
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Tianjin Binhai Teda Logistics (Group) Corporation Limited*, you should at once hand this circular to the purchaser or the transferees or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee(s).

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天津濱海泰達物流集團股份有限公司

Tianjin Binhai Teda Logistics (Group) Corporation Limited*

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

(Stock Code: 8348)

(1) PROPOSED DISCLOSEABLE AND CONNECTED TRANSACTION
(2) PROPOSED AMENDMENT TO THE ARTICLES OF THE COMPANY
(3) PROPOSED DISTRIBUTION OF DIVIDEND
(4) PROPOSED GRANT OF GENERAL MANDATE
TO ISSUE SHARES
AND
(5) NOTICE OF ANNUAL GENERAL MEETING

A notice convening the Annual General Meeting of Tianjin Binhai Teda Logistics (Group) Corporation Limited to be held at No. 39, Bohai Road, Tianjin Economic and Technological Development Zone, Tianjin, the PRC on Tuesday, 26 June 2012 at 9:30 a.m. is set out on pages AGM-1 to AGM-5 of this circular.

A form of proxy for use at the Annual General Meeting is enclosed with this circular and such form of proxy is also published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.tbtl.cn). Whether or not you intend to attend the Annual General Meeting, you are requested to complete and return (i) the enclosed reply slip in accordance with the instructions printed thereon not later than Tuesday, 5 June 2012 and (ii) the enclosed form of proxy in accordance with the instructions printed thereon not less than 24 hours before the time fixed for holding the Annual General Meeting or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending the Annual General Meeting and voting in person if you so wish.

This circular will remain on the "Latest Company Announcement" page of the GEM website at www.hkgem.com and on the Company's website at www.tbtl.cn for at least 7 days from the date of its publication.

12 May 2012

* For identification purpose only

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

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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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions have the following meanings:

“Annual General Meeting” or “AGM”	an annual general meeting of the Company to be held at No. 39, Bohai Road, Tianjin Economic and Technological Development Zone, Tianjin, the PRC on Tuesday, 26 June at 9:30 a.m., to consider and, if appropriate, to approve the resolutions contained in the notice of the annual general meeting which is set out on pages AGM-1 to AGM-5 of this circular, or any adjournment thereof;
“Articles”	the articles of the Company, as amended from time to time;
“associates”	has the meaning ascribed to it under the GEM Listing Rules;
“Board”	the board of Directors of the Company;
“Capital Increase”	pursuant to the Capital Increase Agreement, the proposed increase to the registered share capital of Tedahang of RMB80,000,000 by Toyota Tsusho (China) and Kamigumi, of which RMB50,000,000 will be contributed by Toyota Tsusho (China) and RMB30,000,000 will be contributed by Kamigumi;
“Capital Increase Agreement”	the Capital Increase Agreement dated 21 March 2012, entered into among Tedahang, the Company, Toyota Tsusho (China) and Kamigumi;
“Company”	Tianjin Binhai Teda Logistics (Group) Corporation Limited* (天津濱海泰達物流集團股份有限公司), a joint stock limited company incorporated in the PRC with limited liability;
“connected person”	has the meaning ascribed to it under the GEM Listing Rules;
“Deemed Disposal”	a deemed disposal of the Company’s 40% equity interests in Tedahang resulting from the Capital Increase;
“Director(s)”	the director(s) of the Company;
“Domestic Share(s)”	ordinary share(s) of nominal value of RMB1.00 each in the share capital of the Company which are subscribed for or credited as fully paid in RMB;
“GEM”	the Growth Enterprise Market of the Stock Exchange;
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the GEM;

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DEFINITIONS

“GEM website”	http://www.hkgem.com , being the internet website operated by the Stock Exchange for GEM;
“General Mandate”	the mandate proposed to be bought at the AGM to authorise the Directors to allot, issue and deal with Shares not exceeding of each of the aggregated nominal and of Domestic Shares and H Shares in issue as at the date of the resolution;
“Group”	the Company together with its subsidiaries;
“H Shares”	overseas listed foreign Shares of the Company with a nominal value of RMB1.00 each, which are listed on the GEM;
“HKSCC”	Hong Kong Securities Clearing Company Limited, a wholly-owned subsidiary of the Hong Kong Exchange and Clearing Limited;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Independent Board Committee”	an independent committee of the Board comprising all the independent non-executive Directors, namely, Mr. Zhang Limin, Mr. Liu Jingfu and Mr. Luo Yongtai having been established to advise the Shareholders on the proposed Capital Increase;
“Independent Financial Adviser”	KBC Bank N.V., acting through its Hong Kong Branch, a licensed bank under the Banking Ordinance (Chapter 155 of the Laws of Hong Kong) and a registered institution registered for Type 6 (advising on corporate finance) regulated activities under the SFO and the independent financial adviser to the Independent Board Committee and the independent Shareholders;
“Joint Venture Agreement”	the joint venture agreement dated 21 March 2012 entered into by the Company, Toyota Tsusho (China) and Kamigumi in relation to the formation of Tedahang;
“Kamigumi”	Kamigumi (Hong Kong) Company Limited (上組(香港)有限公司), a company incorporated in Hong Kong with limited liability and is a wholly-owned subsidiary of Kamigumi Company Limited (日本株式會社上組);
“Latest Practicable”	8 May 2012, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular;

DEFINITIONS

“PRC”	the People’s Republic of China, which for the purpose of this circular shall exclude Hong Kong, the Macau Special Administrative Region and Taiwan;
“RMB”	Renminbi, the lawful currency of the PRC;
“SFO”	Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time;
“Shareholders”	holder(s) of the Shares;
“Shares”	the Domestic Shares and the H Shares of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Supervisor(s)”	the supervisor(s) of the Company;
“Tedahang”	Tedahang Cold Chain Logistic Co., Ltd. (泰達行(天津)冷鏈物流有限公司), a company invested by the Company and established in Dongjiang Company Bonded Free Port, Tianjin, PRC with limited liability, and upon completion of the Capital Increase Agreement, will be owned by as to 60% by the Company, 25% by Toyota Tsusho (China) and 15% by Kamigumi;
“Tianjin Fengtian Logistics”	Tianjin Fengtian Logistics Co., Ltd. (天津豐田物流有限公司), a sino-foreign equity joint venture incorporated in the PRC on 19 July 1996, which is owned as to 52% by the Company, 36.2% by Toyota Tsusho (日本豐田通商株式會社), 7.3% by Kamigumi Company Limited (日本株式會社上組) and 4.5% by Toyota Transportation Corporation (日本豐田輸送株式會社); Tianjin Fengtian Logistics is a subsidiary of the Company under the GEM Listing Rules;
“Toyota Group”	Toyota Motor Corporation and its subsidiaries and associated companies (including Toyota Tsusho and Toyota Tsusho (China), but for the purpose of this circular, excluding the members of Binhai Logistics Group) from time to time, being one of the principal group of customers of Binhai Logistics Group which are principally engaged in the manufacturing and sales of automobiles;

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“Toyota Tsusho”	Toyota Tsusho Corporation (日本豐田通商株式會社), a company incorporated in Japan with limited liability whose common stock is listed on the first section of Tokyo Stock Exchange and Nagoya Stock Exchange, a shareholder of Tianjin Fengtian Logistics holding 36.2% of its entire registered capital; Toyota Tsusho is owned as to approximately 21.57% by Toyota Motor Corporation and is an associated company of Toyota Motor Corporation; Toyota Tsusho is therefore a member of the Toyota Group; its principal business includes trading of metals, machinery and electronics products, automotive, energy and chemical products, produce and foodstuffs, consumer products, services and materials;
“Toyota Tsusho (China)”	Toyota Tsusho (China) Co., Ltd., (豐田通商(中國)有限公司), a company incorporated in the PRC with limited liability, a wholly-owned subsidiary of Toyota Tsusho; and
“%”	per cent.

LETTER FROM THE BOARD



天津濱海泰達物流集團股份有限公司
Tianjin Binhai Teda Logistics (Group) Corporation Limited*
(a joint stock limited company incorporated in the People's Republic of China with limited liability)
(Stock Code: 8348)

Executive Director:
Mr. Zhang Jian

Non-executive Directors:
Mr. Hu Jun
Mr. Zhang Jun
Mr. Wang Jincai
Mr. Chen Fang

Independent non-executive Directors:
Mr. Zhang Limin
Mr. Liu Jingfu
Mr. Luo Yongtai

*Registered office and principal
place of business in the PRC:*
No. 39, Bohai Road
Tianjin Economic and
Technological Development Zone
The PRC
Tianjin

Principal place of business in Hong Kong:
Suite 2008, 20/F, Jardine House
1 Connaught Place
Central
Hong Kong

*Hong Kong share registrar and
transfer office:*
Computershare Hong Kong Investor
Services Limited
Hopewell Centre, 46th Floor
18 Queen's Road East
Wan Chai
Hong Kong

12 May 2012

To the Shareholders

Dear Sir or Madam,

- (1) PROPOSED DISCLOSEABLE AND CONNECTED TRANSACTION
AND
(2) PROPOSED AMENDMENT TO THE ARTICLES OF THE COMPANY
AND
(3) PROPOSED DISTRIBUTION OF DIVIDEND
AND
(4) PROPOSED GRANT OF GENERAL MANDATE
TO ISSUE SHARES
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(5) NOTICE OF ANNUAL GENERAL MEETING**

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LETTER FROM THE BOARD

1. INTRODUCTION

The purpose of this circular is to give you notice of the Annual General Meeting and to provide you with information regarding certain resolutions to be proposed at the Annual General Meeting to enable you to make an informed decision on whether to vote for or against those resolutions at the Annual General Meeting.

2. PROPOSED DISCLOSEABLE AND CONNECTED TRANSACTION

Background

Reference is made to the announcement of the Company dated 21 March 2012 in relation to the Capital Increase, whereby the Board announced that, after trading hours on 21 March 2012, a subsidiary of the Company, Tedahang, with the Company, Toyota Tsusho (China) and Kamigumi entered into the Capital Increase Agreement, pursuant to which the registered capital of Tedahang will be increased from RMB120,000,000 to RMB200,000,000.

Such increase of RMB80,000,000 will be contributed as to RMB50,000,000 by Toyota Tsusho (China) and RMB30,000,000 by Kamigumi. Before the Capital Increase, the registered capital of Tedahang was RMB120,000,000, being held as to 100% by the Company. Immediately after the Capital Increase, the registered capital of Tedahang will be held as to 60% by the Company, 25% by Toyota Tsusho (China) and 15% by Kamigumi.

In addition, the Company, Toyota Tsusho (China) and Kamigumi entered into the Joint Venture Agreement on 21 March 2012 to govern their relationship in Tedahang.

The Capital Increase Agreement

Date

21 March 2012

Parties

- (1) Tedahang
- (2) the Company
- (3) Toyota Tsusho (China)
- (4) Kamigumi

LETTER FROM THE BOARD

Capital Increase

Pursuant to the Capital Increase Agreement, the paid-up capital of Tedahang will be increased from RMB120,000,000 to RMB200,000,000. Immediately after the Capital Increase, the paid-up capital of Tedahang will be held as to 60% by the Company, 25% by Toyota Tsusho (China) and 15% by Kamigumi. The amount of the Capital Increase was arrived at after arm's length negotiation between the parties.

The Company, Toyota Tsusho (China) and Kamigumi agreed that the subscription price of the Capital Increase shall be RMB80,000,000, based on the value of the assets of Tedahang specified in the valuation report prepared by an independent valuer.

As the two Shareholders of the Company, namely, Tianjin Teda Investment Holding Co., Ltd. and Tianjin Economic and Technological Development Area State Asset Operation Company are state-owned enterprises, the Capital Increase is subject to approval by the relevant PRC authorities in accordance with the applicable PRC laws and regulations. In order to comply with the applicable PRC laws and regulations, an independent appraiser (which was approved by the relevant PRC authorities) to prepare a valuation report on Tedahang.

The preparation of the said valuation report was solely for the purpose of compliance with the applicable PRC laws and regulations. The valuation method used is the cost approach and does not constitute profit forecasts. The Board has not considered profit forecast in the said valuation report to determine the Capital Increase. The Board has mainly considered other factors, including without limitation, the effect to the financial condition and business operations of Tedahang due to the Capital Increase in its determination.

Method of subscription for the Capital Increase:

Toyota Tsusho (China) and Kamigumi shall subscribe for the Capital Increase by way of cash subscription payable to the Company at the subscription price in accordance with the following table:

Party	Subscription price for the Capital Increase
Toyota Tsusho (China)	RMB50,000,000
Kamigumi	RMB30,000,000

Conditions precedent

The implementation and completion of the Capital Increase is conditional upon the fulfillment of the following conditions precedent:

1. The investors have conducted due diligence review on the business, financial information, and legal affairs of the Company and are satisfied with the results thereof;

LETTER FROM THE BOARD

2. The legal documents relating to the Capital Increase have been signed and approved by the competent authorities;
3. The Company and Teda Logistics Group have not breached any obligation, undertaking and guarantee under the Capital Increase Agreement; and
4. The passing by the independent Shareholders of a resolution to approve the Capital Increase Agreement and the transactions contemplated thereunder at the general meeting.

Guarantee

Tedahang and the Company guarantee to Toyota Tsusho (China) and Kamigumi, the following matters:

- (1) There is no such matter that would cause Tedahang to fail to pass the annual inspection of 2011.
- (2) In respect of land use rights of certain state-owned land in Tianjian under the name of Tedahang (the "Land Use Rights of the State-Owned Land"), and the construction project under construction with an area of 33,971.24 sq.m. under the name of Tedahang (the "Project under Construction"), the following shall be undertaken and guaranteed:
 - The Land Use Rights of the State-Owned Land that are proposed to be contributed into the registered capital of Tedahang are legally obtained by the Company.
 - No charges or encumbrances or other third party rights are created upon the Land Use Rights of the State-Owned Land and the Project under Construction.
 - There is no need to obtain the construction permit under the Construction Law of the PRC in respect of the Project under Construction. The construction may commence upon obtaining the Certificate of Filing Regarding the Commencement of Port Projects in Tianjin.
- (3) In respect of the construction and operation of the cold storage under the Land Use Rights of the State-Owned Land (including but not limited to the construction and the operation of the Project under Construction and the phase II construction project with an area of 2,647.58 sq.m. under the name of Tedahang, as there is no need to obtain permits for usage of sea areas and coastlines, permits for construction over or under the water and approval for navigation safety, Tedahang is not required to produce any of such approvals.
- (4) Pursuant to the scope of business set out in its business license, Tedahang shall legally obtain all of the certificates and licenses relating to its operations.

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- (5) Tedahang shall go through the relevant approval and filling procedures according to laws.
- (6) Upon completion of the Project under Construction, Tedahang shall legally and properly go through the inspection and acceptance procedures relating to planning, fire control, green facilities and completion of construction, and shall properly go through the registration procedures of the Property Ownership Certificate.
- (7) Tedahang shall ensure its status as the legal owner of the Land Use Rights of the State-Owned Land, and shall renew a Real Estate Certificate before 15 March 2013, and obtain a Certificate of Real Estate Ownership with the same valid period (up to 14 January 2060) in connection with the Land Use Rights of the State-Owned Land.
- (8) In respect of the phase II construction project with an area of 2,647.58 sq.m. under the name of Tedahang, Tedahang shall properly go through the commencement and completion formalities within the time frame set out in the land grant contract relating to the Land Use Rights of the State-Owned Land, and shall properly go through the registration procedures of the Property Ownership Certificate afterward. In addition, Tedahang shall legally and properly go through the inspection and acceptance procedures relating to planning, fire control, green facilities and completion of construction upon completion of the Project under Construction.
- (9) Tedahang shall complete the Project under Construction before September 2012.

The Joint Venture Agreement

Parties

- (1) The Company
- (2) Toyota Tsusho (China)
- (3) Kamigumi

Scope of business

The scope of business of Tedahang is as follows:

Cold storage and general warehousing services (except hazardous chemicals); customs inspections; domestic freight forwarding; international freight forwarding (sea, land and air); venue rental service; freight station (field) and container yard business, and logistics management services. (the services mentioned above that are regulated under the administrative permit system shall only be operated after obtaining relevant permits and within the period of permits, while those regulated by the state under special franchise systems shall be operated in compliance with applicable regulations.)

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Capital Increase

Pursuant to the Capital Increase Agreement entered into on 21 March 2012 by the Company and other parties to the Joint Venture Agreement, the parties agreed that Toyota Tsusho (China) and Kamigumi will contribute capital into Tedahang to the extent that upon completion of the Capital Increase, Tedahang will become a Sino-foreign joint venture.

Board composition

The board of directors of Tedahang is composed of one chairman, one vice chairman, and three other directors. Each of the chairman, vice chairman and other directors has a term of service of three years, and can serve for another term if the parties to the Joint Venture Agreement agree on the reappointment. The Company will appoint three directors. Toyota Tsusho (China) and Kamigumi will appoint one director respectively. The chairman will be appointed by the Company, while the vice chairman will be appointed by Toyota Tsusho (China).

Profit Distribution

Tedahang shall pay tax and retain partial revenue for its reserve fund, corporate expansion fund and employee bonus and benefit fund according to applicable laws and regulations of the PRC. Profit is distributed on a pro rata basis among contributing parties within four months subsequent to the end of each financial year according to the profit distribution plan approved by the board of directors. Profit of the joint venture may not be distributed until the accumulated loss of the previous year is cleared. Also, undistributed profit carried forward from the previous year is distributable in the current year.

Termination

If the legal documents of the Capital Increase are not approved by competent authorities by 31 December 2012, Toyota Tsusho (China) and Kamigumi have the right to terminate the Joint Venture Agreement unilaterally without incurring any liability.

Obligations of the parties under the Joint Venture Agreement

Pursuant to the Joint Venture Agreement, the obligations of the parties are as follows:

The Company:

- (1) is responsible for assisting Tedahang with the related procedures in relation to the construction and delivery of the infrastructure in connection with the acquisition of water supply, power supply, gas supply and communications infrastructure from different suppliers to the cold storage facilities of Tedahang;
- (2) is responsible for supervising and managing the construction of the infrastructure of Tedahang to ensure the progress and quality of construction;

LETTER FROM THE BOARD

- (3) is responsible for the selection of Chinese officers, technicians, workers and any other personnel required for the joint venture from the Company;
- (4) is required to ensure the correctness of the information relating to relevant real estate stated in the Joint Venture Agreement.

Toyota Tsusho (China):

- (1) is required to assist Tedahang in building a management system, standardizing management skills, and formulating service standards by capitalizing on its advanced management experience and expertise;
- (2) is responsible for arranging trainings and on-site visits for the related Chinese staff from Tedahang, as well as providing information of international market relating to the business operation of Tedahang;
- (3) is required to fully perform its obligation of contributing capital under the Joint Venture Agreement.

Kamigumi:

- (1) is required to assist the Tedahang in expansion of business, and to facilitate the operation of Tedahang. As Kamigumi is mainly engaged in the logistics services which include, among other things, heavy cargo, fruits and vegetables cargo, bulk grain cargo, frozen food cargo and fresh flowers transportation, by leveraging on Kamigumi's experience, expertise, technology and market presence, Tedahang is expected to be able to provide quality and cost-effective services in the food logistic industry;
- (2) is required to fully perform its obligation of contributing capital under the Joint Venture Agreement;
- (3) is responsible for providing the staff of Tedahang with training on management skills and assisting Tedahang in the effective implementation of management system and standards.

Termination

The valid period of the Joint Venture Agreement is 30 years from the issuance date of the business license of Tedahang.

Information on Tedahang

Before the Capital Increase, Tedahang is a wholly-owned subsidiary of the Company and under the GEM Listing Rules was accounted for as subsidiary in the consolidated financial statement of the Company. Its principal business includes the provision of cold supply chain

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logistics services. Upon completion of the Capital increase, it will be established as a Sino-foreign joint venture in the PRC established by the Company, Toyota Tsusho (China) and Kamigumi, and will be a non-wholly-owned subsidiary of the Company.

Tedahang was established on 15 July 2011. As at 31 December 2011, the book value of the net asset is approximately RMB119.8472 million, with an appraised value of approximately RMB119.9998 million. As at 31 December 2011, the total assets of Tedahang mostly comprise the cold storage facilities under construction around RMB93.48 million, intangible assets (i.e. land use rights and other intellectual property rights) around RMB55.31 million and other current assets around RMB17.34 million. The loss of Tedahang for the financial year of 2011 before and after taxation and extraordinary items are approximately RMB152,800 and RMB152,800 respectively.

As at the date of the Joint Venture Agreement, Tedahang owned the Land Use Rights of the State-Owned Land with an area of 76,795.8 sq.m., and cold storage facilities and related administrative premises with a planned gross floor area of 33,971.24 sq.m.. The area of the relevant properties and premises may be expanded in line with the business development. Additional information on the status of the Project under Construction may be found in the Group's annual report 2011.

The respective contribution by the parties to the Joint Venture Agreement is set out as follows:

Upon the completion of the Capital Increase, the Company will have contributed RMB120 million, representing 60% of the registered capital; among which RMB83.0777 million is contributed in the form of Land Use Rights of the State-Owned Land and Projects Under Construction, while RMB36.9223 million is in cash. Toyota Tsusho (China) will have contributed RMB50 million, accounting for 25% of the registered capital. Kamigumi will have contributed RMB30 million, accounting for 15% of the registered capital.

The aforesaid capital contribution will be applied in asset acquisition, facilities renovation and working capital of Tedahang.

Information on Toyota Tsusho (China)

Toyota Tsusho (China), a company incorporated in the PRC with limited liability, is a wholly-owned subsidiary of Toyota Tsusho. Toyota Tsusho and its associates are members of Toyota Group. Toyota Group is one of the leading manufacturers in the automobiles and car components industry. It has established numerous trade operations, joint ventures and affiliates which engage in manufacturing and trading of automobiles and car components in the PRC. Toyota Tsusho (China) has well established transportation network in Shanghai and Guangzhou.

Information on Kamigumi

Kamigumi, a company incorporated in Hong Kong with limited liability, is a wholly-owned subsidiary of Kamigumi Company Limited (日本株式會社上組), a company incorporated in Japan whose common stock is listed on the first section of Tokyo Stock Exchange and Osaka

LETTER FROM THE BOARD

Stock Exchange. Kamigumi is a services company engaging in air and sea forwarding and land transport businesses. Kamigumi Company Limited is mainly engaged in the logistics service business, and its businesses and services include, among other things, integrated logistics, factory premises logistics, heavy cargo transportation service, construction machinery work business, fruits and vegetables cargo, bulk grain cargo, frozen food cargo, automobile transportation, and fresh flowers transportation. Kamigumi Company Limited holds approximately 7.3% equity interest in Tianjin Fengtian Logistics, a non-wholly owned subsidiary of the Company. To the best of the Directors' knowledge, information and belief and having made all reasonable enquiry, before the signing of the Capital Increase Agreement and the Joint Venture Agreement, Kamigumi and Kamigumi Company Limited are third parties independent of the Company and connected persons of the Company within the meaning of Chapter 20 of the GEM Listing Rules.

Information on the Group

The Group is principally engaged in the provision of supply chain logistic services regarding transportation of finished automobiles and automobile components, electronic components, materials procurement and related logistic services and bonded warehouse services.

Implications under the GEM Listing Rules

Toyota Tsusho, which holds approximately 36.2% equity interest in Tianjin Fengtian Logistics, a non-wholly owned subsidiary of the Company, is a substantial shareholder of Tianjin Fengtian Logistics and is therefore a connected person of the Company. As Toyota Tsusho (China) is a wholly-owned subsidiary of Toyota Tsusho, it is an associate of Toyota Tsusho and therefore a connected person of the Company under the GEM Listing Rules.

The Capital Increase reduces the equity interest of the Company in Tedahang from 100% to 60%, which constitutes a Deemed Disposal. As the applicable ratios under the GEM Listing Rules are more than 5% but less than 25%, the Capital Increase Agreement, the Joint Venture Agreement and the related transaction(s) constitute a discloseable transaction of the Company. The Capital Increase Agreement, the Joint Venture Agreement and the related transactions also constitute connected transactions of the Company under Chapter 20 of the GEM Listing Rules as Toyota Tsusho (China) is an associate of Toyota Tsusho and therefore a connected person of the Company. Accordingly, the Capital Increase Agreement, the Joint Venture Agreement and the related transaction(s) would be subject to the reporting, and announcement and shareholders' approval requirements under the GEM Listing Rules.

To the best of the Director's knowledge, information and belief and having made all reasonable requires, neither any Director nor any Shareholder has a material interest in the resolutions proposed at the Annual General Meeting. No Director is required to abstain from voting on any of the resolutions at the board meeting, and no Shareholder is required to abstain from voting on any of the resolutions at the Annual General Meeting in accordance with the GEM Listing Rules.

LETTER FROM THE BOARD

The Independent Board Committee (comprising all the independent non-executive Directors) has been established to advise the independent Shareholders with respect to the Capital Increase Agreement and Joint Venture Agreement. KBC Bank N.V. Hong Kong Branch has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the independent Shareholders in the same respect.

Reasons and benefits of the Capital Increase and joint venture

The Group is principally engaged in the provision of comprehensive logistics services, mainly in the areas of supply chain solutions and materials procurement businesses and related services.

This Capital Increase is beneficial to maintain a long-term, positive and equal cooperative relationship between the Company, Toyota Tsusho (China) and Kamigumi, which facilitates a smooth business development in the future.

The Directors consider that the terms of the Capital Increase Agreement and the Joint Venture Agreement be fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

3. PROPOSED AMENDMENTS TO THE ARTICLES

According to the Regulations of the General Administration of Customs of the People's Republic of China on the Management of Agent Declaration Enterprises (《中華人民共和國海關對代理報關企業的管理規定》) and Provisions on The Administration of Entry-exit Inspection And Quarantine Report by Proxy (《出入境檢驗檢疫代理報檢管理規定》), the operations of "customs declaration" and "commodity inspection", which are currently included in the Articles of the Company, shall not be conducted without prior approval. However, the Company has not obtained any such license, nor is qualified to apply for such licenses. In order to stay in line with the relevant regulations, the Company intends to delete "customs declaration" and "commodity inspection" from the scope of business stated in the Articles of the Company. In the meantime, with reference to the information gathered by the Business Development Division (業務拓展部) during business discussion, the Company proposes to add "re-export" and "wholesale, retail, import and export of chemical fertilizers" to the business scope. Neither of these two businesses requires any prior approval for operation. As the Company has not commenced operation of the aforementioned businesses, therefore such deletion and addition made to the business scope in the Articles of the Company shall have no impact on the Company. The Board proposes to amend the Articles of the Company regarding business scope by deleting the whole of Section 17 (第十七條) and replacing it with the following text:

The scope of business of the Company is in pursuant to those approved by the registration authorities.

The scope of business of the Company includes: domestic freight forwarding; general warehousing services (excluding hazardous materials); transportation, warehousing and logistics, and storehouse and venue rental services; operation and management of commodity market, and operation of port

LETTER FROM THE BOARD

equipment and high-tech equipment; international delivery agent for import and export of goods, international exhibits, private orders and goods in transit from sea, land and air, including cargo canvassing, shipping, booking, warehousing, transiting, LCL service, charges clearing, inspection application, international multimodal transport, and bulk cargo business; wholesale, retail, import and export of metals, building materials, new chemical materials, hardware, machinery and electrical equipment, aviation, aerospace and maritime transport equipment, auto parts, hardware, software and peripherals for computer, electronic products, instruments, general merchandise, coke and by-products, coal and coal products, minerals (excluding iron ore, alumina and aluminum soil), chemical raw materials and products, petroleum products (excluding crude oil and refined oil), textile raw materials, and chemical fertilizers; re-export; inventory control management, logistics consultation, technology services and related information consultation (businesses regarding commodities which are subject to quota license and special franchise administration shall be operated in compliance with applicable regulations).

4. PROPOSED DISTRIBUTION OF DIVIDEND

The Company intends to distribute a final dividend of RMB0.02 per share to all the Shareholders whose names appear on the register of members of the Company on 6 July 2012. The proposed distribution of dividend is set out in the ordinary resolution in the notice of the AGM.

Dividends payable for the Domestic Shares will be distributed and paid in RMB whereas dividends for H Shares will be distributed and paid in Hong Kong dollars. Exchange rate will be based on the average exchange rate of RMB to Hong Kong dollar (RMB0.8149 to HK\$1.00) announced by the People's Bank of China on the last five business days before the announcement of the annual results (i.e. 20 March 2012).

In accordance with the Enterprise Income Tax Law of the PRC and the Rules for the Implementation of the Enterprise Income Tax Law of the PRC, both implemented in 2008, with effect from 1 January 2008, the Company shall be obliged to withhold and pay PRC enterprise income tax on behalf of non-resident enterprise Shareholders with a tax rate of 10% when the Company distributes any dividends to non-resident enterprise Shareholders whose names appear on the register of members of the Company for H Shares. As such, any H Shares of the Company registered other than in the name(s) of individual(s), including HKSCC Nominees Limited, other nominees, trustees, or other organizations or groups, shall be deemed to be H Shares held by non-resident enterprise Shareholder(s) and the PRC 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 PRC enterprise income tax on behalf of the relevant holders of shares who are listed in the register of members of the Company for H Shares as of 6 July 2012 for the final dividend.

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

LETTER FROM THE BOARD

Pursuant to Notice on the Issues on Levy of Individual Income Tax after the Abolishment of Guo Shui Fa [1993] No. 045 Document (the “Tax Notice”) issued by the State Administration of Tax on 8 June 2011, the dividend and/or bonus shares to be distributed by the PRC non-foreign invested enterprises whose shares have been issued in Hong Kong to the overseas resident individual shareholders is 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 Mainland China.

Pursuant to the aforesaid Tax Notice, when the final dividend is distributed to the Individual H Shareholders whose names appeared on the register of members of the Company on 6 July 2012, the Company will withhold 10% of the dividend as individual income tax unless otherwise specified by the relevant tax regulations, tax agreements or the Notice.

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

5. PROPOSED GRANT OF GENERAL MANDATE TO ISSUE SHARES

To increase the flexibility and efficiency in operation, and to give discretion to the Board in the event that it becomes desirable to issue new Shares, the Company proposes to obtain Shareholders’ approval for the General Mandate to allot, issue and otherwise deal with additional Domestic Shares and/or H Shares not exceeding 20% of the issued Shares of that class as at the date of the passing of the relevant resolution. Any exercise of the power by the Directors under the General Mandate shall be subject to the relevant requirements of the GEM Listing Rules, the Articles and the applicable laws and regulations of the PRC. The Board has no present plan to issue new Shares pursuant to the General Mandate. The General Mandate shall be effective from the date of passing of the relevant resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles or other applicable laws to be held; or
- (iii) the revocation or variation of the authority given under the relevant resolution by a special resolution of the Company in general meeting.

As at the Latest Practicable Date, the Company had 354,312,000 Shares in issue, which comprised 256,068,800 Domestic Shares and 98,243,200 H Shares. Subject to the passing of the proposed resolution for the approval of the General Mandate and in accordance with the terms therein, the Company will be allowed to allot, issue and deal with up to a maximum of 51,213,760 Domestic Shares and/or 19,648,640 H Shares on the basis that no further Shares will be issued by the Company prior to the Annual General Meeting.

LETTER FROM THE BOARD

6. ANNUAL GENERAL MEETING AND PROXY ARRANGEMENT

The notice of the Annual General Meeting is set out on pages AGM-1 to AGM-5 of this circular. At the Annual General Meeting, resolutions will be proposed to approve, inter alia, the amendment to the Articles, the proposed connected transactions, the proposed distribution of final dividend and the granting of General Mandate.

A form of proxy for use at the Annual General Meeting is enclosed with this circular and such form of proxy is also published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.tbtl.cn). Whether or not you intend to attend the Annual General Meeting, you are requested to complete and return (i) the enclosed reply slip in accordance with the instructions printed thereon not later than Tuesday, 5 June 2012 and (ii) the enclosed form of proxy in accordance with the instructions printed thereon not less than 24 hours before the time fixed for holding the Annual General Meeting or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending the Annual General Meeting and voting in person if you so wish.

According to Rule 17.47(4) of the GEM Listing Rules, any vote of the Shareholders at a general meeting must be taken by poll.

7. RECOMMENDATION

Your attention is drawn to the recommendations of the Independent Board Committee as set out in its letter on page 18 of this circular. Your attention is also drawn to the letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Shareholders in respect of the Capital Increase Agreement and the Joint Venture Agreement on pages 19 to 25 of this circular.

The Directors are of the view that all resolutions proposed for consideration and approval by the Shareholders at the Annual General Meeting are in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of all the resolutions to be proposed at the Annual General Meeting as set out in the notice of the Annual General Meeting.

Yours faithfully,

By order of the Board

天津濱海泰達物流集團股份有限公司

Tianjin Binhai Teda Logistics (Group) Corporation Limited*

Zhang Jian

Chairman

* *For identification purposes only*

LETTER FROM THE INDEPENDENT BOARD COMMITTEE



天津濱海泰達物流集團股份有限公司
Tianjin Binhai Teda Logistics (Group) Corporation Limited*
(a joint stock limited company incorporated in the People's Republic of China with limited liability)
(Stock Code: 8348)

To the Shareholders

12 May 2012

Dear Sir or Madam,

DISCLOSEABLE AND CONNECTED TRANSACTION

We refer to the circular issued by the Company on 12 May to the Shareholders dated 12 May 2012 (the “Circular”) of which this letter forms part. Unless otherwise specified, capitalised terms used herein shall have the same meanings as those defined in the Circular.

We have been appointed by the Board to advise you on the terms of the Capital Increase Agreement and the Joint Venture Agreement. KBC Bank N.V. Hong Kong Branch has been appointed as the Independent Financial Adviser to advise you and us in this regard. Details of its advice, together with the principal factors and reasons it has taken into consideration in giving such advice, are set out from pages 19 to 25 of the Circular and the additional information set out in the appendix thereto.

Having considered the terms of the Capital Increase Agreement and the Joint Venture Agreement and taking into account the independent advice of KBC Bank N.V. Hong Kong Branch set out in its letter from pages 19 to 25 of the Circular, we consider that the terms of the Capital Increase Agreement and the Joint Venture Agreement are fair and reasonable as far as the Shareholders are concerned and the entering into of the Capital Increase Agreement and the Joint Venture Agreement by the Company is in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend you to vote in favour of the ordinary resolutions to be proposed at the AGM to approve the Capital Increase Agreement and the Joint Venture Agreement.

Yours faithfully,
For and on behalf of
the Independent Board Committee
Mr. Zhang Limin
Mr. Liu Jingfu
Mr. Luo Yongtai

* For identification purposes only

LETTER FROM THE INDEPENDENT FINANCIAL ADVISOR

The following is the full text of a letter received from Independent Financial Advisor setting out its advice to the Independent Board Committee and the independent Shareholders for inclusion in this circular.



39/F., Central Plaza
18 Harbour Road
Hong Kong

12 May 2012

To the Independent Board Committee and the independent Shareholders,

Dear Sirs,

CONNECTED TRANSACTION AND DISCLOSEABLE TRANSACTION IN RELATION TO DEEMED DISPOSAL OF A SUBSIDIARY

INTRODUCTION

We refer to our appointment as the independent financial adviser to advise the Independent Board Committee and the independent Shareholders in connection with the Capital Increase Agreement and the Joint Venture Agreement, details of which, among other things, are set out in the section headed “Letter from the Board” (the “Board Letter”) as contained in the circular dated 12 May 2012 (the “Circular”), of which this letter forms a part. Unless otherwise defined herein, terms used in this letter shall have the same meanings as those defined in the Circular.

On 21 March 2012, Tedahang the Company, Toyota Tsusho (China) and Kamigumi entered into the Capital Increase Agreement, pursuant to which Toyota Tsusho (China) and Kamigumi agreed to contribute RMB50 million and RMB30 million to Tedahang, a wholly-owned subsidiary of the Company, respectively. Upon completion of the Capital Increase (the “Completion”), the registered capital of Tedahang will be increased from RMB120 million to RMB200 million and will be owned as to 60%, 25% and 15% by the Company, Toyota Tsusho (China) and Kamigumi respectively. In addition, the Company, Toyota Tsusho (China) and Kamigumi entered into the Joint Venture Agreement on 21 March 2012 to govern their relationship in Tedahang.

Since the shareholding of the Company in Tedahang will be diluted by 40% upon Completion and the applicable ratios (as defined under the GEM Listing Rules) in respect of the Capital Increase are greater than 5% but less than 25%, the Capital Increase constitutes a deemed disposal by the Company and a discloseable transaction under Chapter 19 of the GEM Listing Rules. As Toyota Tsusho is a substantial shareholder of Tianjin Fengtian Logistics, a non-wholly owned subsidiary of the Company, Toyota Tsusho (China), being a wholly-owned subsidiary of Toyota Tsusho, is a connected person of the Company. Therefore, the entering into of the Capital Increase Agreement and the Joint Venture Agreement also constitutes connected transactions of the Company and is subject to the reporting, announcement and independent Shareholders’ approval requirements under the GEM Listing Rules.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISOR

The Independent Board Committee, comprising all the independent non-executive Directors, namely Mr. Zhang Limin, Mr. Luo Yongtai and Mr. Liu Jingfu, has been formed to advise the independent Shareholders in respect of the Capital Increase Agreement and the Joint Venture Agreement. We, KBC Bank N.V. Hong Kong Branch, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the independent Shareholders as to whether the entering into of the Capital Increase Agreement and the Joint Venture Agreement is conducted in the Group's ordinary and usual course of business and on normal commercial terms and the terms of the Capital Increase Agreement and the Joint Venture Agreement are fair and reasonable in so far as the interests of the Company and the independent Shareholders as a whole are concerned.

In formulating our recommendation, we have relied on the information and facts supplied to us by the Company. We have reviewed, among other things, (i) the Capital Increase Agreement and the Joint Venture Agreement; (ii) the Company's annual reports covering the three years ended 31 December 2011 (collectively, the "Financial Reports"); (iii) Tedahang's unaudited financial statement as at 31 March 2012; and (iv) the valuation report (the "Valuation Report") prepared by an independent valuer (the "Valuer"). We have assumed that all information and facts supplied to us by the Company are true, complete and accurate in all material aspects and we have relied on the same. In addition, we have relied on the representations made by the management of the Company that having made all reasonable enquiries and careful decisions, and to the best of their information, knowledge and belief, there is no other fact or representation or the omission of which would make any statement contained in the Circular, including this letter, misleading. We have also assumed that all information, statements and representations made or referred to in the Circular, which have been provided to us by the Company, and for which it is wholly responsible, are true, complete and accurate in all material respects at the time they were made and continue to be so at the date of despatch of the Circular.

We consider that we have reviewed sufficient information to enable us to reach an informed view regarding the Capital Increase Agreement and the Joint Venture Agreement and to provide us with a reasonable basis for our recommendation. We have no reason to suspect that any material facts have been omitted or withheld, nor are we aware of any facts or circumstances, which would render the information and the representations made to us untrue, inaccurate or misleading. We have not, however, carried out any independent verification of the information provided by the Company; nor have we conducted any independent in-depth investigation into the business and affairs of the Company and its respective associates.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In formulating and giving our independent financial advice to the Independent Board Committee and the independent Shareholders, we have taken into account the following principal factors:

1. Background of the Group and Tedahang

The Group is principally engaged in the provision of logistics and supply chain services for transportation of finished automobiles and their components, logistics and supply chain services for electronic components, materials procurement and related logistic services and other services such as bonded warehouse, container yard, supervision, agency and transportation services.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISOR

With a view to strengthening its market position in the logistics and supply chain industry, the Company started the refrigeration storage project (the “Refrigeration Storage Project”), and established Tedahang in 2011. Tedahang was established to carry out the construction, preparation and operation of the Cold Chain Logistics Centre at Tianjin Port with registered business scope includes cold storage and general warehousing services (except hazardous chemicals), customs inspections, domestic freight forwarding, international freight forwarding (sea, land and air), venue rental service, freight station (field) and container yard business, and logistics management services.

2. Reasons and benefits of the Capital Increase and the Joint Venture Agreement

Capturing growth opportunities in the cold chain logistics industry in the PRC

In 2009, the State Council of the PRC issued the 「物流業調整和振興規劃」 (“The National Plan for Adjustment and Stimulation of the Logistics Industry”) which aimed at further developing the logistics industry in the PRC and had specifically identified Tianjin as one of the major logistics centers in the PRC. In 2010, the National Development and Reform Commission of the PRC, further based on the National Plan for Adjustment and Stimulation of the Logistics Industry, issued the 「農產品冷鏈物流發展規劃」 (“The Development Plan for Agricultural Products Cold Chain Logistics”, the “Cold Chain Logistics Plan”) to instruct the development of agricultural products cold chain logistics under the Twelfth Five-Year Plan (from 2011-2015).

As described in the Cold Chain Logistics Plan, the conditions for development of cold chain logistics have been significantly improved since 2000. In 2010, the circulation rates in cold chain logistics for fruits and vegetables, meat and aquatic products were approximately 5%, 15% and 23% respectively, and the transport rates in cold chain logistics for fruits and vegetables, meat and aquatic products were approximately 15%, 30% and 40% respectively. According to the Cold Chain Logistics Plan, in 2015, the circulation rates of the aforementioned product categories in cold chain logistics are expected to be over 20%, 30% and 36% respectively, and the transport rates in cold chain logistics will be more than 30%, 50% and 65% respectively. The expected significant increase in both the circulation rates and transport rates in the cold chain logistics indicates a sustainable growth momentum supported by the relevant measures of the central government of the PRC.

Facilitating the development of the Group’s new business

As stated in the Financial Reports, in order to maintain the sustainable and stable development under the challenging business environment in the logistic industry such as rising cost, rising fuel price and intensifying competition, the Company will implement a number of effective measures including, among other things, (i) optimising business structure, innovating business models and exploring new business area; (ii) speeding up the construction of the Cold Chain Logistics Centre at Tianjin Port for operation and actively exploiting new business in the cold chain logistic field; (iii) actively searching

LETTER FROM THE INDEPENDENT FINANCIAL ADVISOR

for business partners to increase the Group's general logistic capacity through a variety of ways; and (iv) strengthening the communication and cooperation between among members of the Group to enhance the Group's overall utilisation effectiveness of resources. As such, the Capital Increase, which will bring an aggregate of RMB80 million additional working capital to Tedahang's business development including the Cold Chain Logistics Centre, is in line with the Group's overall business development plan.

Leveraging on the relevant expertise of Toyota Group and Kamigumi Company Limited for development of the Group's cold chain logistics business

Toyota Group, one of the leading manufacturers in the automobiles and car components industry and, through trade operations, joint ventures and affiliates, is engaged in the manufacture and trading automobiles and car components in the PRC. Toyota Tsusho (China) has well established transportation network in Shanghai and Guangzhou, the PRC. Whilst Kamigumi Company Limited is principally engaged in the provision of integrated logistics services including transportation, storage and distribution, Kamigumi Company Limited also specialises in handling transportation of perishable goods (such as fruits and vegetables, frozen food and fresh flowers) which requires temperature control equipment and the relevant technologies.

As stated in the Joint Venture Agreement, Toyota Tsusho (China) will assist Tedahang in building a management system, standardising management skills, and formulating service standards by capitalising on its advanced management experience and expertise. On the other hand, Kamigumi will assist Tedahang in expanding its business and facilitate the operation of Tedahang. Since cold chain logistics is a relatively new area for the Company, the relevant expertise from both Toyota Tsusho (China) and Kamigumi will be beneficial for Tedahang's future development, including (i) implementation of international food safety logistics standards; and (ii) improvement on its technologies and management system to further strengthen its core competitiveness.

Strengthening the business relationship with Toyota Tsusho and Kamigumi

The Group, through Tianjin Fengtian Logistics, has established business relationship with Toyota Tsusho (a member of Toyota Group) since 1996. As a result of the establishment of Tianjin Fengtian Logistics, Toyota Tsusho becomes one of the key customers of the Group. As stated in the Financial Reports, the Group has from time to time entered into continuing connected transactions with Toyota Tsusho, which amounted approximately RMB65.6 million, RMB83.8 million and RMB88.5 million for each of the three years ended 31 December 2009, 2010 and 2011, respectively. Upon Completion, Toyota Tsusho (China) and Kamigumi will become substantial shareholders of Tedahang and the Capital Increase is expected to be beneficial for the Company to develop and safeguard a long-term, positive and equal-footing cooperative relationship with Toyota Tsusho and Kamigumi.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISOR

Based on the above, we consider that the entering into of the Capital Increase Agreement and the Joint Venture Agreement complies with the development strategy of the Group and in the ordinary and usual course of business of the Group.

3. Principal terms of the Capital Increase Agreement and the Joint Venture Agreement

Shareholding, registered capital of Tedahang and capital contribution

Pursuant to the terms of the Capital Increase Agreement, Toyota Tsusho (China) agreed to contribute RMB50 million and Kamigumi agreed to contribute RMB30 million to Tedahang. Upon Completion, the registered capital of Tedahang will be increased from RMB120 million to RMB200 million and owned as to 60%, 25% and 15% by the Company, Toyota Tsusho (China) and Kamigumi respectively.

Composition of the board of Tedahang

Pursuant to the terms of the Joint Venture Agreement, the board of directors of Tedahang shall comprise five members. The Company is entitled to appoint three directors, and each of Toyota Tsusho (China) and Kamigumi is entitled to appoint one director. The chairman will be appointed by the Company and the vice chairman will be appointed by Toyota Tsusho (China).

Profit distribution

Pursuant to the terms of the Joint Venture Agreement, profits will be distributed on a pro rata basis based on the respective shareholding interests in Tedahang of the Company, Toyota Tsusho (China) and Kamigumi within four months subsequent to the end of each financial year according to the profit distribution plan approved by the board of directors of Tedahang.

Based on the facts that (i) the capital amounts contributed by the respective parties are proportionate to their respective shareholdings of Tedahang; (ii) the composition of the board of Tedahang reflects the shareholding interests of the respective shareholders; and (iii) the profits will be shared by the three parties in proportional to their respective equity interests in Tedahang, we are of the view that the terms of the Capital Increase Agreement and the Joint Venture Agreement are on normal commercial terms and fair and reasonable in so far as the interest of the Company and the independent Shareholders as a whole are concerned.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISOR

4. The capital contribution

The amount of capital contribution has been arrived at after arm's length negotiation among the Company, Toyota Tsusho (China) and Kamigumi with reference to the paid-up capital of Tedahang which approximates the adjusted net asset value of Tedahang of approximately RMB115.9 million as at 31 March 2012 based on the valuation (the "Valuation") prepared by the Valuer. We have reviewed and discussed with the Valuer regarding the methodology of, and the basis and assumptions adopted for the Valuation. We understand that the Valuer has adopted the depreciated replacement costs approach for the Valuation because the depreciated replacement costs approach generally furnishes a reliable indication of value for a subject property (the construction in progress and land use rights owned by Tedahang) with specific nature and design in the absence of identifiable market sale comparables. As the property of Tedahang has not yet generated any revenue till the date of Valuation and it will be specially used for the operation of the Cold Chain Logistics Centre upon its completion, we concur with the view of the Valuer that the adoption of the depreciated replacement costs approach is a reasonable approach for the Valuation.

Given the above, together with the fact that the capital contribution (i) is based on the paid-up capital which also approximates the adjusted net asset value of Tedahang as at 31 March 2012 with reference to the Valuation; and (ii) represents a slight premium over the net asset value of Tedahang as at 31 March 2012, we consider the amount of the capital contribution is fair and reasonable in so far as the interest of the Company and the independent Shareholders as a whole are concerned.

5. Financial impacts of the Capital Increase

Upon Completion, the Company's shareholding interest in Tedahang will be decreased from 100% to 60% and Tedahang will be accounted for as a non-wholly owned subsidiary of the Company and the financial results and positions of Tedahang will remain consolidated to the consolidated financial statements of the Group. Following Completion, the additional cash proceeds from the Capital Increase will increase the net asset value and enhance the working capital position of Tedahang. Furthermore, as advised by the management of the Company, the Capital Increase would not have a material immediate impact on the earnings of the Group.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISOR

RECOMMENDATION

Having considered the above principal factors and reasons, we are of the opinion that the transactions contemplated under the Capital Increase Agreement and the Joint Venture Agreement are conducted on normal commercial terms and in the ordinary and usual course of business of the Group, and the terms of the Capital Increase Agreement and the Joint Venture Agreement are fair and reasonable in so far as the interest of the Company and the independent Shareholders as a whole are concerned. Accordingly, we would recommend the Independent Board Committee to advise the independent Shareholders to vote in favour of the resolution(s) in respect of the Capital Increase Agreement and the Joint Venture Agreement at the Annual General Meeting.

Yours faithfully,

For and on behalf of

KBC Bank N.V. Hong Kong Branch

Kenneth Chan

Head of Corporate Finance, Greater China

Alex Yeung

Corporate Finance

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with 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 circular 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 document misleading.

DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARE CAPITAL OF THE COMPANY AND ITS ASSOCIATES

As at the Latest Practicable Date, none of the Directors, supervisors and chief executive of the Company or their respective associates (with the meaning of the GEM Listing Rules) held interests or short positions in the shares, underlying shares or debentures of the Company or its associated corporations (with 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 the provisions of Divisions 7 and 8 of Part XV of the SFO (Chapter 571 of the Laws of Hong Kong) (including interests and 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.

SUBSTANTIAL SHAREHOLDER'S INTERESTS

So far as is known to the Directors, supervisors and chief executive of the Company, as at the Latest Practicable Date, the following person (other than a Director or a Supervisor or chief executive of the Company) held or 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 10% 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.

Long Position

Name	Capacity	Number and class of shares (Note 1)	Approximate % of shareholding in the same class of shares	Approximate % of shareholding to the Company's total issued share capital
Tianjin Teda Investment Holding Co., Ltd.	Beneficial owner	178,765,011 (L) Domestic Shares	69.81%	50.45%
Tianjin Economic and Technological Development Area State Asset Operation Company	Beneficial owner	77,303,789 (L) Domestic Shares	30.19%	21.82%
Tianjin Port Development Holdings Limited	Beneficial owner	20,000,000 (L) H Shares	20.36%	5.64%
Hongkong Topway Trading Co., Limited	Beneficial owner	10,000,000 (L) H Shares	0.18%	2.82%
The National Council for Social Security Fund of the People's Republic of China	Beneficial owner	8,931,200 (L) H Shares	9.09%	2.52%

On 18 November 2011, Tianjin Teda Investment Holding Co., Ltd entered into a share transfer agreement with Chia Tai Land Company Limited, while Tianjin Economic and Technological Development Area State Asset Operation Company entered into a share transfer agreement with Chia Tai Pharmaceutical Investment (Beijing) Co., Ltd.. Accordingly, Tianjin Teda Investment Holding Co., Ltd. and Tianjin Economic and Technological Development Area State Asset Operation Company

agreed to transfer 28,344,960 and 77,303,789 domestic shares of the Company held by them to Chia Tai Land Company Limited and Chia Tai Pharmaceutical Investment (Beijing) Co., Ltd., respectively. In accordance with the relevant requirements and regulations for state-owned assets administration of the PRC, the two aforementioned domestic share transfers are pending for approval by the relevant state-owned assets supervision and administration authorities of the PRC. So far as is known to the directors, chief executives and supervisors of the Company, as at 31 December 2011, 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 % of shareholding in the same class of shares	Approximate % of shareholding to the Company's total issued share capital
Chia Tai Land Company Limited	Beneficial owner	28,344,960 (L) Domestic Shares	11.07%	8%
Fortune (Shanghai) Limited	Interest of corporation controlled by the substantial shareholder	28,344,960 (L) Domestic Shares	11.07%	8%
Charoen Pokphand Group	Interest of corporation controlled by the substantial shareholder	28,344,960 (L) Domestic Shares	11.07%	8%
Chia Tai Pharmaceutical Investment (Beijing) Co. Ltd.	Beneficial owner	77,303,789 (L) Domestic Shares	30.19%	21.82%
Sino Biopharmaceutical Limited	Interest of corporation controlled by the substantial shareholder	77,303,789 (L) Domestic Shares	30.19%	21.82%
Tse Ping	Interest of corporation controlled by the substantial shareholder	77,303,789 (L) Domestic Shares	30.19%	21.82%
Cheng Cheung Ling	Interest of a substantial shareholder's child under 18 or spouse	77,303,789 (L) Domestic Shares	30.19%	21.82%

Note 1: The Letter "L" denotes the shareholders' long position in the share capital of the Company.

Save as disclosed above, the Directors are not aware of any persons (other than a Director or a Supervisor or chief executive of the Company) who held, or deemed to hold interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under 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 who were directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group as at the date of this circular.

DIRECTORS' AND SUPERVISORS' INTERESTS IN ASSETS AND CONTRACTS

As at the Latest Practicable Date, none of the Directors and the supervisors of the Company had any direct or indirect interest in any assets which have been acquired or disposed of by or leased to the Company or are proposed to be acquired or disposed of by or leased to the Company since 31 December 2011 (being the date of the latest published audited financial statements of the Group).

None of the Directors and the supervisors of the Company was materially interested in any contract or arrangement entered into by the Company subsisting at the Latest Practicable Date and which is significant in relation to the business of the Company.

COMPETING BUSINESS

None of the Directors and the supervisors of the Company was materially interested in any contract or arrangement entered into by the Company subsisting at the Latest Practicable Date and which is significant in relation to the business of the Company.

MATERIAL ADVERSE CHANGE

Save as disclosed in this circular, as at the Latest Practicable Date, the Directors were not aware of any material adverse change to the financial or trading position of the Group since 31 December 2011 (being the date of the latest published audited financial statements of the Group).

DIRECTORS' SERVICE CONTRACTS

None of the Directors has a service contract with the Company which is not determinable by the Company within one year without payment of compensation other than statutory compensation.

MATERIAL CONTRACTS

As at the Latest Practicable Date, the following contracts (not being contracts entered into in the ordinary course of business) were entered into by members of the Group within 2 years immediately preceding the date of this circular and are or may be material:

1. the construction contract dated 6 July 2011 between the Company, China Railway Construction 18th Bureau Group Co., Ltd. (中鐵十八局集團有限公司) in relation to the construction of Cold Storage Warehouse No. 1, subject to the terms and conditions therein;
2. the capital increase agreement dated 2 July 2010 between the Company and Alps Logistics CO., Ltd. (株式會社阿爾卑斯物流) in relation to increase the registered capital of Tianjin Alps Teda Logistics from USD6,000,000 to USD6,240,000 and Alps Logistics agreed to make an additional capital contribution into Tianjin Alps Teda Logistics subject to the terms and conditions thereof;
3. the logistics service agreement dated 23 November 2010 between the Company and Toyota Tsusho in relation to the provision of logistics services and supply chain solutions for automobiles and car components subject to the terms and conditions thereof;
4. the Capital Increase Agreement; and
5. the Joint Venture Agreement.

LITIGATION

As at the Latest Practicable Date, no member of the Group was engaged in any litigation or arbitration of material importance and there is no litigation or claim of material importance known to the Directors to be pending or threatened by or against any member of the Group.

CONSENT AND QUALIFICATION OF EXPERT

Name	Qualification
KBC Bank N.V. Hong Kong Branch	KBC Bank N.V., acting through its Hong Kong branch, a licensed bank under the Banking Ordinance (Chapter 155 of the Laws of Hong Kong) and a registered institution registered for Type 6 (advising on corporate finance) regulated activities under the SFO
DTZ Debenham Tie Leung Limited	An independent valuer
Goldenland Law Firm	PRC legal adviser

- (a) Each of KBC Bank N.V. Hong Kong Branch, DTZ Debenham Tie Leung Limited and Goldenland Law Firm has given, and not withdrawn, its written consent to the issue of this circular with the inclusion of its letter of advice and references to its name in the form and context in which they appear.
- (b) As at the Latest Practicable Date, each of KBC Bank N.V. Hong Kong Branch, DTZ Debenham Tie Leung Limited and Goldenland Law Firm was not beneficially interested in the share capital of any member of the Group nor did it have any right, whether legally enforceable or not, to subscribe for or to nominate persons to subscribe for securities in any member of the Group; and
- (c) As at the Latest Practicable Date, each of KBC Bank N.V. Hong Kong Branch, DTZ Debenham Tie Leung Limited and Goldenland Law Firm did not have any direct or indirect interest in any assets which had, since 31 December 2011, being the date of the latest published audited financial statements of the Group, been acquired or disposed of by, or leased to, or were proposed to be acquired or disposed of by, or leased to, any member of the Group.

DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours from 9:30 a.m. to 1:00 p.m. and from 2:00 p.m. to 6:00 p.m. (other than Saturdays, Sundays and public holidays) from the date of this circular up to and including the date of the AGM:

- (i) the Articles of the Company;
- (ii) the letter from the Independent Board Committee as set out in this circular;
- (iii) the property valuation report of DTZ Debenham Tie Leung Limited set out in Appendix II of this circular;
- (iv) the Legal opinion of Goldenland Law Firm, referred to in the property valuation report set out in Appendix II of this circular;
- (v) the material contracts referred to in the paragraph headed “Material Contracts” in this appendix;
- (vi) the written consents referred to in the paragraph headed “Consent and Qualification of Expert” in this appendix; and
- (vii) this circular.

MISCELLANEOUS

- (i) The registered office and the principal place of business in the PRC of the Company is at No. 39, Bohai Road, Tianjin Economic and Technological Development Zone, Tianjin, the PRC.
- (ii) The principal place of business of the Company in Hong Kong is Suite 2008, 20/F, Jardine House, 1 Connaught Place, Central, Hong Kong.
- (iii) The Company's H Share Registrars and transfer office in Hong Kong is Computershare Hong Kong Investor Services Limited, Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.
- (iv) The company secretary of the Company is Mr. Wang Xiao Jun, who is a practicing solicitor of the High Court of Hong Kong.
- (v) The compliance officer of the Company is Mr. Zhang Jian.
- (vi) In the event of inconsistency, the English language text of this circular shall prevail over the Chinese language text.

The following is the text of the letter and valuation certificate received from DTZ Debenham Tie Leung Limited in connection with its opinion of market value of the Property held by the Group as at 31 March 2012 prepared for the purpose of incorporation in this circular.



16th Floor
Jardine House
1 Connaught Place
Central
Hong Kong

12 May 2012

The Directors
Tianjin Binhai Teda Logistics (Group) Corporation Limited
No. 39 Bohai Road
Tianjin Economic and Technological Development Zone
Tianjin
The People's Republic of China

Dear Sirs,

INSTRUCTIONS, PURPOSE & DATE OF VALUATION

In accordance with the instruction for us to carry out the valuation of the market value of the property (the "Property") held by Tianjin Binhai Teda Logistics (Group) Corporation Limited (the "Company") and its subsidiaries (together "the Group") in the People's Republic of China (the "PRC"), we confirm that we have carried out inspection, made relevant enquiries and obtained such further information as we considered necessary for the purpose of providing you with our opinion of the market value in existing state of the Property as at 31 March 2012 (the "date of valuation").

DEFINITION OF MARKET VALUE

Our valuation of the Property represents its market value which in accordance with The HKIS Valuation Standards on Properties (First Edition 2005) of The Hong Kong Institute of Surveyors is defined as "the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion."

VALUATION BASIS AND ASSUMPTION

Our valuation of the Property exclude an estimated price inflated or deflated by special terms or circumstances such as atypical financing, sale and leaseback arrangement, special considerations or concessions granted by anyone associated with the sale, or any element of special value.

In the course of our valuation of the Property situated in the PRC, we have assumed that transferable land use rights in respect of the Property for its specific term at nominal annual land use fee have been granted and that any premium payable has already been fully paid. We have relied on the information and advice given by the Group and the opinion of the Company's PRC legal adviser, Goldenland Law Firm, regarding the title to the Property and the interest in the Property. In valuing the Property, we have assumed that the owners have enforceable title to the Property and have free and uninterrupted right to use, occupy or assign the Property for the whole of the unexpired term as granted.

No allowance has been made in our valuation for any charges, mortgages or amounts owing on the Property nor any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the Property is free from encumbrances, restrictions and outgoings of an onerous nature which could affect their values.

METHOD OF VALUATION

In valuing the Property held by the Group for development in the PRC, we have valued it by "Depreciated Replacement Costs ("DRC") Approach". DRC Approach is a method where the value of a property is derived by adding together the market value of the land in its existing use and the current gross replacement costs of the improvements, less allowances for physical deterioration and all relevant forms of obsolescence. We have valued the land on an assumption of sale with the benefit of vacant possession and by making reference to comparable sales evidence as available in the relevant market. The term gross replacement cost is defined as the estimated cost of erecting the building or a modern substitute building having the same area as the existing building at prices current at the relevant date. This figure includes fees and finance charges payable during the construction period and other associated expenses directly related to the construction of the building. The DRC Approach generally furnishes a reliable indication of value for properties with specific nature and design of buildings, in the absence of identifiable market sales comparables. The DRC Approach is subject to adequate potential profitability of the business.

In valuing the Property, we have complied with the requirements set in Chapter 8 of the Rules Governing the listing of securities on GEM of the Stock Exchange of Hong Kong Limited and The HKIS Valuation Standards on Properties (First Edition 2005) of The Hong Kong Institute of Surveyors.

SOURCE OF INFORMATION

We have relied to a very considerable extent on the information given by the Group and the opinion of the PRC legal adviser as to the PRC laws. We have accepted advice given to us on such matters as planning approvals or statutory notices, easements, tenure, identification of property, particulars of occupancy, development scheme, construction costs, site and floor areas and all other relevant matters.

Dimension, measurements and areas included in this valuation report are based on the information provided to us and are therefore only approximation. We have had no reason to doubt the truth and accuracy of the information provided to us by the Group which is material to the valuation. We were also advised that no material facts have been omitted from the information supplied.

We would point out that the copies of documents provided to us are mainly compiled in Chinese characters and the transliteration into English represents our understanding of the contents. We would therefore advise the Company to make reference to the original Chinese edition of the documents and consult your legal adviser regarding the legality and interpretation of these documents.

TITLE INVESTIGATION

We have been provided by the Group with copies or extracts of documents. However, we have not searched the original documents to verify ownership or to ascertain any amendments. All documents have been used for reference only and all dimensions, measurements and areas are approximate.

SITE INSPECTION

Our DTZ Tianjin Office valuers, Robert Liang and Vickey You (whom is a China Real Estate Appraiser/China Real Estate Valuer) have inspected the exterior and, wherever possible, the interior of the Property on 8 May 2012. However, we have not carried out investigations on site to determine the suitability of the soil conditions and the services etc. for any future development. Our valuation is prepared on the assumption that these aspects are satisfactory and that no extraordinary costs or delays will be incurred during the construction period. Moreover, no structural survey has been made, but in the course of our inspection, we did not note any serious defects. We are not, however, able to report that the Property is free of rot, infestation or any other structural defects. No tests were carried out to any of the services.

Unless otherwise stated, we have not been able to carry out detailed on-site measurements to verify the site and floor areas of the Property and we have assumed that the areas shown on the documents handed to us are correct.

CURRENCY

Unless otherwise stated, all sums stated in our valuations are in Renminbi, the official currency of the PRC.

We attach herewith our valuation certificate.

Yours faithfully,
For and on behalf of
DTZ Debenham Tie Leung Limited
Philip C Y Tsang
Registered Professional Surveyor (General Practice)
Registered China Real Estate Appraiser
Msc, MRICS, MHKIS
Director

Note: Mr. Philip C Y Tsang is a Registered Professional Surveyor (General Practice) who has over 19 years' experience in the valuation of properties in the PRC.

VALUATION CERTIFICATE

Property held by the Group under development in the PRC

Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 31 March 2012																						
The Project under Construction, West to Yuejin Road, South to Jiyun Fifth Street, Tianjin Port, Tanggu District, Tianjin, the PRC	<p>The Property comprises the Project under Construction with a site area of 76,795.80 sq.m.</p> <p>According to the information provided by the Group, the Property will be developed into a cold chain logistics centre by phase I and phase II.</p> <p>Phase I development is planned as below:–</p> <table border="1"> <thead> <tr> <th>Portion</th> <th>Approximate Gross Floor Area (sq.m.)</th> </tr> </thead> <tbody> <tr> <td>3-story Cold Storage</td> <td>28,974.07</td> </tr> <tr> <td>4-story Warehouse</td> <td>3,563.57</td> </tr> <tr> <td>Basement of 4-story Warehouse</td> <td>238.14</td> </tr> <tr> <td>Single-story Plant Room</td> <td>1,433.60</td> </tr> <tr> <td>Total:</td> <td><u>34,209.38</u></td> </tr> </tbody> </table> <p>Phase II development is planned as below:–</p> <table border="1"> <thead> <tr> <th>Portion</th> <th>Approximate Gross Floor Area (sq.m.)</th> </tr> </thead> <tbody> <tr> <td>3-story Business Building</td> <td>1,137.78</td> </tr> <tr> <td>Inspection Bridge</td> <td>410.00</td> </tr> <tr> <td>Inspection Platform</td> <td>1,099.80</td> </tr> <tr> <td>Total:</td> <td><u>2,647.58</u></td> </tr> </tbody> </table> <p>The Property is located at west to Yuejin Road and south to Jiyun Fifth Street in Tianjin Port, Tanggu District, which is in Binhai area of Tianjin. Developments nearby are mainly industrial development. According to the Group, the Property is planned for warehousing use; there is no environmental issues and litigation dispute; there is no plan for renovation, to dispose of or change the use of the Property.</p> <p>The land use rights of the Property has been granted for a term of 50 years due to expire on 14 January 2060 for warehousing use.</p>	Portion	Approximate Gross Floor Area (sq.m.)	3-story Cold Storage	28,974.07	4-story Warehouse	3,563.57	Basement of 4-story Warehouse	238.14	Single-story Plant Room	1,433.60	Total:	<u>34,209.38</u>	Portion	Approximate Gross Floor Area (sq.m.)	3-story Business Building	1,137.78	Inspection Bridge	410.00	Inspection Platform	1,099.80	Total:	<u>2,647.58</u>	The Property is currently under construction and scheduled to be completed in July 2012.	RMB172,400,000
Portion	Approximate Gross Floor Area (sq.m.)																								
3-story Cold Storage	28,974.07																								
4-story Warehouse	3,563.57																								
Basement of 4-story Warehouse	238.14																								
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Total:	<u>2,647.58</u>																								

Notes:

- (1) According to Real Estate Certificate No. 107051100877 dated 9 December 2011 issued by the People's Government of Tianjin, the land use rights of the Property, with a site area of 76,795.80 sq.m., is granted to Tedahang Cold Chain Logistic Co., Ltd. (泰達行 (天津) 冷鏈物流有限公司). The land use term is due to expire on 14 January 2060 for warehousing use. The completion date is 15 December 2012. The Real Estate Certificate valid period is till 15 March 2013.
- (2) According to Land Use Rights Grant Contract No. 10262009001 dated 15 January 2010:
- | | | | |
|--------|---|---|--|
| (i) | Grantee | : | Tianjin Binhai Teda Logistics (Group) Corporation Limited (天津濱海泰達物流集團股份有限公司) |
| (ii) | Site area | : | 76,792.50 sq.m. |
| (iii) | Land use | : | Warehousing |
| (iv) | Plot ratio | : | 0.5 |
| (v) | Land premium | : | RMB7,820,000 |
| (vi) | Cost of land formation cost and urban public ancillary facilities | : | Payable to Tianjin Economical and Technological Development Area Management Committee and Tianjin Port (Group) Co., Ltd. respectively. |
| (vii) | Land use term | : | 50 years |
| (viii) | Building covenant | : | To complete the construction within 24 months from the day of commencement. |

According to the information provided by the Group, the Land premium has been settled whilst the cost of land formation cost (RMB19,950,000) and urban public ancillary facilities (RMB11,310,000) has not yet been settled. In the course of our valuation, we have assumed that all cost of land formation cost and urban public ancillary facilities has been fully settled with the relevant parties.

- (3) According to Construction Land Planning Permit for No. 2010 Binhai Land Certificate 0003 issued by Tianjin Binhai New Area Planning and State-Owned Land Administration Bureau dated 5 January 2012, the construction site of land with a site area of 76,792.50 sq.m. was in compliance with urban and rural planning requirements.
- (4) According to Construction Works Planning Permit No. 2011 Binhai Construction Certificate 0040 issued by Tianjin Binhai New Area Planning and State-Owned Land Administration Bureau dated 5 January 2012, the phase I construction works of the Property was in compliance with the requirement of urban and rural planning and was permitted to be developed with a total gross floor area of 34,209.38 sq.m. (in which 33,971.20 sq.m. is above ground and 238.14 sq.m. is underground).
- (5) According to Construction Works Planning Permit No. 2011 Binhai Construction Certificate 0094 issued by Tianjin Binhai New Area Planning and State-owned Land Administration Bureau dated 5 January 2012, the construction works of the Property was in compliance with the requirement of urban and rural planning and was permitted to be developed with a total gross floor area of 2,647.58 sq.m.
- (6) According to Certificate of Filing Regarding the Commencement of Port Projects in Tianjin No. 121233120110041 dated 20 January 2012, the construction works of the Property was in compliance with the requirement of work commencement and was permitted to be developed with a total gross floor area of approximately 33,971.24 sq.m.
- (7) According to Certificate of Filing Regarding the Commencement of Port Projects in Tianjin No. 121233120120020 dated 16 March 2012, the construction works of the Property was in compliance with the requirement of work commencement and was permitted to be developed with a total gross floor area of approximately 2,647.58 sq.m.

- (8) According to the information provided by the Group in respect of the proposed development of the Property, the estimated total construction cost to completion is approximately RMB269,600,000; a construction cost of approximately RMB124,000,000 has been expended as at 31 March 2012. In the course of our valuation, we have taken into account the above expended construction cost.
- (9) The Estimated Market Value as if completed of the proposed development of the Property as at 31 March 2012 was approximately RMB318,000,000.
- (10) According to Business Licence No. 20000000017076, Tedahang Cold Chain Logistic Co., Ltd. (泰達行(天津)冷鏈物流有限公司) was established as limited liability company with a registered capital of RMB120,000,000 for a valid operation period from 15 July 2011 to 14 July 2031.
- (11) According to the PRC legal opinion:
- (i) The land use rights of the Property is granted to Tedahang Cold Chain Logistic Co., Ltd. (泰達行(天津)冷鏈物流有限公司) and is protected by the PRC laws.
- (ii) The title to construction works of the Property is granted to Tedahang Cold Chain Logistic Co., Ltd. (泰達行(天津)冷鏈物流有限公司). The construction works is in compliance with the PRC laws with respect to the procedures and title certificate for the said construction works, and is protected by the PRC laws.
- (12) The status of the title and grant of major approvals and licenses in accordance with the information provided by the Group and the aforesaid legal opinion are as follows:

Real Estate Certificate	Yes
Land Use Rights Grant Contract	Yes
Construction Land Planning Permit	Yes
Construction Works Planning Permit	Yes
Certificate of Filing Regarding the Commencement of Port Projects in Tianjin	Yes
Business Licence	Yes

NOTICE OF ANNUAL GENERAL MEETING

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this notice, make no representation as to its accuracy or completeness, and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this notice.



天津濱海泰達物流集團股份有限公司

Tianjin Binhai Teda Logistics (Group) Corporation Limited*

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

(Stock Code: 8348)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Annual General Meeting (the “Meeting”) of Tianjin Binhai Teda Logistics (Group) Corporation Limited* (the “Company”) will be held on Tuesday, 26 June 2012 at 9:30 a.m. (or at any adjournment thereof) at the registered office of the Company at No. 39, Bohai Road, Tianjin Economic and Technological Development Zone, Tianjin, the People’s Republic of China (the “PRC”) for the purpose of dealing with the following matters:

ORDINARY RESOLUTION

1. To consider and approve the report of the board of Directors of the Company (the “Board”) for the year ended 31 December 2011;
2. To consider and approve the report of the supervisory committee of the Company for the year ended 31 December 2011;
3. To consider and approve the audited consolidated financial statements of the Company and its subsidiaries and the auditor’s report for the year ended 31 December 2011;
4. To consider and approve the re-appointment of PricewaterhouseCoopers Zhong Tian Certified Public Accountants Co., Ltd. and PricewaterhouseCoopers as the PRC auditor and the international auditor of the Company respectively to hold office until the conclusion of the next annual general meeting and to authorize the Board to fix their remuneration;
5. To consider and approve the distribution of a final dividend of RMB0.02 per share as proposed by the board of directors of the Company to all the shareholders of the Company whose names appear on the register of members of the Company on 6 July 2012;

* *For identification purposes only*

NOTICE OF ANNUAL GENERAL MEETING

6. To consider, approve, confirm and ratify:
- (a) the capital increase agreement (the “Capital Increase Agreement”) entered into among Tedahang Cold Chain Logistic Co., Ltd., the Company, Toyota Tsusho (China) Co., Ltd., and Kamigumi (Hong Kong) Company Limited, and the joint venture agreement dated 21 March 2012 and the (“Joint Venture Agreement”) entered into among the Company, Toyota Tsusho (China) Co., Ltd., and Kamigumi (Hong Kong) Company Limited, a copy of which has been produced at the meeting marked “A” and initialed by the chairman of the meeting for identification purpose, as more particularly described in the circular to the shareholders of the Company dated 12 May 2012, of which this notice forms part and all the transactions contemplated thereunder; and
 - (b) that the directors of the Company be and are hereby authorised to do all other acts and things and execute all documents which they consider necessary or expedient for the implementation of and giving effect to the Capital Increase Agreement and the Joint Venture Agreement and the transactions contemplated thereunder.

SPECIAL RESOLUTION

7. To consider and approve the amendment to the Articles of the Company (the “Articles”) in the following manner:

To delete the existing Articles 17 of the Articles in its entirety and replace it by the following:

The scope of business of the Corporation is subject to the approval by the relevant registration authority of the Corporation:

The scope of business of the Corporation includes: domestic freight forwarding; general warehousing services (excluding hazardous materials); transportation, warehousing and logistics, and storehouse and venue rental services; operation and management of commodity market, and operation of port equipment and high-tech equipment; international delivery agent for import and export of goods, international exhibits, private orders and goods in transit from sea, land and air, including cargo canvassing, shipping, booking, warehousing, transiting, LCL service, charges clearing, inspection application, international multimodal transport, and bulk cargo business; wholesale, retail, import and export of metals, building materials, new chemical materials, hardware, machinery and electrical equipment, aviation, aerospace and maritime transport equipment, auto parts, hardware, software and peripherals for computer, electronic products, instruments, general merchandise, coke and by-products, coal and coal products, minerals (excluding iron ore, alumina and aluminum soil), chemical raw materials and products, petroleum products (excluding crude oil and refined oil), textile raw materials, and chemical fertilizers; re-export; inventory control management, logistics consultation, technology services and related information consultation (businesses regarding commodities which are subject to quota license and special franchise administration shall be operated in compliance with applicable regulations).

NOTICE OF ANNUAL GENERAL MEETING

8. To grant a general mandate to issue, allot and deal with additional domestic shares of nominal value of RMB1.00 each in the share capital of the Company (the “Domestic Shares”) and/or overseas-listed foreign shares of nominal value of RMB1.00 each in the Share capital of the Company (the “H Shares”), not exceeding 20% of the issued shares of that class as at the date of the resolution and authorize the Board to make corresponding amendments to the Articles as it thinks fit so as to reflect the new capital structure upon the allotment and issuance of shares:

“THAT

- (A) (a) subject to paragraph (c) and in accordance with the relevant requirements of the Rules Governing the Listing of Securities on the Growth Enterprise Market operated by The Stock Exchange of Hong Kong Limited, the Articles and the applicable laws and regulations of the PRC, the exercise by the Board during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with, either separately or concurrently, additional shares of the Company and to make or grant offers, agreements, options and rights of exchange or conversion which might require the exercise of such powers be hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) shall authorize the Board during the Relevant Period to make or grant offers, agreements, options and rights of exchange or conversion which might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate number of Domestic Shares and/or H Shares to be allotted, issued and dealt with or agreed conditionally or unconditionally to be allotted, issued and dealt with (whether pursuant to an option or otherwise) by the Board pursuant to the approval granted in paragraph (a) shall not exceed 20% of the issued shares of that class as at the date of passing of this resolution; and
- (d) for the purposes of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company; (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles or other applicable laws to be held; or (iii) the revocation or variation of the authority given under this resolution by a special resolution of the Company in a general meeting.

NOTICE OF ANNUAL GENERAL MEETING

- (B) The Board be authorized to make corresponding amendments to the Articles as it thinks fit so as to reflect the new capital structure upon the allotment or issuance of shares as provided in sub-paragraph (a) of paragraph (A) of this resolution.”

By order of the Board

天津濱海泰達物流集團股份有限公司

Tianjin Binhai Teda Logistics (Group) Corporation Limited*

Zhang Jian

Chairman

Tianjin, the PRC

12 May 2012

Notes:

1. A member of the Company (“Member”) entitled to attend and vote at the Meeting is entitled to appoint a proxy or proxies to attend and vote in his stead. A proxy need not be a Member. A form of proxy for use at the Meeting is enclosed herewith. In the case of joint holders of any Share, only the person whose name appears first in the register of Members shall be entitled to receive this notice, to attend and exercise all the voting powers attached to such Share at the Meeting, and this notice shall be deemed to be given to all joint holders of such Share.
2. To be valid, the form of proxy together with any power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power of attorney or authority must be deposited with the Company’s H share registrar, Computershare Hong Kong Investor Services Limited, at Rooms 1712-16, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, and in case of holders of Domestic Shares, to the Company’s mailing address at No. 39, Bohai Road, Tianjin Economic and Technological Development Zone, Tianjin, the PRC, not later than 24 hours before the time appointed for holding the Meeting or any adjournment thereof or the time appointed for passing the resolutions. Delivery of the form of proxy shall not preclude a Member from attending and voting in person at the Meeting and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
3. The register of Members in Hong Kong will be closed from 25 May 2012 to 26 June 2012, both days inclusive, during which period no transfer of H Shares of the Company will be effected. For the identification of Members eligible to attend and vote at the Meeting, all transfer documents accompanied by the relevant share certificates must be lodged with the Company’s H share registrar, Computershare Hong Kong Investor Services Limited, at Rooms 1712-16, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong not later than 4:30 p.m. on 24 May 2012.
4. The board of directors of the Company has recommended a final dividend of RMB0.02 per share and, if such dividend is declared by the shareholders passing Resolution No.5, it is expected to be paid on or about 20 August 2012 to those shareholders whose names appear on the register of members of the Company on 6 July 2012. The register of members of H Shares will be closed from Tuesday, 3 July 2012 to Friday, 6 July 2012 (both days inclusive). In order to be entitled to the dividend, holders of H Shares who have not registered the transfer documents are required to deposit the transfer document together with the relevant share certificates at the H Share registrar of the Company, Computershare Hong Kong Investor Services Limited, at Rooms 1712-16, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong at or before 4:30 p.m. on 29 June 2012.

NOTICE OF ANNUAL GENERAL MEETING

5. Whether or not holders of H Shares of the Company intend to attend the Meeting, they are requested to complete the enclosed reply slip for the Meeting and return it, by hand or by post, to the Company's H share registrar, Computershare Hong Kong Investor Services Limited, at Rooms 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong on or before 5 June 2012.
6. Whether or not holders of Domestic Shares of the Company intend to attend the Meeting, they are requested to complete the enclosed reply slip for the Meeting and return it, by hand or by post, to the Company's mailing address at No. 39, Bohai Road, Tianjin Economic and Technological Development Zone, Tianjin, the PRC on or before 5 June 2012.
7. Detailed resume of the nominated independent non-executive Director is set out in the circular to be dispatched to the Shareholders.

As at the date of this notice, the Board of Directors comprises Mr. Zhang Jian as executive Directors; Mr. Hu Jun, Mr. Zhang Jun, Mr. Wang Jincan and Mr. Chen Fang as non-executive Directors; and Mr. Zhang Limin, Mr. Liu Jingfu and Mr. Luo Yongtai as independent non-executive Directors.

This notice, for which the Directors of the Company 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 notice 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 notice misleading.

This notice will remain on the GEM website at <http://www.hkgem.com> on the "Latest Company Announcements" page for at least 7 days from the date of its posting. This notice will also be posted on the Company's website at www.tbtl.cn.