



# 2014

## Interim 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 (the “Directors”) of Tianjin Binhai Teda Logistics (Group) Corporation Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “GEM Listing Rules”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief 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 six months ended 30 June 2014:

- Total turnover amounted to RMB1,490,862,000 (corresponding period in 2013 (restated): RMB1,149,580,000), representing an increase of approximately 29.69% as compared with the corresponding period last year;
- Gross profit was approximately RMB48,996,000 (corresponding period in 2013 (restated): RMB34,192,000), representing an increase of approximately 43.30% as compared with the corresponding period last year;
- Gross profit margin was approximately 3.29%, representing an increase of approximately 0.32% as compared with 2.97% (restated) achieved in the corresponding period last year;
- Profit attributable to shareholders amounted to approximately RMB19,565,000 (corresponding period in 2013 (restated): RMB10,183,000), representing an increase of approximately 92.13% as compared with the corresponding period last year; and
- Earnings per share was RMB6 cents (corresponding period in 2013 (restated): RMB3 cents).

## Unaudited Consolidated Interim Results of 2014

The board of Directors (the "Board") of the Company hereby announces the unaudited results of the Company and its subsidiaries (collectively the "Group") for the six months ended 30 June 2014 together with the unaudited comparative figures for the corresponding period in 2013.

### Condensed consolidated statement of comprehensive income (unaudited)

For the six months ended 30 June 2014

	Note	Six months ended 30 June	
		2014 RMB'000 (Unaudited)	2013 RMB'000 (Unaudited) (Restated)
Revenue	4	1,490,862	1,149,580
Cost of sales	7	(1,441,866)	(1,115,388)
<b>Gross profit</b>		<b>48,996</b>	34,192
Administrative expenses	7	(25,465)	(23,312)
Other income	5	3,412	3,019
Other gains/(losses) – net		217	638
Finance costs	6	27,160 (8,431)	14,537 (6,010)
Share of results of investments accounted for using the equity method		8,416	5,061
<b>Profit before income tax</b>		<b>27,145</b>	13,588
Income tax expense	8	(4,858)	(3,021)
<b>Profit/total comprehensive income for the period</b>		<b>22,287</b>	10,567
Attributable to			
Owners of the Company		19,565	10,183
Non-controlling interests		2,722	384
Earnings per share	10		
– Basic (RMB cents)		6	3
– Diluted (RMB cents)		6	3

**Condensed consolidated balance sheet (unaudited)**

As at 30 June 2014

	Note	30 June 2014 RMB'000 (Unaudited)	31 December 2013 RMB'000 (Audited)
<b>Non-current assets</b>			
Property, plant and equipment		196,479	201,854
Land use rights		100,481	101,737
Investment properties		81,789	83,896
Investments accounted for using the equity method		263,304	272,321
		<b>642,053</b>	659,808
<b>Current assets</b>			
Inventories		94,021	125,378
Trade and other receivables	12	1,198,395	1,033,713
Amounts due from related parties		–	8,000
Pledged bank deposits		174,450	138,214
Cash and cash equivalents		284,748	238,090
		<b>1,751,614</b>	1,543,395
<b>Total assets</b>			
		<b>2,393,667</b>	2,203,203
<b>Share capital and reserves</b>			
Share capital	15	354,312	354,312
Other reserves		86,683	82,918
Retained profits		326,346	317,632
Equity attributable to owners of the Company		<b>767,341</b>	754,862
Non-controlling interests		79,721	87,818
Total equity		<b>847,062</b>	842,680
<b>Non-current liabilities</b>			
Deferred income		6,836	6,951
<b>Current liabilities</b>			
Trade and other payables	13	1,334,729	1,067,650
Amounts due to related parties		–	1,600
Dividend payable		9,738	–
Current income tax liabilities		7,980	14,322
Short-term borrowings	14	187,322	270,000
		<b>1,539,769</b>	1,353,572
<b>Total liabilities</b>			
		<b>1,546,605</b>	1,360,523
<b>Total equity and liabilities</b>			
		<b>2,393,667</b>	2,203,203
<b>Net current assets</b>			
		<b>211,845</b>	189,823
<b>Total assets less current liabilities</b>			
		<b>853,898</b>	849,631

## Condensed consolidated statement of changes in equity (unaudited)

As of 30 June 2014

	Attributable to owners of the Company					Total RMB'000	Non- controlling interests RMB'000	Total equity RMB'000
	Share capital RMB'000	Share premium RMB'000	Statutory reserves RMB'000	Other reserves RMB'000	Retained profits RMB'000			
At 1 January 2013 (Audited)	354,312	55,244	63,122	(40,620)	297,053	729,111	83,358	812,469
Profit/total comprehensive income for the period	-	-	-	-	10,183	10,183	384	10,567
Capital increase	-	-	-	6	-	6	1,956	1,962
Dividend	-	-	-	-	-	-	(6,577)	(6,577)
Transfer	-	-	2,224	-	(2,224)	-	-	-
At 30 June 2013 (Unaudited and restated)	354,312	55,244	65,346	(40,614)	305,012	739,300	79,121	818,421
At 1 January 2014 (Audited)	<b>354,312</b>	<b>55,244</b>	<b>68,288</b>	<b>(40,614)</b>	<b>317,632</b>	<b>754,862</b>	<b>87,818</b>	<b>842,680</b>
Profit/total comprehensive income for the period	-	-	-	-	19,565	19,565	2,722	22,287
Dividend	-	-	-	-	(7,086)	(7,086)	(10,819)	(17,905)
Transfer	-	-	3,765	-	(3,765)	-	-	-
At 30 June 2014 (Unaudited)	<b>354,312</b>	<b>55,244</b>	<b>72,053</b>	<b>(40,614)</b>	<b>326,346</b>	<b>767,341</b>	<b>79,721</b>	<b>847,062</b>



**Condensed consolidated cash flow statement (unaudited)***For the six months ended 30 June 2014*

	<b>Six months ended 30 June</b>	
	<b>2014</b> <b>RMB'000</b> <b>(Unaudited)</b>	2013 RMB'000 (Unaudited) (Restated)
Cash flows from operating activities		
Net cash generated from (used in) operating activities	<b>161,614</b>	(30,598)
Cash flows from investing activities		
Purchase of property, plant and equipment	<b>(5,320)</b>	(7,980)
Increase in pledged bank deposits	<b>(36,223)</b>	(45,833)
Collection of investment	<b>3,983</b>	–
Dividends received from investments accounted for using the equity method	<b>13,450</b>	41,169
Net cash generated from (used in) investing activities	<b>(24,110)</b>	(12,644)
Cash flows from financing activities		
Proceeds from borrowings	<b>117,322</b>	100,000
Repayments of borrowings	<b>(200,000)</b>	(150,000)
Dividends paid to owners of the parent company	<b>(7,086)</b>	(17,714)
Cash flows from other financing activities	<b>(1,082)</b>	1,962
Net cash generated from (used in) financing activities	<b>(90,846)</b>	(65,752)
Net increase/(decrease) in cash and cash equivalents	<b>46,658</b>	(108,994)
Cash and cash equivalents at 1 January	<b>238,090</b>	274,067
Cash and cash equivalents at 30 June represented by bank balances and cash	<b>284,748</b>	165,073

## Notes to the Condensed Consolidated Financial Information (Unaudited)

For the six months ended 30 June 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 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 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

This condensed consolidated interim financial information for the six months ended 30 June 2014 has been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting". The condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2013, which have been prepared in accordance with International Financial Reporting Standards ("IFRS").



### 3. Changes in accounting policies

The Group adopted consequential amendments to IFRS 10, 'Consolidated financial statements' on 1 January 2012. 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.

	For period ended 30 June 2014 RMB'000  (Unaudited)	Changes in accounting policy RMB'000  (Unaudited)	For period ended 30 June 2014 RMB'000  (As presented) (Unaudited)	For period ended 30 June 2013 RMB'000  (As previously reported) (Unaudited)	Changes in accounting policy RMB'000  (Unaudited)	For period ended 30 June 2013 RMB'000  (Restated) (Unaudited)
Revenue	1,504,262	(13,400)	1,490,862	1,163,195	(13,615)	1,149,580
Cost of sales	(1,459,418)	17,552	(1,441,866)	(1,135,854)	20,466	(1,115,388)
Gross profit	44,844	4,152	48,996	27,341	6,851	34,192
Administrative expenses	(30,174)	4,709	(25,465)	(27,032)	3,720	(23,312)
Other income	3,647	(235)	3,412	2,709	310	3,019
Other gains/(losses) – net	1,194	(977)	217	1,747	(1,109)	638
Finance costs	19,511 (14,401)	7,649 5,970	27,160 (8,431)	4,765 (10,944)	9,772 4,934	14,537 (6,010)
Share of results of investments accounted for using the equity method	16,587	(8,171)	8,416	13,756	(8,695)	5,061
Profit before income tax	21,697	5,448	27,145	7,577	6,011	13,588
Income tax expense	(4,858)	–	(4,858)	(3,021)	–	(3,021)
Profit/total comprehensive income for the period	16,839	5,448	22,287	4,556	6,011	10,567
Attributable to						
Owners of the Company	19,649	(84)	19,565	10,055	128	10,183
Non-controlling interests	(2,810)	5,532	2,722	(5,499)	5,883	384

### 3. Changes in accounting policies (Continued)

	For period ended 30 June 2014 RMB'000  (Unaudited)	Changes in accounting policy RMB'000  (Unaudited)	For period ended 30 June 2014 RMB'000  (As presented) (Unaudited)	For period ended 30 June 2013 RMB'000  (As previously reported) (Unaudited)	Changes in accounting policy RMB'000  (Unaudited)	For period ended 30 June 2013 RMB'000  (Restated) (Unaudited)
<b>Net cash generated from (used in) operating activities</b>	<b>142,202</b>	<b>19,412</b>	<b>161,614</b>	(36,499)	5,901	(30,598)
<b>Net cash generated from (used in) investing activities</b>	<b>(24,699)</b>	<b>589</b>	<b>(24,110)</b>	(38,125)	25,481	(12,644)
<b>Net cash generated from (used in) financing activities</b>	<b>(103,149)</b>	<b>12,303</b>	<b>(90,846)</b>	(16,410)	(49,342)	(65,752)
Net increase in cash and cash equivalents	<b>(90,689)</b>	<b>(157)</b>	<b>46,658</b>	(91,034)	(17,960)	(108,994)
Cash and cash equivalents at 1 January	<b>280,438</b>	<b>(42,348)</b>	<b>238,090</b>	321,853	(47,786)	274,067
Cash and cash equivalents at 30 June represented by bank balances and cash	<b>307,252</b>	<b>(22,504)</b>	<b>284,748</b>	230,819	(65,746)	165,073

#### 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:

- a. 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; and
- b. 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.

	<b>For the six months ended 30 June 2014</b>				
	<b>Logistics and supply chain services for finished automobiles and components RMB'000 (Unaudited)</b>	<b>Materials procurement and related logistics services RMB'000 (Unaudited)</b>	<b>Reportable segments subtotal RMB'000 (Unaudited)</b>	<b>All other segments RMB'000 (Unaudited)</b>	<b>Total RMB'000 (Unaudited)</b>
Revenue	409,793	1,031,824	1,441,617	56,522	1,498,139
Inter-segment revenue	–	–	–	(7,277)	(7,277)
Revenue from external customers	409,793	1,031,824	1,441,617	49,245	1,490,862
Segment results	7,600	13,068	20,668	4,677	25,345
Share of results of investments accounted for using the equity method					8,416
Unallocated other income					2,850
Unallocated corporate expenses					(1,035)
Finance costs					(8,431)
Profit before income tax					27,145
Income tax expense					(4,858)
Profit for the period					22,287
Other information:					
Depreciation and amortisation	(6,474)	(394)	(6,868)	(6,170)	(13,038)
Income tax expense	(1,966)	(2,259)	(4,225)	(633)	(4,858)

#### 4. Segment information (Continued)

For the six months ended 30 June 2013

	Logistics and supply chain services for finished automobiles and 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	390,768	733,206	1,123,974	31,924	1,155,898
Inter-segment revenue	–	–	–	(6,318)	(6,318)
Revenue from external customers	390,768	733,206	1,123,974	25,606	1,149,580
Segment results	4,843	11,030	15,873	(2,156)	13,717
Share of results of investments accounted for using the equity method					5,061
Unallocated other income					2,330
Unallocated corporate expenses					(1,510)
Finance costs					(6,010)
Profit before income tax					13,588
Income tax expense					(3,021)
Profit for the period					10,567
Other information:					
Depreciation and amortisation	(6,865)	(142)	(7,007)	(6,598)	(13,605)
Income tax expense	(1,263)	(1,310)	(2,573)	(448)	(3,021)

#### 5. Other income

	Six months ended 30 June	
	2014 RMB'000 (Unaudited)	2013 RMB'000 (Unaudited) (Restated)
Interest income	2,850	2,330
Others	562	689
Total	3,412	3,019

## 6. Finance costs

	Six months ended 30 June	
	2014 RMB'000 (Unaudited)	2013 RMB'000 (Unaudited) (Restated)
Interest on bank borrowings	8,431	6,010

## 7. Expenses by nature

	Six months ended 30 June	
	2014 RMB'000 (Unaudited)	2013 RMB'000 (Unaudited) (Restated)
Depreciation of property, plant and equipment	9,478	10,088
Amortisation of prepaid lease payments	394	203
Exchange gain	(108)	(237)
Other expenses	15,701	13,258
Cost of sales	1,441,866	1,115,388
Total cost of sales and administrative expenses	1,467,331	1,138,700

## 8. Income tax expense

	Six months ended 30 June	
	2014 RMB'000 (Unaudited)	2013 RMB'000 (Unaudited)
The Company and its subsidiaries	4,858	3,021

## 9. Dividend

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2014 (six months ended 30 June 2013: payment of an interim dividend of RMB0.03 per share).

## 10. Earnings per share

	Six months ended 30 June	
	2014 RMB'000 (Unaudited)	2013 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	19,565	10,183
	Number of shares Six months ended 30 June	
	2014 '000 (Unaudited)	2013 '000 (Unaudited)
Weighted average number of shares for calculating basic earnings per share	354,312	354,312

## 11. Property, plant and equipment

During the period, the Group spent RMB5,320,057 (six months ended 30 June 2013 (restated): RMB2,485,089) on acquisition of property, plant and equipment.

## 12. Trade and other receivables

	30 June 2014 RMB'000 (Unaudited)	31 December 2013 RMB'000 (Audited)
Trade receivables	512,582	331,781
Less: impairment loss recognised	(930)	(930)
Bills receivables	511,652	330,851
	17,643	17,630
Prepayments to suppliers	529,295	348,481
Other receivables	632,300	644,568
Less: impairment loss recognised	36,966	40,830
	(166)	(166)
Total trade and other receivables	1,198,395	1,033,713



## 12. Trade and other receivables (Continued)

The average credit period that the Group grants to its trade customers ranges from 30 to 90 days. As at 30 June 2014, the ageing analysis of trade and bills receivables is as follows:

	<b>30 June 2014 RMB'000 (Unaudited)</b>	31 December 2013 RMB'000 (Audited)
0-90 days	<b>423,102</b>	285,514
91-180 days	<b>96,558</b>	61,215
181-365 days	<b>6,778</b>	1,314
Over 1 year	<b>3,787</b>	1,368
	<b>530,225</b>	349,411

## 13. Trade and other payables

	<b>30 June 2014 RMB'000 (Unaudited)</b>	31 December 2013 RMB'000 (Audited)
Trade payables	<b>76,702</b>	145,632
Bills payables	<b>797,949</b>	687,484
	<b>874,651</b>	833,116
Deposits from customers	<b>410,208</b>	178,300
Other payables	<b>49,870</b>	56,234
Total trade and other payables	<b>1,334,729</b>	1,067,650

As at 30 June 2014, the ageing analysis of trade and bills payables is as follows:

	<b>30 June 2014 RMB'000 (Unaudited)</b>	31 December 2013 RMB'000 (Audited)
0-90 days	<b>523,926</b>	532,255
91-180 days	<b>350,376</b>	296,295
181-365 days	<b>174</b>	496
Over 1 year	<b>175</b>	4,070
	<b>874,651</b>	833,116

## 14. Borrowings

	<b>30 June 2014 RMB'000 (Unaudited)</b>	31 December 2013 RMB'000 (Audited)
Short-term borrowings	<b>187,322</b>	270,000

## 15. Share capital

	Number of shares		Amount RMB
	Domestic shares	H Shares	
At 31 December 2013 and 30 June 2014	256,068,800	98,243,200	354,312,000

## 16. Capital commitments

The Group had no capital commitment during the reporting period.

## 17. Related party disclosures

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

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

### b. *Key management personnel and remuneration*

The short-term benefits paid or payable by the Group to Directors and other members of key management of the Company during the six months ended 30 June 2014 amounted to RMB2,243,000 (six months ended 30 June 2013 (restated): RMB2,181,000).

## 18. Financial guarantee liabilities

As at 30 June 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 30 June 2014 was RMB194 million.

The following is an extract of the unaudited balance sheet of Tedahang as at 30 June 2014 as required under Rule 17.24 of the GEM Listing Rules:

	<b>30 June 2014</b>
	RMB'000
	(Unaudited)
<b>Current</b>	
Cash and cash equivalents	22,504
Other current assets	11,422
<b>Total current assets</b>	<b>33,926</b>
Financial liabilities	14,795
Other current liabilities	11,966
<b>Total current liabilities</b>	<b>26,761</b>
<b>Total current net assets</b>	<b>7,165</b>
<b>Non-current</b>	
Assets	356,860
Financial liabilities	178,813
Other non-current liabilities	22,875
<b>Total non-current liabilities</b>	<b>201,688</b>
<b>Total non-current net assets</b>	<b>155,172</b>
<b>Net assets</b>	<b>162,337</b>

## 18. Financial guarantee liabilities (Continued)

A summary of the unaudited consolidated income statement of Tedahang for the six months ended 30 June 2014 is set out as follows:

	<b>For the six months ended 30 June 2014</b> RMB'000 (Unaudited)
Revenue	13,400
Depreciation and amortisation	7,266
Interest income	235
Interest expense	(5,970)
<b>Losses before income tax</b>	<b>(13,831)</b>
Income tax expense	–
<b>Total losses for the period</b>	<b>(13,831)</b>
<b>Losses attributable to the parent company</b>	<b>(8,299)</b>

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

	<b>For the six months ended 30 June 2014</b> RMB'000 (Unaudited)
At 1 January	176,168
Losses for the period	(13,831)
At 30 June	162,337
Interest in joint venture	97,402
Fair value adjustments on land use rights, property, plant and equipment	(10,786)
Carrying amount	86,616

## Management Discussion and Analysis

### Financial Review

For the six months ended 30 June 2014, the Group recorded a turnover of RMB1,490,862,000, representing an increase of RMB341,282,000 or 30% as compared to that of the corresponding period last year. During the reporting period, the turnover of the Group's materials procurement and related logistics services recorded significant increase as compared with the corresponding period last year.

For the six months ended 30 June 2014, overall gross profit margin for the Group was 3.29%, representing an increase of 0.32 percentage point as compared with 2.97% of the corresponding period last year. The increase in overall gross profit margin was mainly attributable to the increase in the gross profit margin of the logistics and supply chain services for finished automobiles and components compared with the corresponding period last year due to the recovery growth in this business segment.

For the six months ended 30 June 2014, management expenses for the Group was RMB25,465,000, representing an increase of RMB2,153,000 or 9% as compared with RMB23,312,000 of the corresponding period last year. The increase in management expenses was mainly attributable to the expansion of the overall operation scale of the Group.

For the six months ended 30 June 2014, the share of results of associates of the Group was RMB8,416,000, representing an increase of RMB3,355,000 or 66% as compared with RMB5,061,000 of the corresponding period last year. The substantial increase in share of results of associates was mainly due to the increases at different levels in the operating results of Tianxin Automobile Inspection Services Co., Ltd. and the logistics service for electronic components as compared to the corresponding period last year.

For the six months ended 30 June 2014, finance costs for the Group was RMB8,431,000, representing an increase of RMB2,421,000 or 40% as compared with RMB6,010,000 of the corresponding period last year. The increase in finance costs was mainly attributable to the increase in bank liquidity loans due to expansion in operation scale of the procurement logistics business of the Group.

For the six months ended 30 June 2014, net profit attributable to the equity holders of the Group amounted to RMB19,565,000, representing an increase of RMB9,382,000 or 92% as compared with RMB10,183,000 of the corresponding period last year. The substantial increase in net profit was mainly due to: 1. the increase in operating results of the logistics and supply chain services for finished automobiles and components as compared to the corresponding period last year with ongoing recovery growth in this business segment; 2. ongoing development momentum of the procurement logistics service business, resulting in further expansion of operation scale and improvement of operating results; 3. the increase in the operating result of the logistics services businesses such as warehouse, transportation, agency and supervision as compared with the corresponding period last year; 4. the dramatic increase in the income from investments in the invested companies as compared to the corresponding period last year.

## 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, the Group's materials procurement and related logistics services maintained good development momentum with further increase in the operating income and gross profit as compared with the corresponding period last year. Our logistics and supply chain services for finished automobiles and components achieved recovery growth, resulting in increase in operating results as compared with the corresponding period last year. The operating results of the traditional logistics businesses, such as warehouse, transportation, agency and supervision, recorded substantial increase as compared with the corresponding period last year. As to the invested companies, the operating results of Tianjin Port International Automobile Logistics Co., Ltd. remained relatively stable, dramatic increase was recorded in the operating results of Tianxin Automobile Inspection Services Co., Ltd., while the electronic components logistics service business of Tianjin Alps Teda Logistics Co., Ltd. and Dalian Alps Teda Logistics Co., Ltd. recorded increases at different levels. The cold chain logistics business had been making losses in the near term as it had just commenced operation.

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

During the reporting period, the throughput of the logistics services for domestic finished automobiles was 199,343 sets, basically the same with that of the corresponding period last year. During the reporting period, the throughput of logistics services for the imported automobiles was 12,549 sets, increased by 2,769 sets or 28% as compared with the corresponding period last year. Turnover recorded for the reporting period amounted to RMB409,793,000, representing an increase of RMB19,025,000 or 5% as compared with the corresponding period last year.

### *Materials procurement and related logistics services*

Turnover recorded for the reporting period amounted to RMB1,031,824,000, representing an increase of RMB298,618,000 or 41% as compared with corresponding period last year.

### *Bonded warehouse, supervision, agency and other logistics services*

Turnover recorded for the reporting period amounted to RMB49,245,000, representing an increase of RMB23,639,000 or 92% as compared with 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 RMB305,367,000, representing an increase of RMB43,551,000 or 17% as compared with the corresponding period last year.



## Prospects and Outlook

As indicated by the indices released by China Federation of Logistics & Purchasing, the Logistics Performance Index for the first half of 2014 rebounded slightly, showing a steady upward trend.

The Group proactively developed its principal businesses in the first half of 2014. With the steady development of the bonded warehouse logistics business, the recovery growth in the automobile logistics business as well as the further expansion of the materials procurement business, the Group achieved satisfactory operating results on many fronts, in particular with substantial increase in revenue and profit from the principal activities as compared with the corresponding period of last year.

Looking forward, with the implementation of a series of policies by the government to promote the development of the logistics sector, the Group will maintain the revenue mix of its principal activities, and strive to improve its profitability. Leveraging on its own resource advantages, the Group will strengthen control over its associated companies, take proactive initiatives to improve the revenue mix of the cold chain logistics business and actively explore new cold chain business. The Group is confident to maintain the good development momentum of the overall operation in the future.

## Liquidity, Financial Resources and Capital Structure

The Group's working capital was generally financed by internally generated net cash inflow and bank borrowings. As at 30 June 2014, total assets of the Group amounted to RMB2,393,667,000. Amongst which, current assets amounted to RMB1,751,614,000, and non-current assets were RMB642,053,000. The Group's total liabilities were RMB1,546,605,000, of which current liabilities amounted to RMB1,539,769,000, and non-current liabilities amounted to RMB6,836,000. Total equity amounted to RMB847,062,000, of which equity interest attributable to the Group amounted to RMB767,341,000 and minority interests amounted to RMB79,721,000.

## Charge on Assets of The Group

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

## Gearing Ratio

As at 30 June 2014, the Group's gearing ratio was approximately 65% (31 December 2013: approximately 62%), which was measured by the total liabilities over the total assets.

## Foreign Exchange Risk

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

The Group has no significant investments except those in the PRC. The Group, however, may be exposed to certain extent of foreign currency gains and losses mainly as the Group and the holding subsidiaries of the Group, Tianjin Fengtian Logistics Co., Ltd., He Guang Trade and Business Co., Ltd. and Tianjin Teda International Forwarding Co., Ltd., have foreign currency businesses for United States Dollar, Japanese Yen or Hong Kong Dollars. For the six months ended 30 June 2014, the Group had an exchange gain of RMB108,000 due to the depreciation of foreign currencies.

## Material Acquisitions and Disposals

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

## Contingent Liabilities

Save as disclosed in this report, as at 30 June 2014, the Group had no material contingent liabilities.

## Employees

As at 30 June 2014, the Group employed 2,386 employees (corresponding period in 2013: 2,392 employees). During the reporting period, staff costs, including Directors' and supervisors' remunerations, amounted to approximately RMB69,073,000 (corresponding period in 2013: approximately RMB70,639,000). The Group's remuneration and bonus of employees are mainly determined by the provisions under the Group's remuneration policy and performance assessment of individual employee.

## Directors', Supervisors' and Chief Executives' Interests and Short Positions In Share Capital, Underlying Shares and Debentures of the Company or its Associated Corporations

As at 30 June 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 ("SFO")), which were required to be notified to the Company and the Stock Exchange under Divisions 7 and 8 of Part XV of the SFO (Chapter 571) (including interests or short positions which they have been taken or deemed to have under the SFO), or which were recorded in the register required to be kept by the Company under Section 352 of the SFO, or which were otherwise required to be notified to the Company and Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules.

## Directors', Supervisors' and Chief Executives' Rights to Acquire Shares or Debentures of the Company

So far as is known to the Directors, as at 30 June 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 and Persons Holding Interests and Short Positions in the Shares and Underlying Shares of the Company

So far as is known to the Directors, supervisors and chief executives of the Company, as at 30 June 2014, the following persons (other than the Directors, 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 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. 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%

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 30 June 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:

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

Save as disclosed in this report, so far as is known to the Directors and chief executives of the Company, as at 30 June 2014, no any other persons (other than Directors, supervisors or chief executives 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 are engaged in business that competes or may compete with the business of the Group and have any other conflicts of interests with the Group.

## 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 throughout the period under review, except for the following deviation: according to code provision A.2.1, the roles of the chairman of the Board (the "Chairman") and the chief executive officer (the "CEO") should be separate and should not be performed by the same individual. The division of responsibilities between the Chairman and CEO should be clearly established and set out in writing.

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

## Audit Committee

The Company has established an audit committee with terms of reference, which clearly defines the powers and duties of the committee. The primary duties of the audit committee are to review and supervise the financial reporting process and internal control systems of the Company, as well as providing opinion and recommendation to the Directors of the Company. The audit committee comprises three independent non-executive Directors, namely Mr. Zhou Zisheng, Mr. Cheng Xinsheng and Mr. Japhet Sebastian Law. Mr. Zhou Zisheng 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 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.

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

Tianjin, the PRC  
12 August 2014

*As at the date of this report, the Board of the Company comprises Mr. Zhang Jian as executive Director; Mr. Xu Lifan, Mr. Cui Xuesong, Mr. Tse Ping and Mr. Yang Xiaoping as non-executive Directors; and Mr. Cheng Xinsheng, Mr. Japhet Sebastian Law, Mr. Mei Xingbao and Mr. Zhou Zisheng as independent non-executive Directors.*

\* For identification purpose only