-current	
Assets	360,275
Financial liabilities	190,682
Other non-current liabilities	23,286
Total non-current liabilities	213,968
Total non-current net assets	146,307
Net assets	168,739

A summary of the unaudited consolidated income statement of Tedahang for the three months ended 31 March 2014 is set out as follows:

	For the three months ended 31 March 2014 RMB'000 (Unaudited)
Revenue	5,536
Depreciation and amortisation	3,628
Interest income	90
Interest expense	(2,959)
Losses before income tax	(7,429)
Income tax expense	–
Total losses for the period	(7,429)
Losses attributable to the parent company	(4,458)

A reconciliation of the summarised financial information presented above to the carrying amount of the Company's interest in Tedahang is as follows:

	For the three months ended 31 March 2014 RMB'000 (Unaudited)
At 1 January	176,168
Losses for the period	(7,429)
At 31 March	168,739
Interest in joint venture	101,243
Fair value adjustments on land use rights, property, plant and equipment	(10,850)
Carrying amount	90,393

Management Discussion and Analysis

Financial Review

For the three months ended 31 March 2014, the Group recorded a turnover of RMB669,836,000, representing an increase of RMB251,818,000 or 60% compared with the turnover of RMB418,018,000 for the corresponding period last year. The significant increase in turnover was mainly due to the dramatic increase in the scale of our materials procurement and related logistics services business as compared to the corresponding period last year.

For the three months ended 31 March 2014, overall gross profit margin for the Group was 3.20%, representing an increase of 1.15 percentage points as compared with 2.05% of the corresponding period last year. The increase in overall gross profit margin was mainly due to the improvement in the operating results of the materials procurement and logistics services business and the recovery growth in the automobile logistics services business. For the three months ended 31 March 2014, net profit attributable to the equity holders of the Group amounted to RMB6,321,000, representing an increase of RMB7,957,000 as compared with the loss of RMB1,636,000 of the corresponding period last year. The significant increase in profit attributable to the equity holders of the Group was mainly due to (1) the significant recovery growth in the logistics and supply chain services for finished automobiles and components of the Group as compared to the corresponding period last year as it had overcome various adverse impacts; (2) the continuous growth in operating results of the materials procurement and logistics services business, keeping good development momentum; and (3) the increase in the revenue from investments in the investee companies.

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 business and other services such as bonded warehouse, supervision and agency services. During the reporting period, our logistics and supply chain services for finished automobiles and components overcame the adverse impacts and achieved recovery growth in its operating results as compared to the corresponding period last year. The materials procurement and related logistics services, the logistics and supply chain services for electronic components and other services such as bonded warehouse, supervision and agency services maintained good development momentum with growth in operating results to various extent. The cold chain logistics business of the Group recorded some losses during the first quarter of the year as compared to the corresponding period last year.

Under the work thinking of “innovating business model, expanding integration of operations, strengthening risk control, paying close attention to personnel training”, the Group improved the integrated business model, integrated all advantages of resources, promoted the development of new projects and new business areas and strengthened internal management and personnel training, so as to enhance the overall operational capability.

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 95,630 sets, increased by 11,912 sets or 14% compared with the corresponding period last year. During the reporting period, the throughput of logistics services for the imported finished automobiles was 6,112 sets, increased by 2,801 sets or 85% compared with the corresponding period last year. Turnover recorded for the reporting period amounted to RMB194,377,000, representing an increase of RMB33,410,000 or 21% compared with the corresponding period last year.

Materials procurement and related logistics services

Turnover recorded for the reporting period amounted to RMB448,661,000, representing an increase of RMB203,112,000 or 83% compared with the corresponding period last year.

Other services such as bonded warehouse, supervision, agency services

Turnover recorded for the reporting period amounted to RMB26,798,000, representing an increase of RMB15,296,000 or 133% compared with the corresponding period last year.

Logistics and supply chain services for electronic components (conducted through investments in joint ventures)

Turnover recorded for the reporting period amounted to RMB144,165,000, representing an increase of RMB33,137,000 or 30% compared with the corresponding period last year.

Prospects

As indicated by the data released by China Federation of Logistics & Purchasing, the logistics industry climate index for the first quarter of 2014 maintained an upward trend with robust logistic activities, showing a gradual recovery in the operating activities of the logistic enterprises. However, given the increasingly complex international political situation, the business development of the Group may encounter resistance to a certain extent.

The operating results of the Group for the first quarter of 2014 achieved substantial increase as compared with last year, with various extent of increase in the operating results of each business segment as compared to the corresponding period last year. Looking ahead, the logistics and supply chain services for finished automobiles and components and the materials procurement business will continue to keep a good development momentum, while the logistics and supply chain services for electronic components and other services such as bonded warehouse, supervision and agency services will continue to maintain steady growth. As the businesses of Tedahang, International Forwarding and He Guang Trade and Business are gradually growing, which will become new profit growth points for the Group, we are full of confidence about the operation of the Company in 2014.

Directors', Supervisors' and Chief Executives' Interests and Short Positions in Shares, underlying shares and debentures of the Company or any associated corporation

As at 31 March 2014, 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 (Chapter 571 of the Laws of Hong Kong) ("SFO")), which were required to be notified to the Company and the Stock Exchange under the provisions of Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they have taken or deemed to have under such provisions of 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 31 March 2014, 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' Interests

So far as is known to the Directors, supervisors and chief executives of the Company, as at 31 March 2014, the following persons (other than the Directors or supervisors or chief executives of the Company) held or were deemed to hold 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 which were recorded in the register required to be kept by the Company under Section 336 of the SFO, or 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 any member of the Group:

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.	Beneficial owner	77,303,789 (L) Domestic shares	30.19%	21.82%
Chia Tai Land Company Limited	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%

On 7 June 2013, Tianjin Teda Investment Holding Co., Ltd. and Tianjin Economic and Technological Development Area State Asset Operation Company transferred 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 and completed the transfer of the shares. So far as is known to the Directors, chief executives and supervisors of the Company, as at 31 March 2014, 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 (BVI) Holdings Limited 正大集團(BVI)控股有限公司	Interest of corporation controlled by a substantial shareholder	28,344,960(L) Domestic shares	11.07%	8%
CPG Overseas Company 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. 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%

Note:

1. The letter "L" represents 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 31 March 2014, no any other persons (other than directors or chief executives or 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, substantial shareholders of the Company nor their respective associates have interests in business that competes or may compete with the business of the Group and any other conflicts of interests with the Group.

Corporate Governance Code

The Company has complied with the code provisions in the Corporate Governance Code as set out in Appendix 15 of the GEM Listing Rules during the period under review, except for the following deviations: according to code provision A.2.1, the roles of the chairman of the Board (“Chairman”) and the chief executive officer (“CEO”) should be separated 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 31 March 2014, 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 of Directors considered that Mr. Zhang Jian understands the business operation of the Group well and could make decisions which are in the best interest of the shareholders as a whole in a timely manner. The combination of the roles of Chairman and CEO could effectively formulate and implement the strategies of the Group and respond quickly to the ever-changing markets. The Board also considered that there is no imminent need to separate the roles into two individuals. 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 defined 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 Group has adopted a code of dealing in securities by the Directors of the Group, which was formulated in accordance with Rules 5.48 to 5.67 of the GEM Listing Rules for the purpose of setting out its own required standards for assessment of the conduct of the Directors in dealings in the securities of the Group. Upon enquiries made to each Director by the Company, all Directors confirmed that they have complied with the code of dealing in securities by the Directors.

Purchase, Sale or Redemption of Securities

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

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

Tianjin, the PRC
13 May 2014

As at the date of this report, the executive Director is Mr. Zhang Jian; the non-executive Directors are Mr. Zhang Jun, Mr. Hu Jun, Mr. Tse Ping and Mr. Yang Xiaoping; and the independent non-executive Directors are Mr. Zhang Limin, Mr. Liu Jingfu, Mr. Luo Yongtai and Mr. Japhet Sebastian Law.

* For identification purposes only