



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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2015 Interim Report

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

Stock Code: 8348

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 2015:

- Total turnover amounted to RMB1,496,769,000 (corresponding period in 2014: RMB1,490,862,000), representing an increase of approximately 0.4% as compared with the corresponding period last year.
- Gross profit was approximately RMB45,280,000 (corresponding period in 2014: RMB48,996,000), representing a decrease of approximately 7.58% as compared with the corresponding period last year.
- Gross profit margin was approximately 3.03%, representing a decrease of approximately 0.26% as compared with 3.29% achieved in the corresponding period last year;
- Profit attributable to shareholders amounted to approximately RMB20,311,000 (corresponding period in 2014: RMB19,565,000), representing an increase of approximately 3.81% as compared with the corresponding period last year.
- Earnings per share was RMB6 cents (corresponding period last year: RMB6 cents).

Unaudited Consolidated Interim Results of 2015

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 2015 together with the unaudited comparative information for the corresponding period in 2014.

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income (Unaudited)

For the six months ended 30 June 2015

	Note	Six months ended 30 June	
		2015 RMB'000 (Unaudited)	2014 RMB'000 (Unaudited)
Revenue	4	1,496,769	1,490,862
Cost of sales	7	(1,451,489)	(1,441,866)
Gross profit		45,280	48,996
Administrative expenses	7	(24,409)	(25,465)
Other income	5	3,922	3,412
Other gains/(losses) – net		897	217
Finance costs	6	25,690	27,160
Share of results of investments accounted for using the equity method		(3,091)	(8,431)
		4,327	8,416
Profit before income tax		26,926	27,145
Income tax expense	8	(5,629)	(4,858)
Profit for the period		21,297	22,287
Attributable to			
Owners of the Company		20,311	19,565
Non-controlling interests		986	2,722
Earnings per share	10		
– Basic (RMB cents)		6	6
– Diluted (RMB cents)		6	6

Condensed Consolidated Statement of Financial Position (Unaudited)

As at 30 June 2015

	Note	30 June 2015 RMB'000 (Unaudited)	31 December 2014 RMB'000 (Audited)
Non-current assets			
Property, plant and equipment		197,558	194,460
Land use rights		97,856	99,150
Investment properties		77,212	79,452
Investments accounted for using the equity method		232,494	246,640
Available-for-sale financial assets		16,070	16,310
		621,190	636,012
Current assets			
Inventories		89,219	26,335
Trade and other receivables	12	1,331,789	1,261,760
Pledged bank deposits		248,286	225,962
Bank balances and cash		292,827	301,307
		1,962,121	1,815,364
Total assets		2,583,311	2,451,376
Share capital and reserves			
Share capital	15	354,312	354,312
Other reserves		92,322	89,103
Retained profits		347,796	348,489
		794,430	791,904
Non-controlling interests		80,048	88,061
Total equity		874,478	879,965
Non-current liabilities			
Deferred income		6,462	6,597
		6,462	6,597
Current liabilities			
Trade and other payables	13	1,593,204	1,450,047
Dividend payable		8,100	-
Current income tax liabilities		9,776	9,869
Short-term borrowings	14	91,291	104,898
		1,702,371	1,564,814
Total liabilities		1,708,833	1,571,411
Total equity and liabilities		2,583,311	2,451,376
Net current assets		259,750	250,550
Total assets less current liabilities		880,940	886,562

Condensed Consolidated Statement of Changes in Equity (Unaudited)

As of 30 June 2015

	Attributable to owners of the Company					Attributable to owners of the parent company	Non-controlling interests	Total
	Share capital	Share premium	Statutory reserves	Other reserves	Retained profits			
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2014 (Audited)	354,312	55,244	68,288	(40,614)	317,632	754,862	87,818	842,680
Total comprehensive income for the period	-	-	-	-	19,565	19,565	2,722	22,287
Dividend paid	-	-	-	-	(7,086)	(7,086)	(10,819)	(17,905)
Transfer	-	-	3,765	-	(3,765)	-	-	-
At 30 June 2014 (Unaudited)	354,312	55,244	72,053	(40,614)	326,346	767,341	79,721	847,062
At 1 January 2015 (Audited)	354,312	55,244	74,473	(40,614)	348,489	791,904	88,061	879,965
Total comprehensive income for the period	-	-	-	-	20,311	20,311	986	21,297
Dividend paid	-	-	-	-	(17,785)	(17,785)	(8,999)	(26,784)
Transfer	-	-	3,219	-	(3,219)	-	-	-
At 30 June 2015 (Unaudited)	354,312	55,244	77,692	(40,614)	347,796	794,430	80,048	874,478

Condensed Consolidated Cash Flow Statement (Unaudited)

For the six months ended 30 June 2015

	Six months ended 30 June	
	2015 RMB'000 (Unaudited)	2014 RMB'000 (Unaudited)
Cash flows from operating activities		
Net cash generated from (used in) operating activities	33,352	161,614
Cash flows from investing activities		
Purchase of property, plant and equipment	(5,930)	(5,320)
Increase in pledged bank deposits	(22,324)	(36,223)
Collection of investment	–	3,983
Dividends received from investments accounted for using the equity method	18,713	13,450
Net cash generated from (used in) investing activities	(9,541)	(24,110)
Cash flows from financing activities		
Proceeds from borrowings	76,393	117,322
Repayments of borrowings	(90,000)	(200,000)
Dividends paid to owners of the parent company	(17,785)	(7,086)
Cash flows from other financing activities	(899)	(1,082)
Net cash generated from (used in) financing activities	(32,291)	(90,846)
Net (decrease)/increase in cash and cash equivalents	(8,480)	46,658
Cash and cash equivalents at 1 January	301,307	238,090
Cash and cash equivalents at 30 June represented by bank balances and cash	292,827	284,748

Notes to the Condensed Consolidated Financial Information (Unaudited)

For the six months ended 30 June 2015

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 ("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 2015 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 2014, which have been prepared in accordance with International Financial Reporting Standards.

3. Significant accounting policies

The unaudited condensed consolidated interim financial statements for the six months ended 30 June 2015 have been prepared in accordance with the applicable disclosure requirements of Appendix 16 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited including compliance with Hong Kong Accounting Standards (“HKAS”) 34, Interim Financial Reporting, issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”).

The accounting policies used in the unaudited condensed consolidated interim financial statements for the six months ended 30 June 2015 are consistent with those followed in the preparation of the Group’s annual financial statements for the year ended 31 December 2014, and in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) (which include Hong Kong Financial Reporting Standards, HKASs and Interpretations) issued by the HKICPA.

The HKICPA has issued the following amendments to HKFRSs that are first effective for the current accounting period of the Group:

HKFRSs (Amendments)

Annual Improvements 2010–2012 Cycle

HKFRSs (Amendments)

Annual Improvements 2011–2013 Cycle

None of these developments have had a material effect on how the Group’s results and financial position for the current or prior periods have been prepared or presented. The Group has not applied any new standards or interpretation that is not yet effective for the current accounting period.

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;
- b. Materials procurement services – Sales of raw materials to customers comprising principally trading companies and provision of related services of transportation, management, storage, warehouse supervising and management.

TEDA LOGISTICS

For the six months ended 30 June 2015

	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	384,601	1,058,442	1,443,043	74,626	1,517,669
Inter-segment revenue	(2,540)	(12,673)	(15,213)	(5,687)	(20,900)
Revenue from external customers	382,061	1,045,769	1,427,830	68,939	1,496,769
Segment results	1,951	9,003	10,954	13,046	24,000
Share of results of investments accounted for using the equity method					4,327
Unallocated other income					2,915
Unallocated corporate expenses					(1,225)
Finance costs					(3,091)
Profit before income tax					26,926
Income tax expense					(5,629)
Profit for the period					21,297
Other information:					
Depreciation and amortisation	(6,523)	(344)	(6,867)	(6,534)	(13,401)
Income tax expense	(565)	(1,848)	(2,413)	(3,216)	(5,629)

TEDA LOGISTICS

For the six months ended 30 June 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	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)

5. Other income

	Six months ended 30 June	
	2015 RMB'000 (Unaudited)	2014 RMB'000 (Unaudited)
Interest income	2,915	2,850
Others	1,007	562
Total	3,922	3,412

6. Finance costs

	Six months ended 30 June	
	2015 RMB'000 (Unaudited)	2014 RMB'000 (Unaudited)
Interest on bank borrowings	3,091	8,431

7. Expenses by nature

	Six months ended 30 June	
	2015 RMB'000 (Unaudited)	2014 RMB'000 (Unaudited)
Depreciation of property, plant and equipment	9,886	9,478
Amortisation of prepaid lease payments	363	394
Exchange gain	(435)	(108)
Other expenses	14,595	15,701
Cost of sales	1,451,489	1,441,866
Total cost of sales and administrative expenses	1,475,898	1,467,331

8. Income tax expense

	Six months ended 30 June	
	2015 RMB'000 (Unaudited)	2014 RMB'000 (Unaudited)
The Company and its subsidiaries	5,629	4,858

9. Dividend

The Board recommends the payment of an interim dividend of RMB0.03 per share for the six months ended 30 June 2015 (interim dividend for the six months ended 30 June 2014: nil).

10. Earnings per share

	Six months ended 30 June	
	2015 RMB'000 (Unaudited)	2014 RMB'000 (Unaudited)
Profit for the period attributable to owners of the Company and earnings for the purpose of calculating basic and diluted earnings per share	20,311	19,565

	Number of shares Six months ended 30 June	
	2015 '000 (Unaudited)	2014 '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 RMB5,929,563 (six months ended 30 June 2014: RMB5,320,057) on acquisition of property, plant and equipment.

12. Trade and other receivables

	30 June 2015 RMB'000 (Unaudited)	31 December 2014 RMB'000 (Audited)
Trade receivables	563,099	427,140
Less: impairment loss recognised	(930)	(930)
	562,169	426,210
Bills receivables	300	5,711
	562,469	431,921
Other receivables	49,087	30,771
Less: impairment provision	(620)	(620)
	610,936	462,072
Prepayments to suppliers	721,640	800,475
Less: impairment loss recognised	(787)	(787)
Prepayments to suppliers-net	720,853	799,688
Total trade and other receivables	1,331,789	1,261,760

The average credit period that the Group grants to its trade customers ranges from 30 to 90 days. As at 30 June 2015, the ageing analysis of trade and bills receivables is as follows:

	30 June 2015 RMB'000 (Unaudited)	31 December 2014 RMB'000 (Audited)
0-90 days	549,102	376,379
91-180 days	9,500	41,091
181-365 days	577	10,214
Over 1 year	4,220	5,167
	563,399	432,851

13. Trade and other payables

	30 June 2015 RMB'000 (Unaudited)	31 December 2014 RMB'000 (Audited)
Trade payables	99,275	88,171
Bills payables	1,078,022	1,035,761
	1,177,297	1,123,932
Deposits from customers	209,688	269,515
Other payables	206,219	56,600
Total trade and other payables	1,593,204	1,450,047

As at 30 June 2015, the ageing analysis of trade and bills payables is as follows:

	30 June 2015 RMB'000 (Unaudited)	31 December 2014 RMB'000 (Audited)
0-90 days	768,780	563,885
91-180 days	407,656	558,795
181-365 days	0	798
Over 1 year	861	454
	1,177,297	1,123,932

14. Borrowings

	30 June 2015 RMB'000 (Unaudited)	31 December 2014 RMB'000 (Audited)
Short-term borrowings	91,291	104,898

15. Share capital

	Number of shares		Amount RMB
	Domestic shares	H Shares	
At 31 December 2014 and 30 June 2015	256,068,800	98,243,200	354,312,000

16. Capital commitments

The Group had no capital commitments 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 unpaid by the Group to Directors and other members of key management of the Company during the six months ended 30 June 2015 amounted to RMB2,446,000 (six months ended 30 June 2014: RMB2,243,000).

18. Financial guarantee liabilities

As at 30 June 2015, the Company has provided financial guarantee to Tedahang, a joint venture with 60% interest owned by the Group, for its bank borrowing facilities of RMB350 million. The borrowings drawn down by the joint venture as at 30 June 2015 was RMB173 million.

As at 30 June 2015, the Company has provided financial guarantee to He Guang, a subsidiary of the Group, for its bank borrowing facilities of USD40,000,000. The bank borrowings drawn down by the subsidiary as at 30 June 2015 was RMB6,000,000.

The following is an extract of the unaudited statement of financial position of Tedahang as at 30 June 2015 as required under Rule 17.24 of the GEM Listing Rules:

	30 June 2015
	RMB'000
	(Unaudited)
Current	
Cash and cash equivalents	4,257
Other current assets	11,530
Total current assets	15,787
Financial liabilities	18,197
Other current liabilities	25,040
Total current liabilities	43,237
Total current net assets	(27,450)
Non-current	
Assets	343,802
Financial liabilities	154,679
Other non-current liabilities	21,232
Total non-current liabilities	175,911
Total non-current net assets	167,891
Net assets	140,441

A summary of the unaudited consolidated income statement of Tedahang for the six months ended 30 June 2015 is set out as follows:

	For the six months ended 30 June 2015 RMB'000 (Unaudited)
Revenue	12,181
Depreciation and amortisation	7,268
Interest income	37
Interest expense	(5,706)
Losses before income tax	(13,590)
Income tax expense	–
Total losses for the period	(13,590)
Losses attributable to the parent company	(8,154)

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 six months ended 30 June 2015 RMB'000 (Unaudited)
At 1 January	153,026
Losses for the period	(13,590)
Divided	–
At 30 June	139,436
Interest in joint venture	83,662
Fair value adjustments on land use rights, property, plant and equipment	(10,530)
Carrying amount	73,132

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Review

For the six months ended 30 June 2015, the Group recorded a turnover of RMB1,496,769,000, representing an increase of RMB5,907,000 or 0.4% as compared to that of the corresponding period last year. During the reporting period, turnover from the materials procurement and related logistics services as well as bonded warehouse, supervision and transportation services recorded varying degrees of growth as compared with the corresponding period last year, while turnover from the logistics and supply chain services for finished automobiles and components decreased as compared with the corresponding period last year.

For the six months ended 30 June 2015, overall gross profit margin for the Group was 3.03%, representing a decrease of 0.26 percentage point as compared with 3.29% of the corresponding period last year. Among which, the gross profit of the logistics and supply chain services for finished automobiles and components decreased as compared with the corresponding period last year, while the gross profit of the bonded warehouse, supervision and transportation services recorded significant increase as compared with the corresponding period last year.

For the six months ended 30 June 2015, management expenses for the Group was RMB24,409,000, representing a decrease of RMB1,056,000 or 4% as compared with RMB25,465,000 of the corresponding period last year.

For the six months ended 30 June 2015, the share of results of associates of the Group was RMB4,327,000, representing a decrease of RMB4,089,000 or 48% as compared with RMB8,416,000 of the corresponding period last year. The decrease in share of results of associates was mainly due to the decreases at different levels in the operating results of Tianjin Port International Automobile Logistics Co., Ltd. and Tianxin Automobile Inspection Services Co., Ltd. as compared to the corresponding period last year.

For the six months ended 30 June 2015, finance costs for the Group was RMB3,091,000, representing a decrease of RMB5,340,000 or 63% as compared with RMB8,431,000 of the corresponding period last year. The decrease in finance costs was mainly attributable to the significant reduction in liquidity loans by the Group during the reporting period.

For the six months ended 30 June 2015, net profit attributable to the equity holders of the Group amounted to RMB20,311,000, representing an increase of RMB746,000 or 3.8% as compared with RMB19,565,000 of the corresponding period last year. This was mainly because: 1. the principal business segments of the Group continued to maintain an overall healthy development momentum, among which, the operation of our materials procurement logistics business remained stable and the operating result of our logistics services such as warehouse, transportation, agency and supervision recorded substantial growth as compared with the corresponding period last year with further expansion in operation scale, which in turn improved our operating results, while the operating result of our supply chain and logistics services for finished automobiles and components business recorded a significant year-on-year decrease due to the overall downturn in the automobile industry; 2. Tianjin Port International Automobile Logistics Co., Ltd. and Tianxin Automobile Inspection Services Co., Ltd., both being our invested companies, recorded decreases in different extents in their operating results 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, supply chain and logistics 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 maintained good development momentum with increase in the overall operating income and profit attributable to the equity holders as compared with the corresponding period last year. While continuing to maintain its market share, our materials procurement logistics business further optimized its business structure, enhanced its management and continued to innovate its business model. As the Group strengthened its market exploitation efforts in conventional bonded warehouses transportation and supervision businesses, and enhanced cooperation with international clients by fully leveraging on its own resource advantages, the operating results recorded substantial increase during the reporting period. Meanwhile, affected by the downturn of domestic automobile industry, our logistics services for finished automobiles and components as well as our invested companies, namely Tianjin Port International Automobile Logistics Co., Ltd. and Tianxin Automobile Inspection Services Co., Ltd., recorded decreases in different extents in their operating results as compared to the corresponding period last year. The operating income and operating results for the electronic components logistics business of Tianjin Alps Teda Logistics Co., Ltd. and Dalian Alps Teda Logistics Co., Ltd. were substantially the same as compared to last year. The cold chain logistics business had just commenced operation, so it had been making losses in the near term.

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 246,601 sets, increased by 47,258 sets or 24% as compared to last year. During the reporting period, the throughput of logistics services for the imported automobiles was 6,797 sets, decreased by 5,752 sets or 46% as compared with the corresponding period last year. Turnover recorded for the reporting period amounted to RMB382,061,000, representing an increase of RMB27,732,000 or 6.7% as compared with the corresponding period last year.

Materials procurement and related logistics services

Turnover recorded for the reporting period amounted to RMB1,045,769,000, representing an increase of RMB13,945,000 or 1.4% as compared with corresponding period last year.

Other logistics services

Turnover recorded for the reporting period amounted to RMB68,939,000, representing an increase of RMB19,694,000 or 40% 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 RMB322,886,000, representing an increase of RMB17,519,000 or 5.7% as compared with the corresponding period last year.

Prospects and Outlook

As indicated by the data released by China Federation of Logistics and Purchasing, the logistics industry maintained an overall steady operation for the first half of 2015, showing a general trend of stable and positive development momentum. During the first half of 2015, the Group overcame the adverse impact from production reduction in the automobile logistics business by proactively innovating business models, consolidating existing resource advantages and continuing to push forward the operation of new projects, achieving substantial increase in the operating results of the Group's principle businesses including materials procurement and related logistics services. The overall operating results for the first half of 2015 recorded steady growth as compared to the corresponding period last year.

In the second half of 2015, the logistics industry in China will show a basic trend of steady growth with improved quality. Against such industry backdrop, the Group will step up efforts to adjust its existing corporate structure and build core business competitive strength. Meanwhile, investment income will increase dramatically as operating results of the invested companies will gradually pick up following the recovery of the automobile logistics business. It is expected that the overall performance of the Group will achieve further growth in the third quarter of 2015.

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 2015, total assets of the Group amounted to RMB2,583,311,000, amongst which, total current assets amounted to RMB1,962,121,000, and total non-current assets were RMB621,190,000. The Group's total liabilities were RMB1,708,833,000, of which current liabilities amounted to RMB1,702,371,000, and non-current liabilities amounted to RMB6,462,000. Total equity amounted to RMB874,478,000, of which equity interest attributable to the Group amounted to RMB794,430,000 and minority interests amounted to RMB80,048,000.

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 2015, the Group's gearing ratio was approximately 66% (31 December 2014: approximately 64%), 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 Freight Forwarding Co., Ltd., have foreign currency businesses for United States Dollar, Japanese Yen or Hong Kong Dollars. For the six months ended 30 June 2015, the Group had an exchange gain of RMB435,000 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

As at 30 June 2015, the Group had no material contingent liabilities.

Employees

As at 30 June 2015, the Group employed 2,296 employees (corresponding period in 2014: 2,386 employees). During the reporting period, staff costs, including Directors' and supervisors' remunerations, amounted to approximately RMB69,394,000 (corresponding period in 2014: approximately RMB69,073,000). 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/or Short Positions in Shares, Underlying Shares and Debentures of the Company or Any of Its Associated Corporations

As at 30 June 2015, 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 2015, 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.

Dividend and Extraordinary General Meeting

The Board proposes the distribution of an interim dividend of RMB0.03 per share for the period ended 30 June 2015. The total amount of dividends to be distributed is approximately RMB10,629,360. 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 (RMB0.792 to HK\$1.00) announced by the People's Bank of China on the last continual five business days before the announcement of the interim results (i.e. 5, 6, 7, 10 and 11 August 2015).

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 November 2015 (Sunday) for the interim dividend of H shares.

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

Pursuant to Notice on the Issues on Levy of Individual Income Tax after the Abolishment of Guo Shui Fa [1993] No. 045 Document (the "Notice") issued by the State Administration of Taxation on 28 June 2011, the 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 November 2015 (Sunday), 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 Interim Dividend

The register of members of the Company will be closed from Tuesday, 17 November 2015 to Sunday, 22 November 2015, 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 Monday, 16 November 2015. Subject to approval at the extraordinary general meeting, dividends will be distributed around or before 31 December 2015 to shareholders whose names appear on the register of members of the Company on 22 November 2015.

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 2015, 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 2015, 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 2015, 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 2015, 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 2015

As at the date of this report, the Board of the Company comprises Mr. Zhang Jian as executive Director; Mr. Cui Xuesong, Mr. Xu Lifan, 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 purposes only