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)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2015

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

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

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This announcement, for which the directors (the "Directors") of Tianjin Binhai Teda Logistics (Group) Corporation Limited (the "Company") collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM (the "GEM Listing Rules") of the Stock Exchange 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 announcement 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 announcement misleading.

FINANCIAL HIGHLIGHTS

- Revenue increased by approximately 4% to RMB3,186,352,000
- The gross margin rate was approximately 3%
- Profit attributable to shareholders increased by approximately 5% to RMB53,684,000
- Earnings per share was RMB0.15
- The Board recommended the payment of a final dividend of RMB0.03 per share

List of the full names and abbreviations of the companies as referred to in this announcement

Tianjin TEDA Investment Holding Co., Ltd.	*TEDA Holding*
Chia Tai Pharmaceutical Investment (Beijing) Co., Ltd.	*Chia Tai Pharmaceutical*
Chia Tai Land Company Limited	*Chia Tai Land*
TEDA General Bonded Warehouse Co., Ltd.	*Bonded Warehouse*
Tianjin Yuan Da Xian Dai Logistics Co., Ltd.	*Yuan Da Logistics*
He Guang Trade and Business Co., Ltd.	*He Guang Trade and Business*
Tedahang Cold Chain Logistics Co., Ltd.	*Tedahang*
Tianjin Fengtian Logistics Co., Ltd.	*Fengtian Logistics*
Tianjin Teda International Freight Forwarding Co., Ltd.	*International Freight Forwarding*
Tianjin Alps Teda Logistics Co., Ltd.	*Tianjin Alps*
Dalian Alps Teda Logistics Co., Ltd.	*Dalian Alps*
Tianjin Port Gangwan International Automobile Logistics Co., Ltd.	*Gangwan Automobile*
Tianjin Tianxin Automobile Inspection Services Co., Ltd.	*Tianxin*
Tianjin Ferroalloy Exchange Co., Ltd.	*Ferroalloy*

ANNUAL RESULTS

The Board of Directors (the "Board") of the Company is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 December 2015, together with the comparative figures for the corresponding period in 2014 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2015

	Note	**2015** **RMB'000**	2014 RMB'000
Revenue	3	**3,186,352**	3,069,499
Cost of sales	10	**(3,085,640)**	(2,964,388)
Gross profit		**100,712**	105,111
Administrative expenses	10	**(54,241)**	(55,122)
Other income	4	**18,530**	17,465
Other (losses)/gains – net	5	**(823)**	(438)
Operating profit		**64,178**	67,016
Finance costs	6	**(5,842)**	(11,555)
Share of profit of investments accounted for using the equity method		**13,449**	23,110
Profit before income tax		**71,785**	78,571
Income tax expense	7	**(12,306)**	(16,295)
Profit/total comprehensive income for the year		**59,479**	62,276
Profit/total comprehensive income attributable to:			
Owners of the Company		**53,684**	51,214
Non-controlling interests		**5,795**	11,062
		59,479	62,276
Earnings per share (RMB cents)			
– Basic and diluted	9	**15**	14
Dividends	8	**21,258**	28,345

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2015

	Note	**2015** **RMB'000**	2014 RMB'000
ASSETS			
Non-current assets			
Land use rights		**96,563**	99,150
Property, plant and equipment		**202,534**	194,460
Investment properties		**75,008**	79,452
Investments accounted for using the equity method		**241,376**	246,640
Available-for-sale financial assets		**16,310**	16,310
		631,791	636,012
Current assets			
Inventories		**72,714**	26,335
Trade and other receivables	11	**1,443,423**	1,261,760
Pledged bank deposits		**216,083**	225,962
Cash and cash equivalents		**215,350**	301,307
		1,947,570	1,815,364
Total assets		**2,579,361**	2,451,376
EQUITY AND LIABILITIES			
Equity attributable to owners of the company			
Share capital	12	**354,312**	354,312
Other reserves	12	**94,091**	89,103
Retained earnings	12	**357,916**	348,489
		806,319	791,904
Non-controlling interests	12	**84,857**	88,061
Total equity		**891,176**	879,965

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

As at 31 December 2015

	Note	**2015** **RMB'000**	2014 RMB'000
LIABILITIES			
Non-current liabilities			
Deferred income		**6,243**	6,597
		6,243	6,597
Current liabilities			
Trade and other payables	13	**1,600,347**	1,450,047
Current income tax liabilities		**11,074**	9,869
Borrowings		**70,521**	104,898
		1,681,942	1,564,814
Total liabilities		**1,688,185**	1,571,411
Total equity and liabilities		**2,579,361**	2,451,376
Net current assets		**265,628**	250,550
Total assets less current liabilities		**897,419**	886,562

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2015

1. General information

Tianjin Binhai Teda Logistics (Group) Corporation Limited (the "Company") and its subsidiaries (together "the Group") are principally engaged in provision of logistics and supply chain solutions services and trading and related logistics services in the People's Republic of China (the "PRC").

The Company was established as an investment holding company in the PRC by its promoters, Tianjin Teda Investment Holding Co., Ltd. (天津泰達投資控股有限公司) ("TEDA Holding") and Tianjin Economic and Technological Development Area State Asset Operation Company (天津經濟技術開發區國有資產經營公司) ("TEDA Asset Company") as a joint stock limited company on 26 June 2006. Both TEDA Holding and TEDA Asset Company are controlled by Tianjin Economic and Technological Development Area Administrative Commission ("TEDA Administrative Commission").

Pursuant to the Group reorganisation (the "Reorganisation") in preparation for the listing of the Company's overseas listed foreign shares ("H shares") on the Growth Enterprises Market (the "GEM") of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), the Company became the holding company of the Group in June 2006. The Company's H shares were listed on the GEM of the Stock Exchange on 30 April 2008.

On 18 November 2011, TEDA Holding entered into a share transfer agreement with Chia Tai Land Company Limited ("Chia Tai Company"), while TEDA Asset Company entered into a share transfer agreement with Chia Tai Pharmaceutical Investment (Beijing) Co., Ltd. ("Chia Tai Pharmaceutical Company"). Accordingly, TEDA Holding and TEDA Asset Company agreed to transfer 28,344,960 (8% of ordinary shares) and 77,303,789 (21.82% of ordinary shares) domestic shares of the Company to Chia Tai Company and Chia Tai Pharmaceutical Company respectively. In 2012, the two aforementioned domestic share transfers were approved by the relevant state-owned assets supervision and administration authorities of the PRC. The registration procedures of the related transfers have been completed on 7 June 2013.

As at 31 December 2015, the Directors of the Company consider TEDA Holding as the immediate holding company and the ultimate holding company of the Company.

These financial statements are presented in Renminbi ("RMB") unless otherwise stated. These financial statements have been approved for issue by the Board of Directors on 16 March 2016.

2. Application of new and revised international financial reporting standards ("IFRSs")

2.1 Amendments to IFRSs that are mandatorily effective for the current year

The Group has applied the following amendments to IFRSs issued by the International Accounting Standards Boards (IASB) for the first time in the current year:

Amendments to IAS 19	Defined Benefit Plans: Employee Contributions
Amendments to IFRSs	Annual Improvements to IFRSs 2010 – 2012 Cycle
Amendments to IFRSs	Annual Improvements to IFRSs 2011 – 2013 Cycle

Except as described below, the application of the amendments to IFRSs in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

2. Application of new and revised international financial reporting standards ("IFRSs") (Continued)

2.2 New and revised IFRSs in issue but not yet effective

The Group has not early applied the following new or revised IFRSs that have been issued but are not yet effective:

IFRS 9	Financial Instruments[2]
IFRS 15	Revenue from Contracts with Customers[2]
Amendments to IFRS 11	Accounting for Acquisitions of Interest in Joint Operations[1]
Amendments to IAS 1	Disclosure Initiative[1]
Amendments to IAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation[1]
Amendments to IAS 16 and IAS 41	Agriculture: Bearer Plants[1]
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[1]
Amendments to IFRS 10, IFRS 12 and IAS 28	Investment Entities: Applying the Consolidation Exception[1]
Amendments to IFRSs	Annual Improvements to HKFRSs 2012–2014 Cycle[1]

1 Effective for annual periods beginning on or after 1 January 2016, with earlier application permitted.
2 Effective for annual periods beginning on or after 1 January 2018, with earlier application permitted.

IFRS 9 Financial Instruments

IFRS 9 issued in November 2009 introduced new requirements for the classification and measurement of financial assets. IFRS 9 was subsequently amended in October 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition, and in November 2013 to include the new requirements for general hedge accounting. Another revised version of IFRS 9 was issued in July 2014 mainly to include a) impairment requirements for financial assets and b) limited amendments to the classification and measurement requirements by introducing a "fair value through other comprehensive income" (FVTOCI) measurement category for certain simple debt instruments.

Key requirements of IFRS 9

- All recognised financial assets that are within the scope of IAS 39 *Financial Instruments: Recognition and Measurement* are required to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are generally measured at FVTOCI. All other debt investments and equity investments are measured at their fair value at the end of subsequent accounting periods. In addition, under IFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

2. Application of new and revised international financial reporting standards ("IFRSs") (Continued)

2.2 New and revised IFRSs in issue but not yet effective *(Continued)*

IFRS 9 Financial Instruments (Continued)

Key requirements of IFRS 9 (Continued)

- With regard to the measurement of financial liabilities designated as at fair value through profit or loss, IFRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Under IAS 39, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss is presented in profit or loss.

- In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under IAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

- The new general hedge accounting requirements retain the three types of hedge accounting mechanisms currently available in IAS 39. Under IFRS 9, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been overhauled and replaced with the principle of an "economic relationship". Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.

IFRS 15 Revenue from Contracts with Customers

In May 2014, IFRS 15 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. IFRS 15 will supersede the current revenue recognition guidance including IAS 18 *Revenue*, IAS 11 *Construction Contracts* and the related Interpretations when it becomes effective.

The core principle of IFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer.

- Step 2: Identify the performance obligations in the contract.

- Step 3: Determine the transaction price.

- Step 4: Allocate the transaction price to the performance obligations in the contract.

- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

2. **Application of new and revised international financial reporting standards ("IFRSs") (Continued)**

2.2 New and revised IFRSs in issue but not yet effective *(Continued)*

IFRS 15 Revenue from Contracts with Customers (Continued)

Under IFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in IFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by IFRS 15.

The directors of the Company anticipate that the application of IFRS 15 in the future may have a material impact on the amounts reported and disclosures made in the Group's consolidated financial statements. However, it is not practicable to provide a reasonable estimate of the effect of IFRS 15 until the Group performs a detailed review.

Amendments to IFRS 11 Accounting for Acquisitions of Interests in Joint Operations

The amendments to IFRS 11 provide guidance on how to account for the acquisition of a joint operation that constitutes a business as defined in IFRS 3 *Business Combinations*. Specifically, the amendments state that the relevant principles on accounting for business combinations in IFRS 3 and other standards (e.g. IAS 12 *Income Taxes* regarding the recognition of deferred taxes at the time of acquisition and IAS 36 *Impairment of Assets* regarding impairment testing of a cash-generating unit to which goodwill on acquisition of a joint operation has been allocated) should be applied. The same requirements should be applied to the formation of a joint operation if and only if an existing business is contributed to the joint operation by one of the parties that participate in the joint operation.

A joint operator is also required to disclose the relevant information required by IFRS 3 and other standards for business combinations.

The amendments should be applied prospectively to acquisitions of interests in joint operations (in which the activities of the joint operations constitute business as defined in IFRS 3) occurring from the beginning of annual periods beginning on or after 1 January 2016. The directors of the Company anticipate that the application of these amendments to IFRS 11 may have an impact on the Group's consolidated financial statements in future periods should such transactions arise.

Amendments to IAS 1 Disclosure Initiative

The amendments to IAS 1 give some guidance on how to apply the concept of materiality in practice.

The amendments to IAS 1 are effective for annual periods beginning on or after 1 January 2016. The directors of the Company do not anticipate that the application of these amendments to IAS 1 will have a material impact on the Group's consolidated financial statements.

2. Application of new and revised international financial reporting standards ("IFRSs") (Continued)

2.2 New and revised IFRSs in issue but not yet effective (Continued)

Amendments to IAS 16 and IAS 38 Clarification of Acceptable Methods of Depreciation and Amortisation

The amendments to IAS 16 prohibit entities from using a revenue-based depreciation method for items of property, plant and equipment. The amendments to IAS 38 introduce a rebuttable presumption that revenue is not an appropriate basis for amortisation of an intangible asset. This presumption can only be rebutted in the following two limited circumstances:

a) when the intangible asset is expressed as a measure of revenue; or

b) when it can be demonstrated that revenue and consumption of the economic benefits of the intangible asset are highly correlated.

The amendments apply prospectively for annual periods beginning on or after 1 January 2016. Currently, the Group uses the straight-line method for depreciation and amortisation for its property, plant and equipment, and intangible assets respectively. The directors of the Company believe that the straight-line method is the most appropriate method to reflect the consumption of economic benefits inherent in the respective assets and accordingly, the directors of the Company do not anticipate that the application of these amendments to IAS 16 and IAS 38 will have a material impact on the Group's consolidated financial statements.

Amendments to IAS 16 and IAS 41 Agriculture: Bearer Plants

The amendments to IAS 16 and IAS 41 define a bearer plant and require biological assets that meet the definition of a bearer plant to be accounted for as property, plant and equipment in accordance with IAS 16, instead of IAS 41. The produce growing on bearer plants continues to be accounted for in accordance with IAS 41.

The directors of the Company do not anticipate that the application of these amendments to IAS 16 and IAS 41 will have a material impact on the Group's consolidated financial statements as the Group is not engaged in agricultural activities.

Amendments to IFRS 10 and IAS 28 Sale or Contribution of Assets between and Investor and its Associate or Joint Venture

The amendments to IFRS 10 and IAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the remeasurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture.

The amendments should be applied prospectively to transactions occurring in annual periods beginning on or after 1 January 2016. The directors of the Company anticipate that the application of these amendments to IFRS 10 and IAS 29 may have an impact on the Group's consolidated financial statements in future periods should such transactions arise.

2. **Application of new and revised international financial reporting standards ("IFRSs") (Continued)**

2.2 New and revised IFRSs in issue but not yet effective *(Continued)*

Amendments to IFRS 10, IFRS 12 and IAS 28 Investment Entities: Applying the Consolidation Exception

The amendments to IFRS 10, IFRS 12 and IAS 28 clarify that the exemption from preparing consolidated financial statements is available to a parent entity that is a subsidiary of an investment entity, even if the investment entity measures all its subsidiaries at fair value in accordance with IFRS 10. The amendments also clarify that the requirement for an investment entity to consolidate a subsidiary providing services related to the former's investment activities applies only to subsidiaries that are not investment entities themselves.

The directors of the Company do not anticipate that the application of these amendments to IFRS 10, IFRS 12 and IAS 28 will have a material impact on the Group's consolidated financial statements as the Group is not an investment entity and does not have any holding company, subsidiary, associate or joint venture that qualifies as an investment entity.

Annual Improvements to IFRSs 2012–2014 Cycle

The Annual Improvements to IFRSs 2012–2014 Cycle include a number of amendments to various IFRSs, which are summarised below.

The amendments to IFRS 5 introduce specific guidance in IFRS 5 for when an entity reclassifies an asset (or disposal group) from held for sale to held for distribution to owners (or vice versa). The amendments clarify that such a change should be considered as a continuation of the original plan of disposal and hence requirements set out in IFRS 5 regarding the change of sale plan do not apply. The amendments also clarifies the guidance for when held-for-distribution accounting is discontinued.

The amendments to IFRS 7 provide additional guidance to clarify whether a servicing contract is continuing involvement in a transferred asset for the purpose of the disclosures required in relation to transferred assets.

The amendments to IAS 19 clarify that the rate used to discount post-employment benefit obligations should be determined by reference to market yields at the end of the reporting period on high quality corporate bonds. The assessment of the depth of a market for high qualify corporate bonds should be at the currency level (i.e. the same currency as the benefits are to be paid). For currencies for which there is no deep market in such high quality corporate bonds, the market yields at the end of the reporting period on government bonds denominated in that currency should be used instead.

The directors of the Company do not anticipate that the application of these amendments will have a material effect on the Group's consolidated financial statements.

3. Segment information

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

Principal activities of the Group's two reportable segments are as follows:

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

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

The investments accounted for using the equity method mainly carry out provision of logistics services, supply chain management and agency service for electronics components; and provision of cold warehouse operating and logistic services.

3. **Segment information (Continued)**

	For the year ended 31 December 2015				
	Logistics and supply chain service for finished automobiles and components RMB'000	**Materials procurement and related logistics services RMB'000**	**Reportable segments subtotal RMB'000**	**All other segments RMB'000**	**Total RMB'000**
Revenue	**908,974**	**2,223,982**	**3,132,956**	**108,266**	**3,241,222**
Inter-segment revenue	**(321)**	**(41,825)**	**(42,146)**	**(12,724)**	**(54,870)**
Revenue from external customers	**908,653**	**2,182,157**	**3,090,810**	**95,542**	**3,186,352**
Segment results	**13,931**	**22,525**	**36,456**	**25,321**	**61,777**
Share of results of investments accounted for using the equity method					**13,449**
Unallocated other income					**6,437**
Unallocated corporate expenses					**(4,036)**
Finance costs					**(5,842)**
Profit before income tax					**71,785**
Income tax expense					**(12,306)**
Profit for the year					**59,479**
Other information:					
Depreciation and amortisation	**(14,115)**	**(745)**	**(14,860)**	**(13,947)**	**(28,807)**
Income tax expense	**(3,168)**	**(3,187)**	**(6,355)**	**(5,951)**	**(12,306)**

3. **Segment information (Continued)**

	For the year ended 31 December 2014				
	Logistics and supply chain service for finished automobiles and components RMB'000	Materials procurement and related logistics services RMB'000	Reportable segments subtotal RMB'000	All other segments RMB'000	Total RMB'000
Revenue	917,903	2,086,838	3,004,741	98,959	3,103,700
Inter-segment revenue	(60)	(14,894)	(14,954)	(19,247)	(34,201)
Revenue from external customers	917,843	2,071,944	2,989,787	79,712	3,069,499
Segment results	30,392	21,245	51,637	13,212	64,849
Share of results of investments accounted for using the equity method					23,110
Unallocated other income					6,488
Unallocated corporate expenses					(4,321)
Finance costs					(11,555)
Profit before income tax					78,571
Income tax expense					(16,295)
Profit for the year					62,276
Other information:					
Depreciation and amortisation	(13,216)	(183)	(13,399)	(14,215)	(27,614)
Income tax expense	(8,083)	(4,769)	(12,852)	(3,443)	(16,295)

Sales between segments are carried out based on mutually agreed price. The revenue from external parties reported to the senior management is measured in a manner consistent with that in the statement of comprehensive income.

Total segment assets and liabilities are not disclosed as they are not regularly provided to and reviewed by the Group's senior management.

3. **Segment information (Continued)**

Geographical information

Over 90% of the Group's operations and non-current assets are located in the PRC, and over 90% of the Group's revenue of the external customers is attributed to the PRC. Therefore, no analyses of geographical segment is presented for the year ended 31 December 2015 and 2014.

Information about major customer

	2015	2014
	RMB'000	RMB'000
Customer A	**757,652**	742,780
Customer B (note)	**–**	452,919

Note: No information on turnover for the current year is disclosed for this customer since it contributed less than 10% to the Group's turnover for the year ended 31 December 2015.

4. **Other income**

	2015	2014
	RMB'000	RMB'000
Government grant (note)	**12,093**	10,977
Interest income from bank deposits	**6,437**	6,488
	18,530	17,465

Note: Government grant represents subsidies and awards from local government authorities for the Group's contribution to the development of the local economies.

5. **Other (losses)/gains – net**

	2015	2014
	RMB'000	RMB'000
Loss on disposal of interest in an associate	**–**	(928)
Net foreign exchange gains	**1,231**	445
(Loss)/gains on disposal of property, plant and equipment	**(1,717)**	319
Others	**(337)**	(274)
	(823)	(438)

6. **Finance costs**

	2015	2014
	RMB'000	RMB'000
Interest on borrowings wholly repayable within five years	**5,842**	11,555

7. Income tax expense

	2015 RMB'000	2014 RMB'000
Current tax:		
Provision for the year	**13,108**	16,295
Over-provision in prior years	**(802)**	–
	12,306	16,295

Under the prevailing tax law in the PRC, the Enterprise Income Tax rate of the Company and the subsidiaries is 25%.

Hong Kong profit tax has been provided at the rate of 16.5% (2014: 16.5%) on the estimated assessable profit for the year.

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the consolidated entities as follows:

	2015 RMB'000	2014 RMB'000
Profit before income tax	**71,785**	78,571
Tax at the official income tax rate of 25% and 16.5% (2014: 25% and 16.5%)	**17,977**	19,797
Tax effect of:		
– Associates' and joint ventures' results reported, net of tax	**(3,362)**	(5,778)
– Expenses and income not deductible or taxable for taxation purpose	**(1,507)**	2,501
– Utilisation of previously unrecognised tax losses	**–**	(225)
– Over-provision in respect of prior years	**(802)**	–
Income tax expense	**12,306**	16,295

All the end of the reporting period, no deferred tax assets or liabilities are recognised in consolidated financial statements as the Group did not have material temporary difference arising between tax bases of assets or liabilities and their carrying amounts.

8. Dividends

	2015	2014
	RMB'000	RMB'000
Interim dividend (note a)	**10,629**	17,716
Final dividend (note b)	**10,629**	10,629
	21,258	28,345

Note:

(a) On 12 August 2015, the Directors of the Company proposed the distribution of an interim dividend of RMB0.03 per share. The extraordinary general meeting approved and declared the proposal on 11 November 2015. The total amount is approximately RMB10,629,000 and was paid on or before 12 January 2016 to shareholders whose names appeared on the register of members of the Company on 22 November 2015.

(b) On 16 March 2016, the Directors of the Company proposed the payment of final dividend of RMB0.03 per share for the year ended 31 December 2015 (2014: RMB0.03 per share). These financial statements do not reflect this dividend payable.

(c) The dividends actually paid to owners of the Company in 2015 and 2014 were approximately RMB39,269,000 and RMB14,172,000 respectively based on the number of issued shares outstanding at relevant time.

9. Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the year.

	2015	2014
	RMB'000	RMB'000
Earnings		
Profit attributable to owners of the Company	**53,684**	51,214
Number of shares (thousands)		
Weighted average number of ordinary shares for calculating basic and diluted earnings per share	**354,312**	354,312

For the years ended 31 December 2015 and 2014, diluted earnings per share are the same as the basic earnings per share as the Company did not have any potential dilutive ordinary shares outstanding during the years ended 31 December 2015 and 2014.

10. Expenses by nature

Profit before income tax is arrived at after charging:

	2015	2014
	RMB'000	RMB'000
Auditor's remuneration	**1,350**	1,400
Cost of materials purchased	**2,138,941**	2,021,969
Subcontracting charges	**699,721**	662,476
Employee benefits expenses	**148,209**	152,318
Depreciation	**26,220**	25,027
Transportation	**10,715**	14,274
Fuel	**9,222**	18,478
Operating lease charges	**3,128**	3,558
Business tax	**3,260**	2,938
Amortisation	**2,587**	2,587
Others	**96,528**	114,215
Total cost of sales and administrative expenses	**3,139,881**	3,019,510

11. Trade and other receivables

	2015	2014
	RMB'000	RMB'000
Trade receivables	**560,081**	427,140
Less: allowance for impairment	**(930)**	(930)
	559,151	426,210
Bills receivables	**4,000**	5,711
	563,151	431,921
Other receivables	**29,388**	30,771
Less: allowance for impairment	**(620)**	(620)
	591,919	462,072
Prepayment to suppliers	**852,291**	800,475
Less: allowance for impairment	**(787)**	(787)
Prepayment to suppliers-net	**851,504**	799,688
	1,443,423	1,261,760

Note: The bills are non-interest bearing bank acceptance bills with a maximum maturity period of 180 days.

11. Trade and other receivables (Continued)

The following is an aging analysis of trade and bills receivables, were presented based on the invoice date, which approximates the respective revenue recognition dates:

	2015	2014
	RMB'000	RMB'000
0 – 90 days	**528,960**	376,379
91 – 180 days	**17,887**	41,091
181 – 365 days	**3,050**	10,214
Over 1 year	**14,184**	5,167
	564,081	432,851

Before accepting any new customer, the Group assesses the potential customer's credit quality and defines credit limits by customer.

12. Share capital, other reserves and retained earnings

	Attributable to owners of the Company					
	Share capital	**Other reserves**	**Retained earnings**	**Total**	**Non-controlling interests**	**Total equity**
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1 January 2014	354,312	82,918	317,632	754,862	87,818	842,680
Total comprehensive income for the year	–	–	51,214	51,214	11,062	62,276
Transfer from retained earnings	–	6,185	(6,185)	–	–	–
Dividends paid	–	–	(14,172)	(14,172)	(10,819)	(24,991)
Balance at 31 December 2014 and 1 January 2015	354,312	89,103	348,489	791,904	88,061	879,965
Total comprehensive income for the year	–	–	53,684	53,684	5,795	59,479
Transfer from retained earnings	–	4,988	(4,988)	–	–	–
Dividends paid	–	–	(39,269)	(39,269)	(8,999)	(48,268)
Balance at 31 December 2015	354,312	94,091	357,916	806,319	84,857	891,176

13. Trade and other payables

	2015 RMB'000	2014 RMB'000
Trade payables	**181,094**	88,171
Bills payables	**976,431**	1,035,761
	1,157,525	1,123,932
Deposits from customers	**392,780**	269,515
Tax payables	**3,691**	5,186
Other payables	**46,351**	51,414
	1,600,347	1,450,047

The aging analysis of the trade payables and bills payables at the end of the reporting period is as follows:

	2015 RMB'000	2014 RMB'000
0 – 90 days	**730,396**	563,885
91 – 180 days	**425,027**	558,795
181 – 365 days	**406**	798
Over 365 days	**1,696**	454
	1,157,525	1,123,932

CHAIRMAN'S STATEMENT

On behalf of the board of directors of the Company (the "Board"), I am pleased to present the audited consolidated financial results of the Group for the year ended 31 December 2015 to all shareholders.

Results of the year

For the year ended 31 December 2015 (the "Year"), turnover of the Group amounted to approximately RMB3,186,352,000 (2014: RMB3,069,499,000), representing an increase of approximately 4% as compared with the corresponding period of last year. Profit attributable to the shareholders was approximately RMB53,684,000 (2014: RMB51,214,000) and the earnings per share was approximately RMB0.15 (2014: RMB0.14).

As at 31 December 2015, the total assets and current assets of the Group were approximately RMB2,579,361,000 (2014: RMB2,451,376,000) and approximately RMB1,947,570,000 (2014: RMB1,815,364,000), respectively, representing increases of RMB127,985,000 and RMB132,206,000 from 31 December 2014, respectively. Our net assets attributable to the parent company and net assets per share at the end of the year were approximately RMB806,319,000 (2014: RMB791,904,000) and approximately RMB2.28 (2014: RMB2.24), respectively, both representing an increase of 2% from 31 December 2014.

Review for the year

In 2015, the global economy remained sluggish with weak recovery. The PRC economy showed a trend of slowdown, with decrease in investments and foreign trades. As the bulk commodity market remained sluggish and the imported automobile market continued to go down, the Company was under great operating pressure. Against this backdrop, the Group put forward the strategy of "innovative integration of resources, enhancement of system construction, implementation of talent development planning and promotion of cultural development". While efforts were made to consolidate our traditional logistics services segment, the Group vigorously pushed forward development of own-brand business by exploring new logistics business and acquiring quality logistics infrastructure facilities, promoting the steady and rapid development of the Group. In 2015, the Group managed to achieve stable growth in the overall operating results as compared to the corresponding period of last year.

Vigorously developing own-brand business and adjusting business structure

The Group consolidated its materials procurement and related logistics services segment by selecting types of materials and adjusting business structure, in an effort to maintain its market shares and expand its own-brand business. During the reporting period, the proportion of revenue from the materials procurement and related logistics services increased significantly, making great contribution to the overall operating results of the Group at a time when revenue from the automobile and other core businesses and investment income recorded dramatic decrease.

Improving operating results by giving full play to the business strength of its member companies

Based on its existing business, Bonded Warehouse made strenuous efforts to exploit new customers, and also proactively expanded the service chain based on the existing services, so as to broaden its income stream. Yuan Da Logistics launched the railway transportation of commercial vehicle project at the end of 2014, currently with a transportation frequency of a trainload per day. The railway throughput for the year amounted to 8,500 wagons, with commercial vehicles transported by railway for the year reaching 80,000 units. The railway transportation of commercial vehicles covered 15 provinces and cities across the country with 25 railway hubs, connecting major commercial vehicle manufacturing centers and distribution centers such as Northeastern China, Northern China, Northwestern China, Eastern China, Sichuan, Chongqing, Yunnan and Guizhou. Based on the existing business of "centralized inspection and management warehousing of imported meat at Tianjin Port", and leveraging on its terminal advantage, unique location and function edge, Tedahang took initiatives to develop new customers and explore new markets to increase operating revenue, and extended its business reach to tap the freight forwarding, financing supervision and agency procurement businesses. The Group continued to maintain excellent cooperation relationship with the Japanese investors. In addition, the joint venture contract with Fengtian Logistics for a term of twenty years will expire in 2016. Based on the mutual trust built up over the past twenty years and the confidence in the future of the automobile market in China, both parties agreed to extend the term of the joint venture contract for another twenty years to 2036, so as to continue the existing in-depth cooperation and join hands to explore business opportunities in the automobile market.

Resource integration and structural adjustments for promoting integrated business

During the reporting period, the Group proactively expanded business areas, and planned and established the automobile business network by leveraging on the existing resource advantage and integrating its existing technology and resources. Meanwhile, in order to give full play to the existing technology edge and resource advantage of the Group in the automobile logistics industry, and in response to the changes in market demand and the automobile logistics industry, the Group established the comprehensive vehicle transportation network combining the "sea, river, railway and road" transportation with Eastern China, Northern China and Southwestern China as the major hubs, forming an integrated transportation platform. After establishment of the branch company in Changshu City on 30 November which was taken as our base in Eastern China, the Group, on one hand, vigorously promoted the commercial vehicle transit transportation business in the domestic market, and on the other hand leveraged on its existing automobile technology to develop new logistics business.

Actively responding to emergency

The Tianjin Port "8.12" Ruihai Company particularly serious fire explosion accident in 2015 also imposed impact on the operation and management of the Group. As the Group promptly implemented emergency response plan and took effective measures to deal with problems arising from the accident onsite after the accident, there was no secondary disasters and no casualty caused by the incident. Although the terminal operation (particularly the imported automobile logistics business) of the Group was hit by the accident, the overall operating results of the Group have not been affected thanks to the optimized income mix of the Group and the satisfactory growth in the own-brand business. During the accident, the emergency response initiatives, insurance coverage, risk preventive measures and the facilities performed well, and Tedahang, a subsidiary of the Group, was the first cold warehouse to restore operation at the Tianjin Port. Bonded Warehouse and Yuan Da Logistics also overcame all the difficulties to maintain smooth operation, effectively protecting the interests of the customers and the shareholders.

Continuously strengthening and improving internal management of the Company

The Group attached great importance to talent training. During the reporting period, the Group further enhanced the development and training of talents, formulated and implemented talent development planning, regulated its human resources system and adjusted the management system for staff promotion. The Group formulated the Administrative Measure on Post-holding of Employees of Tianjin Binhai Teda Logistics (Group) Corporation Limited (Tentative), and regulated the performance management and remuneration management of its wholly-owned subsidiaries.

The Group actively promoted the implementation of office automation. The implementation of office automation within the Group and its member companies in the first half of 2015 helped to regulate the business approval process and control the process, further improving the performance of management and enhancing management efficiency.

The Company put emphasis on safety management. During the reporting period, the Company released an Emergency Plan for further standardisation and improvement of safety work. In accordance with the Emergency Plan, the Group instructed its member companies to cope with the adverse impact arising from the 8.12 Explosion. During the reporting period, the Group established the safety production standardized documentation system in accordance with the laws and regulations and the requirements of the holding company.

The Company regulated its business operation and implemented corporate governance in compliance with the laws. During the reporting period, the Company diligently reviewed its existing systems and made necessary supplement to fine-tune the systems in accordance with relevant regulations. The Company conducted self-inspection on its operation and management and internal safety check to identify hidden risks, and carried out discipline rectification activities to ensure compliance with the laws and regulations. The Company adjusted and clarified the responsibilities and job division of various management positions in order to further improve the governance structure of the group company. At the same time, in order to further reinforce management and control over business risks, the Company issued and printed the Business Approval Rules of the Business Management Committee of Tianjin Binhai Teda Logistics (Group) Corporation Limited (Tentative) to adjust the organization structure and operation mechanism of the Business Management Committee.

Prospect and outlook

In 2016, given the increasing outbreak of geopolitical conflicts and local wars across the world, the downturn in the global economy will continue. As the PRC economy turned from rapid-speed growth into the new normal phase, the economy is facing greater downward pressure and a short-term downturn. With the deepening of transformation and upgrading of the logistics services, the domestic logistics industry showed a development pattern of "slowdown in growth rate with structural adjustment". Rising operation costs of the logistics enterprises squeezed the profit margin of the industry. The downturn in the imported automobile market will continue, and the impact of the "8.12 Explosions" accident on the imported automobile business has not yet vanished. Under this backdrop, the Group is facing great challenges. Looking forward, the Group will continue to adhere to the innovation approach. Under the new normal phase, while efforts will be made to consolidate its traditional logistics services business, the Group will take advantage of its own resources to promote development of own-brand business and actively explore new logistics business. In view of the economy reaching a bottom, the Group will improve the management system and leverage on its quality logistics infrastructure facilities to lay a solid foundation for future development and create new spotlight for growth, so as to further stimulate the steady and rapid development of the Group.

To this end, the Company intends to take the following measures:

- In 2016, our most outstanding logistics and supply chain services for transportation of finished automobiles business will improve the added value of the logistics services through innovations in organizational structure, marketing approach, technology and services. The Company will expand its services to cover the whole logistics and supply chain, so as to optimize structure of the automobile industry, reduce logistics costs and improve operation efficiency and profitability of the industry.

- The Company will continue to innovate business model, strengthen innovation of the consumer goods procurement services under the materials procurement and related logistics services, increase types of material items and improve risk resistance capacity, so as to promote sustainable development of the Group.

- Giving full play to its existing technology edge and resource advantage in the automobile logistics industry, the Group will vigorously push forward the development of its own-brand automobile logistics business by exploring new projects and innovating business model, so as to promote further development of the commercial vehicle transportation business in the domestic market.

- Although our efforts to overcome the adverse impact from slowdown in the domestic economy have shown positive effects, the logistics and supply chain services for electronic components business still faces transformation pressure. In the future, the Group will continue to exploit new markets and customers, expand business areas and make technological innovation, with an aim to improve profitability of the business.

- The Company will step up efforts to explore the cold chain business and change the single operation model, so as to develop integrated and comprehensive cold chain services. Based on its existing business of "centralized inspection and management warehousing of imported meat at Tianjin Port" and leveraging on its terminal advantage, unique location and function edge, Tedahang will take proactive measures to develop new clients and explore new markets, with an aim to broaden income and reduce losses.

- Efforts will be made to strengthen internal management of the Company. The Company will improve the human resource management system, formulate performance appraisal management system, further fine-tune the incentive mechanism and appraisal system, and strengthen training of talents. The Company will also enhance system construction and promote the implementation of office automation system within the Group, so as to further improve the production efficiency of the Group and its member companies. Furthermore, the Company will further regulate and enhance safety management, and improve the safety management system including emergency response plan.

In 2016, the Group will take proactive initiatives to overcome challenges ahead, so as to adapt to the needs of economic development. Upholding the development philosophy of "advancing steadily", the Group will remain cautious, promote operation in the capital market and make persisting efforts to innovate business model, adjust its business structure and proactively explore new businesses, so as to create new spotlight for development and maintain sustainable development of business. It is expected that the operating results of the Company will further improve in 2016, and the Company is confident in its development in the future.

Finally, I would like to express my sincere gratitude on behalf of the Board to all our staff for their excellent performance and dedicated efforts.

MANAGEMENT DISCUSSION AND ANALYSIS

Business highlights

The principal businesses of the Group are logistics and supply chain services for finished automobiles and components, logistics and supply chain services for electronic components, materials procurement and related logistics services, cold chain logistics services and other services such as bonded warehouse, container yard, supervision, agency and transportation services. The major customers of the Group included Tong Fang Global (Tianjin) Logistics Co., Ltd. (同方環球（天津）物流有限公司), Tangshan Donghua Steel Group Co., Ltd. (唐山東華鋼鐵企業集團有限公司), Jin Heng Tai (Tianjin) Trade Development Co., Ltd. (錦亨泰（天津）貿易發展有限公司), Wuxi Leyejia Commercial Co., Ltd. (無錫樂業家商業有限公司), Tianjin Tongguang Group Digital Communication Co., Ltd. (天津通廣集團數字通訊有限公司), Tianjin FAW Toyota Motor Co., Ltd. (天津一汽豐田汽車有限公司) and Tianjin Yamaha Electronic Musical Instrument Co., Ltd. (天津雅馬哈電子樂器有限公司).

During the reporting period, affected by the production reduction of the Toyota imported automobiles and the 8.12 Explosions at Tianjin Port, our logistics and supply chain services for finished automobiles and components recorded decrease to various extent in its operating income and operating profits as compared with the corresponding period of last year. While maintaining its market share, the materials procurement and related logistics services further optimized business structure, enhanced management, innovated business model and diversified business types, resulting in an increase in its operating income and operating profit as compared with the corresponding period of last year. Other logistics services such as bonded warehouse, container yard, supervision, agency and transportation services continued to maintain a good development momentum by expanding new business model and accelerating the development of new revenue sources, leading to substantial increase in operating income and operating profit as compared with the corresponding period of last year. The logistics and supply chain services for electronic components business of the Group's associates continued to maintain steady development momentum, and its operating income and operating profit showed a steady upward trend with substantial increase in the operating results of Tianjin Alps Teda Logistics Co., Ltd.. Being affected by the 8.12 Explosions at Tianjin Port and the slowdown in the domestic automobile industry, the logistics services for imported automobiles transportation and imported automobile inspection business recorded significant decrease in operating results as compared with the corresponding period of last year. The cold chain logistics services recorded decrease in net profit as compared to the corresponding period of last year during the reporting period as it needed to step up efforts in market exploration and accelerate industrial chain extension and upgrade.

While consolidating the traditional logistics businesses, the Group has actively expanded new areas of the logistics businesses, made use of synergy of its internal resources and acquired quality infrastructure logistics resources to achieve steady but yet rapid growth.

Logistics and supply chain services for transportation of finished automobiles and components

During the reporting period, affected by the production reduction of the Toyota imported automobiles and the 8.12 Explosions at Tianjin Port, our logistics and supply chain services for finished automobiles and components recorded decrease to various extent in its operating income and operating profits as compared with the corresponding period of last year, achieving a principal business income of RMB908,653,000, representing a decrease of RMB9,190,000 or 1% as compared to the corresponding period of last year. Net profit recorded a decrease of 50%.

Materials procurement and related logistics services

During the reporting period, through great efforts in expanding customer base, innovating business model and diversifying business types in last year, the materials procurement and related logistics services maintained good development momentum. Its principal business income amounted to RMB2,182,157,000, representing an increase of RMB110,213,000 or 5% as compared with last year.

Warehouse, supervision, agency and other incomes

During the reporting period, other services such as bonded warehouse, container yard, supervision, agency and transportation services continued to maintain a good development momentum with further expansion of business scale. Its operating income amounted to RMB95,542,000, representing an increase of RMB15,830,000 or 20% as compared with last year.

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

During the reporting period, the logistics and supply chain services for electronic components business of the Group's associates continued to maintain steady development momentum, and its operating income and operating profit showed a steady upward trend with substantial increase in the operating results of Tianjin Alps Teda Logistics Co., Ltd.. Its operating income amounted to RMB665,166,000, representing an increase of 4.5%, and the net profit amounted to RMB49,233,000, representing an increase of 23%.

Financial review

Turnover

For the year ended 31 December 2015, turnover of the Group was RMB3.186 billion, representing an increase of RMB117 million or 4% as compared to RMB3.069 billion last year. The significant increase in turnover is mainly attributable to the substantial growth of materials procurement and related logistics services compared to last year.

Cost of sales and gross profit

For the year ended 31 December 2015, the cost of sales of the Group was RMB3.086 billion, representing an increase of RMB122 million or 4% as compared to RMB2.964 billion of the corresponding period of last year, which was broadly in line with the growth of turnover for the year.

For the year ended 31 December 2015, gross profit margin of the Group was 3.16%, substantially the same as compared to last year.

Administrative expenses

The administrative expenses of the Group amounted to RMB54,241,000 in 2015, representing a decrease of RMB881,000 or 2% as compared to RMB55,122,000 last year. The Group will continue to strengthen its control over part of its administrative expenses.

Finance costs

The Group's finance costs during 2015 amounted to RMB5,842,000, representing a decrease of RMB5,713,000 or 49% as compared to RMB11,555,000 last year. The Group will continue to improve the efficiency of capital utilisation and strive for the most favorable conditions for bank credits so as to reduce the overall finance costs.

Taxation expenses

The taxation expenses of the Group for 2015 were RMB12,306,000, representing a decrease of RMB3,989,000 or 25% as compared to RMB16,295,000 last year. The decrease in taxation expenses was mainly attributable to the substantial decrease in the income tax expenses of the Group and Fengtian Logistics (a subsidiary of the Group) as compared to last year.

Share of results of joint ventures and associates

The share of results of joint ventures and associates of the Group for 2015 was RMB13,449,000, representing a decrease of RMB9,661,000 or 42% as compared to last year, which was mainly due to the impact of the explosion in Tianjin on 12 August 2015 and the operating results of Gangwan Automobile and Tianxin substantially decreased as compared to last year.

Profit for the year and earnings attributable to the equity holders of the Company

For the year ended 31 December 2015, total profits for the period amounted to RMB59,479,000, representing a decrease of RMB2,797,000 or 5% as compared to last year. Earnings attributable to the equity holders of the Company were RMB53,684,000, increased by RMB2,470,000 or 5% as compared to RMB51,214,000 last year, of which the non-controlling interest was decreased by RMB5,267,000 or 48% as compared to the corresponding period of last year, which was mainly attributable to the substantial decrease in the results of Fengtian Logistics. The increase in earnings attributable to the equity holders of the Company was mainly because that the finance costs of the Company decreased by RMB5,713,000 or 49% as compared with last year, while the overall operating results of the joint ventures and associates decreased during the reporting period as the Group enhanced control over administrative expenses.

Dividend

The Board proposes the payment of a final dividend of RMB0.03 per share for the year ended 31 December 2015 (corresponding period of 2014: RMB0.03).

The proposal shall be subject to the approval by the shareholders at the Company's annual general meeting of 2015. Information about the date of the annual general meeting and arrangement on closure of register of member will be announced in due course.

Liquidity and financial resources

For the year ended 31 December 2015, the Group maintained a sound financial position. As at 31 December 2015, the cash and bank deposit of the Group was RMB215,350,000 (31 December 2014: RMB301,307,000). As at 31 December 2015, the total assets of the Group were RMB2,579,361,000 (31 December 2014: RMB2,451,376,000). Capital was sourced from current liabilities of RMB1,681,942,000 (31 December 2014: RMB1,564,814,000), non-current liabilities of RMB6,243,000 (31 December 2014: RMB6,597,000), shareholder's equity attributable to the shareholders of the Group of RMB806,319,000 (31 December 2014: RMB791,904,000) and minority interests of RMB84,857,000 (31 December 2014: RMB88,061,000).

Capital structure

For the year ended 31 December 2015, there was no change in the capital structure of the Group. The share capital of the Company comprised only ordinary shares.

Loans and borrowings

As at 31 December 2015, the balance of bank loans of the Group was RMB70,521,000 (31 December 2014: RMB104,898,000).

Gearing ratio

As at 31 December 2015, the ratio of total liabilities to total assets of the Group was 65% (31 December 2014: 64%). The gearing ratio (ratio of short-term bank loans to total equity) of the Group was 8% (31 December 2014: 12%).

Charge on assets

As at 31 December 2015, there was no charge on assets of the Group.

Exchange loss or gain

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

The Group has no significant investments outside Mainland China. The Group, however, may be exposed to certain extent of foreign currency exchange loss or gain mainly because the subsidiaries of the Company, Fengtian Logistics and International Freight Forwarding, have transactions denominated in United States Dollar, the Japanese Yen and Hong Kong Dollar. For the year ended 31 December 2015, the Group had an exchange gain of RMB1,231,000 after offsetting the exchange loss.

Contingent liabilities

As at 31 December 2015, the Group had no material contingent liabilities.

Operating lease commitments

As at 31 December 2015, the Group had the following operating lease commitments:

The Group as lessee	**2015 RMB'000**
Within one year	**7,693**
In the second to fifth year inclusive	**2,498**
	10,191

The Group as lessor	**2015 RMB'000**
Within one year	**14,309**
In the second to fifth year inclusive	**29,149**
Over five years	**–**
	43,458

MAJOR ACQUISITION OR DISPOSAL OF SUBSIDIARIES AND ASSOCIATED COMPANIES

During the year, there was no major acquisition or disposal of subsidiaries and associated companies by the Group.

EMPLOYEES

As at 31 December 2015, the Company employed 2,380 employees (31 December 2014: 2,350).

	As at 31 December 2015	As at 31 December 2014
Administration	**327**	365
Finance	**62**	68
Consulting Technology	**15**	17
Sale and Operation	**1,976**	1,900
Total	**2,380**	2,350

REMUNERATION POLICY

The remunerations of the employees of the Company shall be determined by reference to the market rate, and the performance, qualification and experience of the relevant staff. Also, a discretionary bonus based on individual performance during the year will be distributed as a reward for the contributions made by the employees to the Company. Other staff benefits include pension insurance, unemployment insurance, labour injury insurance, medical insurance, maternity insurance and housing fund, etc..

OTHER CORPORATE INFORMATION

Competition and Conflict of Interests

Competing Interests

None of the Directors, management shareholders, substantial shareholders of the Company or their respective associates has interest in business that competes or may compete with the business of the Group or has any other conflicts of interests with the Group.

Directors', supervisors' and chief executive's interests and short positions in shares, underlying shares and debentures of the Company or its associated corporations

As at 31 December 2015, none of the directors, supervisors or chief executives of the Company had any interest and short positions in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO), which were (a) required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which the directors and supervisors are taken or deemed to have under such provisions of the SFO); or (b) recorded in the register required to be kept pursuant to Section 352 of the SFO; or (c) otherwise required to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules.

As at 31 December 2015, none of the directors, supervisors or chief executives held any beneficial interests in the equity interests of any member of the Group, or had any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for any securities in any member of the Group, or had any interest, directly or indirectly, in any assets acquired or disposed of or leased or proposed to be acquired or disposed of since 1 January 2015.

Substantial shareholders and persons holding interests and short positions in the shares and underlying shares of the Company

So far as is known to the Directors, supervisors and chief executives of the Company, as at 31 December 2015, the following persons had interests or short positions in the shares and the underlying shares of the Company which were required to be disclosed to the Company pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO or which were required to be recorded in the register herein pursuant to Section 336 of the SFO or had, directly or indirectly, been interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meeting of the Company:

Long position in shares of the Company

Name	Capacity	Number and class of shares	Approximate percentage of shareholding in the same class of shares	Approximate percentage of shareholding to the Company's total issued share capital
Tianjin Teda Investment Holding Co., Ltd.	Beneficial owner	150,420,051 Domestic shares	58.74%	42.45%
Chia Tai Pharmaceutical Investment (Beijing) Co., Ltd.	Beneficial owner	77,303,789 Domestic shares	30.19%	21.82%
Chia Tai Land Company Limited	Beneficial owner	28,344,960 Domestic shares	11.07%	8%
Tianjin Port Development Holdings Limited	Beneficial owner	20,000,000 H shares	20.36%	5.64%
Hongkong Topway Trading Co., Limited	Beneficial owner	10,000,000 H shares	10.18%	2.82%
The National Council for Social Security Fund of the People's Republic of China	Beneficial owner	8,931,200 H shares	9.09%	2.52%

On 7 June 2013, Tianjin Teda Investment Holding Co., Ltd. and Tianjin Economic and Technological Development Area State Asset Operation Company transferred 28,344,960 and 77,303,789 domestic shares of the Company held by them to Chia Tai Land Company Limited and Chia Tai Pharmaceutical Investment (Beijing) Co., Ltd., respectively and completed the transfer of the shares. So far as is known to the Directors, chief executives and supervisors of the Company, as at 31 December 2015, the deemed interests of Chia Tai Land Company Limited, Chia Tai Pharmaceutical Investment (Beijing) Co., Ltd. and their associates under Part XV of the SFO were as follows:

Name	**Capacity**	**Number and class of shares**	**Approximate percentage of shareholding in the same class of shares**	**Approximate percentage of shareholding to the Company's total issued share capital**
Chia Tai Land Company Limited 正大置地有限公司	Beneficial owner	28,344,960 Domestic shares	11.07%	8%
Fortune (Shanghai) Limited 富泰（上海）有限公司	Interest of corporation controlled by a substantial shareholder	28,344,960 Domestic shares	11.07%	8%
Charoen Pokphand Group (BVI) Holdings Limited 正大集團(BVI)控股有限公司	Interest of corporation controlled by a substantial shareholder	28,344,960 Domestic shares	11.07%	8%
CPG Overseas Company Limited	Interest of corporation controlled by a substantial shareholder	28,344,960 Domestic shares	11.07%	8%
Charoen Pokphand Group Co., Ltd.	Interest of corporation controlled by a substantial shareholder	28,344,960 Domestic shares	11.07%	8%
Chia Tai Pharmaceutical Investment (Beijing) Co., Ltd. 正大製藥投資（北京）有限公司	Beneficial owner	77,303,789 Domestic shares	30.19%	21.82%
Sino Biopharmaceutical Limited 中國生物製藥有限公司	Interest of corporation controlled by a substantial shareholder	77,303,789 Domestic shares	30.19%	21.82%

Save as disclosed in this announcement, so far as is known to the Directors, chief executives and supervisors of the Company, as at 31 December 2015, no other persons (other than the Directors or chief executives or supervisors of the Company) had interests or short positions 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 required to be recorded in the register herein pursuant to Section 336 of the SFO or had, directly or indirectly, been interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meeting of the Company and/or any of its subsidiaries.

Corporate governance report

The Company believes that stringent corporate governance practices could enhance credibility and transparency and are in the interests of the shareholders of the Company. The Company has established a complete set of code on corporate governance practices – "Handbook of Corporate Governance Practices" pursuant to the requirements of the GEM Listing Rules. Save as disclosed below, the Company has complied with all the requirements of the Corporate Governance Code ("the Code") set out in Appendix 15 of the GEM Listing Rules throughout the reporting year, save for the deviation of Code A.2.1 and Code A.6.7.

Pursuant to Code A.2.1, the roles of the chairman of the Board (the "Chairman") and the chief executive officer (the "CEO") should be separated and should not be performed by the same individual. The division of responsibilities between the Chairman and the CEO should be clearly established and set out in writing. As of 31 December 2015, the roles of the Chairman and the CEO of the Company have been performed by Mr. Zhang Jian and he has been responsible for the management of the Board and the operation of the Group. The Board considered that Mr. Zhang Jian has thorough understanding and expertise regarding the business operations of the Group and thus enabling him to make appropriate decisions which are in the interests of the shareholders as a whole on a timely and effectively basis. The Company believes that the combination of the roles of the Chairman and the CEO helps effectively formulating and implementing the Group's strategies as well as quickly responding to the ever-changing markets. The Board also considers that, at this moment, it is not necessary to separate the roles of the Chairman and the CEO. However, the Board will continue to review the effectiveness of the corporate governance structure of the Group in order to decide whether the roles of the Chairman and the CEO should be separated.

Code A.6.7 (as amended) is related to attendance by the independent non-executive Directors and other non-executive Directors to the meetings. The non-executive Directors of the Company Mr. Tse Ping and Mr. Yang Xiaoping did not attend the annual general meeting held on 5 August 2015, the extraordinary general meetings held on 12 January 2015 and 11 November 2015 and the Board meetings held on 30 March 2015, 4 June 2015, 12 August 2015 and 11 November 2015 due to personal reasons, the non-executive Director Mr. Xu Lifan did not attend the Board meetings held on 30 March 2015 and 12 August 2015 due to personal reasons, the non-executive Director Mr. Cui Xuesong did not attend the annual general meeting held on 5 August 2015, the extraordinary general meeting held on 12 January 2015 and the Board meeting held on 12 August 2015 due to personal reasons and the independent non-executive Director Mr. Japhet Sebastian Law did not attend the Board meeting held on 4 June 2015 due to personal reasons, which are not compliant with Code A.6.7. The Company will continue to create excellent conditions for non-executive Directors to attend general meetings, so as to support non-executive Directors to respond to shareholders' questions in the general meetings.

Audit Committee

The Company has set up an audit committee pursuant to the requirements under Rule 5.28 of the GEM Listing Rules and the "Guidelines for the Establishment of Audit Committees" prepared by the Hong Kong Institute of Certified Public Accountants, and its duties and responsibilities have been properly laid down in writing under the requirements of Rule 5.29 of the GEM Listing Rules. The audit committee currently comprises Mr. Zhou Zisheng (chairman), Mr. Cheng Xinsheng and Mr. Japhet Sebastian Law (all being independent non-executive Directors), among which Mr. Cheng Xinsheng, has the relevant professional qualification and financial experience. The members of the audit committee convene meetings regularly with the management and external auditors and review the internal audit report and the quarterly, interim and annual results of the Group. The audit committee reviewed the audited financial statements for the year ended 31 December 2015 and recommended its adoption by the Board. In 2015, the audit committee held a total of 7 meetings to review the financial information and the risk management and internal control system of the Company. For the year ended 31 December 2015, the Company complied with the requirements of Rules 5.28 of the GEM Listing Rules in respect of the audit committee.

Securities Transaction by Directors

The Group has adopted a code of dealing in securities by the Directors of the Group, which was formulated in accordance with Rules 5.48 to 5.67 of the GEM Listing Rules for the purpose of setting out its own required standards for assessment of the conduct of the Directors in dealings in the securities of the Group. Upon enquiries made to each Director by the Company, all Directors confirmed that they have complied with the code of dealing in securities by the Directors.

Purchase, Sale or Redemption of Listed Securities of the Company

During the year ended 31 December 2015, neither the Company nor any of its subsidiaries has purchased, sold or redeemed or cancelled any listed securities of the Company.

Preliminary Results Announcement

The figures in respect of the preliminary announcement of the Group's results for the year ended 31 December 2015 have been agreed by the Group's auditors, HLB Hodgson Impey Cheng Limited, to the amounts set out in the Group's draft consolidated financial statements for the year. The work performed by HLB Hodgson Impey Cheng Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by HLB Hodgson Impey Cheng Limited on the preliminary results announcement.

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

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

Tianjin, 16 March 2016

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

* *For identification purpose only*