



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)

**INTERIM RESULTS ANNOUNCEMENT
FOR THE SIX MONTHS ENDED 30 JUNE 2016**

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

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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 of the Stock Exchange (the “GEM Listing Rules”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this 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.

* For identification purposes only

HIGHLIGHTS

The following are the financial highlights during the six months ended 30 June 2016:

- Total turnover amounted to RMB1,388,904,000 (corresponding period in 2015: RMB1,496,769,000), representing a decrease of approximately 7.21% as compared with the corresponding period last year.
- Gross profit was approximately RMB35,268,000 (corresponding period in 2015: RMB45,280,000), representing a decrease of approximately 22.11% as compared with the corresponding period last year.
- Gross profit margin was approximately 2.54%, representing a decrease of approximately 0.49 percentage point as compared with 3.03% achieved in the corresponding period last year.
- Profit attributable to shareholders amounted to approximately RMB17,795,000 (corresponding period in 2015: RMB20,311,000), representing a decrease of approximately 12.39% as compared with the corresponding period last year.
- Earnings per share was RMB5 cents (corresponding period last year: RMB6 cents).

UNAUDITED CONSOLIDATED INTERIM RESULTS OF 2016

The board of Directors (the "Board") of the Company hereby announces the unaudited results of the Company and its subsidiaries (collectively the "Group") for the six months ended 30 June 2016 together with the unaudited comparative information for the corresponding period in 2015.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UNAUDITED)

For the six months ended 30 June 2016

	Note	Six months ended 30 June	
		2016 RMB'000 (Unaudited)	2015 RMB'000 (Unaudited)
Revenue	4	1,388,904	1,496,769
Cost of sales	7	(1,353,636)	(1,451,489)
Gross profit		35,268	45,280
Administrative expenses	7	(25,742)	(24,409)
Other income	5	1,677	3,922
Other gains – net		513	897
Finance costs	6	11,716	25,690
Share of results of investments accounted for using the equity method		(3,603)	(3,091)
		15,693	4,327
Profit before income tax		23,806	26,926
Income tax expense	8	(2,885)	(5,629)
Profit for the period and total comprehensive income for the period		20,921	21,297
Attributable to:			
Owners of the Company		17,795	20,311
Non-controlling interests		3,126	986
Earnings per share	10		
– Basic and diluted (RMB cents)		5	6

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

As at 30 June 2016

		30 June 2016 RMB'000 (Unaudited)	31 December 2015 RMB'000 (Audited)
	Note		
Non-current assets			
Property, plant and equipment		191,834	202,534
Land use rights		95,268	96,563
Investment properties		72,770	75,008
Investments accounted for using the equity method		241,468	241,376
Available-for-sale financial assets		16,310	16,310
		617,650	631,791
Current assets			
Inventories		82,766	72,714
Trade and other receivables	12	1,310,412	1,443,423
Pledged bank deposits		149,270	216,083
Cash and cash equivalents		390,173	215,350
		1,932,621	1,947,570
Total assets		2,550,271	2,579,361
Share capital and reserves			
Share capital	15	354,312	354,312
Other reserves		95,322	94,091
Retained profits		363,815	357,916
		813,449	806,319
Non-controlling interests		83,366	84,857
Total equity		896,815	891,176
Non-current liabilities			
Deferred income		6,064	6,243
		6,064	6,243
Current liabilities			
Trade and other payables	13	1,455,152	1,600,347
Dividend payable		4,156	–
Current income tax liabilities		7,068	11,074
Short-term borrowings	14	181,016	70,521
		1,647,392	1,681,942
Total liabilities		1,653,456	1,688,185
Total equity and liabilities		2,550,271	2,579,361
Net current assets		285,229	265,628
Total assets less current liabilities		902,879	897,419

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

As of 30 June 2016

	Attributable to owners of the Company							Total RMB'000
	Share capital RMB'000	Share premium RMB'000	Statutory reserves RMB'000	Other reserves RMB'000	Retained profits RMB'000	Attributable to owners of the parent company	Non-controlling interests	
						RMB'000	RMB'000	
At 1 January 2015 (Audited)	354,312	55,244	74,473	(40,614)	348,489	791,904	88,061	879,965
Profit for the period and total comprehensive income for the period	-	-	-	-	20,311	20,311	986	21,297
Dividend paid	-	-	-	-	(17,785)	(17,785)	(8,999)	(26,784)
Transfer	-	-	3,219	-	(3,219)	-	-	-
At 30 June 2015 (Unaudited)	354,312	55,244	77,692	(40,614)	347,796	794,430	80,048	874,478
At 1 January 2016 (Audited)	354,312	55,244	79,461	(40,614)	357,916	806,319	84,857	891,176
Profit for the period and total comprehensive income for the period	-	-	-	-	17,795	17,795	3,126	20,921
Dividend paid	-	-	-	-	(10,665)	(10,665)	(4,617)	(15,282)
Transfer	-	-	1,231	-	(1,231)	-	-	-
At 30 June 2016 (Unaudited)	354,312	55,244	80,692	(40,614)	363,815	813,449	83,366	896,815

CONDENSED CONSOLIDATED CASH FLOW STATEMENT (UNAUDITED)

For the six months ended 30 June 2016

	Six months ended 30 June	
	2016	2015
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Cash flows from operating activities		
Net cash generated from (used in) operating activities	(6,288)	33,352
Cash flows from investing activities		
Purchase of property, plant and equipment	(671)	(5,930)
(Increase)/decrease in pledged bank deposits	66,813	(22,324)
Dividends received from investments accounted for using the equity method	15,600	18,713
Net cash generated from (used in) investing activities	81,742	(9,541)
Cash flows from financing activities		
Proceeds from borrowings	120,495	76,393
Repayments of borrowings	(10,000)	(90,000)
Dividends paid to owners of the parent company	(10,665)	(17,785)
Cash flows from other financing activities	(461)	(899)
Net cash generated from (used in) financing activities	99,369	(32,291)
Net (decrease)/increase in cash and cash equivalents	174,823	(8,480)
Cash and cash equivalents at 1 January	215,350	301,307
Cash and cash equivalents at 30 June represented by bank balances and cash	390,173	292,827

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

For the six months ended 30 June 2016

1. General

The Company was established as an investment holding company in the People's Republic of China (the "PRC") by its promoters, Tianjin Teda Investment Holding Co., Ltd. ("Teda Holding") and Tianjin Economic and Technological Development Area State Asset Operation Company ("TEDA Asset Company"), as a joint stock limited company on 26 June 2006. Teda Holding and TEDA Asset Company are controlled by State-owned Assets Supervision and Administration Commission of Tianjin Municipal People's Government ("Tianjin SASAC") and Tianjin Economic and Technological Development Area Administrative Commission ("TEDA Administrative Commission") respectively.

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

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

The Company together with its subsidiaries are hereinafter collectively referred to as the Group (the "Group"). The Group is engaged in provision of logistics and supply chain solutions services and materials procurement and related logistics services.

The Group's principal operations are conducted in the PRC. The consolidated financial statements have been presented in Renminbi ("RMB"), which is the functional currency of the Company.

2. Basis of preparation

This condensed consolidated interim financial information for the six months ended 30 June 2016 has been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting". The condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2015, which have been prepared in accordance with the International Financial Reporting Standards.

3. Significant accounting policies

The unaudited condensed consolidated interim financial statements for the six months ended 30 June 2016 have been prepared in accordance with the applicable requirements of disclosure rules of Appendix 16 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited including compliance with Hong Kong Accounting Standards (“HKAS”) 34, Interim Financial Reporting, issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”).

The accounting policies used in the unaudited condensed consolidated interim financial statements for the six months ended 30 June 2016 are consistent with those followed in the preparation of the Group’s annual financial statements for the year ended 31 December 2015, and in accordance with the Hong Kong Financial Reporting Standards (“HKFRSs”) (which include the Hong Kong Financial Reporting Standards, HKASs and Interpretations) issued by the HKICPA.

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

HKFRSs (Amendments)	Annual Improvements 2010–2012 Cycle
HKFRSs (Amendments)	Annual Improvements 2011–2013 Cycle

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

4. Segment information

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

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

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

4. Segment information (Continued)

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

	For the six months ended 30 June 2016				
	Logistics and supply chain services for finished automobiles and components	Materials procurement and related logistics services	Reportable segments subtotal	All other segments	Total
	RMB'000 (Unaudited)	RMB'000 (Unaudited)	RMB'000 (Unaudited)	RMB'000 (Unaudited)	RMB'000 (Unaudited)
Revenue	418,440	900,149	1,318,589	80,364	1,398,953
Inter-segment revenue	–	(5,286)	(5,286)	(4,763)	(10,049)
Revenue from external customers	418,440	894,863	1,313,303	75,601	1,388,904
Segment results	7,873	(3,553)	4,320	7,552	11,872
Share of results of investments accounted for using the equity method					15,693
Unallocated other income					1,677
Unallocated corporate expenses					(1,833)
Finance costs					(3,603)
Profit before income tax					23,806
Income tax expense					(2,885)
Profit for the period					20,921
Other information:					
Depreciation and amortisation	(6,255)	(155)	(6,410)	(6,139)	(12,549)
Income tax expense	(2,041)	–	(2,041)	(844)	(2,885)

4. Segment information (Continued)

For the six months ended 30 June 2015

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

5. Other income

	Six months ended 30 June	
	2016	2015
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Interest income	1,677	2,915
Others	–	1,007
Total	1,677	3,922

6. Finance costs

	Six months ended 30 June	
	2016	2015
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Interest on bank borrowings	3,603	3,091

7. Expenses by nature

	Six months ended 30 June	
	2016	2015
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Depreciation of property, plant and equipment	9,170	9,886
Amortisation of prepaid lease payments	321	363
Exchange gain	(377)	(435)
Other expenses	16,628	14,595
Cost of sales	1,353,636	1,451,489
Total cost of sales and administrative expenses	1,379,378	1,475,898

8. Income tax expense

	Six months ended 30 June	
	2016	2015
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
The Company and its subsidiaries	(2,885)	(5,629)

9. Dividend

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2016 (interim dividend for the six months ended 30 June 2015: RMB0.03).

10. Earnings per share

	Six months ended	
	30 June	
	2016	2015
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Profit for the period attributable to owners of the Company and earnings for the purpose of calculating basic and diluted earnings per share	17,795	20,311

	Number of shares	
	Six months ended	
	30 June	
	2016	2015
	'000	'000
	(Unaudited)	(Unaudited)
Weighted average number of shares for calculating basic earnings per share	354,312	354,312

11. Property, plant and equipment

During the period, the Group spent RMB670,912 (six months ended 30 June 2015: RMB5,929,563) on acquisition of property, plant and equipment.

12. Trade and other receivables

	30 June 2016 RMB'000 (Unaudited)	31 December 2015 RMB'000 (Audited)
Trade receivables	436,491	560,081
Less: impairment loss recognised	(930)	(930)
	435,561	559,151
Bills receivables	6,300	4,000
	441,861	563,151
Other receivables	38,377	29,388
Less: impairment provision	(620)	(620)
	479,618	591,919
Prepayments to suppliers	831,581	852,291
Less: impairment loss recognised	(787)	(787)
Prepayments to suppliers-net	830,794	851,504
Total trade and other receivables	1,310,412	1,443,423

The average credit period that the Group grants to its trade customers ranges from 30 to 90 days. As at 30 June 2016, the ageing analysis of trade and bills receivables is as follows:

	30 June 2016 RMB'000 (Unaudited)	31 December 2015 RMB'000 (Audited)
0-90 days	423,319	528,960
91-180 days	8,742	17,887
181-365 days	4,630	3,050
Over 1 year	5,170	14,184
	441,861	564,081

13. Trade and other payables

	30 June 2016 RMB'000 (Unaudited)	31 December 2015 RMB'000 (Audited)
Trade payables	103,781	181,094
Bills payables	814,750	976,431
	918,531	1,157,525
Deposits from customers	215,608	392,780
Other payables	321,013	50,042
Total trade and other payables	1,455,152	1,600,347

As at 30 June 2016, the ageing analysis of trade and bills payables is as follows:

	30 June 2016 RMB'000 (Unaudited)	31 December 2015 RMB'000 (Audited)
0-90 days	465,422	730,396
91-180 days	452,956	425,027
181-365 days	0	406
Over 1 year	153	1,696
	918,531	1,157,525

14. Borrowings

	30 June 2016 RMB'000 (Unaudited)	31 December 2015 RMB'000 (Audited)
Short-term borrowings	181,016	70,521

15. Share capital

	Number of shares			Amount RMB
	Domestic shares	H Shares		
At 31 December 2015				
and 30 June 2016	256,068,800	98,243,200		354,312,000

16. Capital commitments

The Group had no capital commitments during the reporting period.

17. Related party disclosures

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

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

b. Key management personnel and remuneration

The short-term benefits paid or unpaid by the Group to Directors and other members of key management of the Company during the six months ended 30 June 2016 amounted to RMB2,273,000 (six months ended 30 June 2015: RMB2,446,000).

18. Financial guarantee liabilities

As at 30 June 2016, the Company has provided financial guarantee to Teda Hang for its bank borrowing facilities of RMB350 million. The borrowings drawn down by such joint venture as at 30 June 2016 was RMB144.06 million.

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Review

For the six months ended 30 June 2016, the Group recorded a turnover of RMB1,388,904,000, representing a decrease of RMB107,865,000 or 7.21% as compared to that of the corresponding period last year. During the reporting period, turnover from the materials procurement and related logistics services decreased as compared with the corresponding period last year, while turnover from the logistics and supply chain services for finished automobiles and components increased as compared with the corresponding period last year.

For the six months ended 30 June 2016, overall gross profit margin for the Group was 2.54%, representing a decrease of 0.49 percentage point as compared with the overall gross profit margin of 3.03% of the corresponding period last year, among which, the gross profit of the logistics and supply chain services for finished automobiles and components significantly increased as compared with the corresponding period last year, while the gross profit of the materials procurement and related logistics services as well as bonded warehouse, supervision and transportation services recorded varying degrees of decrease as compared with the corresponding period last year.

For the six months ended 30 June 2016, management expenses for the Group was RMB25,742,000, representing an increase of RMB1,333,000 or 5.46% as compared with management expenses of RMB24,409,000 of the corresponding period last year.

For the six months ended 30 June 2016, the share of results of associates of the Group was RMB15,693,000, representing an increase of RMB11,366,000 or 263% as compared with RMB4,327,000 of the corresponding period last year. The substantial increase in share of results of associates was mainly due to the dramatic growth in the operating results of Tianjin Alps Teda Logistics Co., Ltd. and the substantial decreases in losses in the operating results of Tedahang Cold Chain Logistics Co., Ltd. as compared to the corresponding period last year.

For the six months ended 30 June 2016, finance costs for the Group was RMB3,603,000, representing an increase of RMB512,000 or 16.56% as compared with finance costs of RMB3,091,000 of the corresponding period last year. The increase in finance costs was mainly attributable to the increase in liquidity loans by the Group during the reporting period.

For the six months ended 30 June 2016, net profit attributable to the equity holders of the Group amounted to RMB17,795,000, representing a decrease of RMB2,516,000 or 12.39% as compared with RMB20,311,000 of the corresponding period last year. The main reasons are: 1. the sales amount and operating profits from the materials procurement business recorded varying degrees of decrease as compared with the corresponding period last year; 2. the operating results of the bonded warehouse, transportation and supervision business decreased as compared with the corresponding period last year; and 3. The branch company of the Group in Changshu City, which was established in November 2015 and is still at its initial stage, also contributed to the decrease in profit of the Group for the period.

Business Review

After years of development, the Group has developed into an integrated logistics enterprise with a number of specialized logistics service businesses. With the continuous optimization of business structure, the principal businesses of the Group currently include logistics and supply chain services for finished automobiles and components, supply chain and logistics services for electronic components, materials procurement and related logistics services, cold chain logistics services and other services such as bonded warehouse, supervision and agency services. During the reporting period, the domestic economic environment remained challenging, with intensified economic structure adjustment and noticeable slowdown in economic growth. While the diversified business structure of the Group effectively balanced market risks, overall operating results decreased as compared to the corresponding period last year due to the active adjustment to the respective business carried out by the Group.

Regarding each of the business segments, under the backdrop of industrial structural adjustment and de-capacity policy in China, the Group continued to adjust the business structure of bulk commodity procurement business and compressed the scale of the business, which resulted in periodic slump in the operating income and operating profits from the materials procurement and related logistics services business in the reporting period. The operating results of the bonded warehouse, transportation and supervision business decreased as compared with the corresponding period last year. The branch company in Changshu City has achieved progress in business development, but it is expected to make loss in the short term as it has just started its operation. Meanwhile, the logistics and supply chain services for finished automobiles and components continued to maintain a growing trend since the first quarter, with substantial growth in its operating results as compared with that of the corresponding period last year. Driven by the growth in demands for vehicle-mounted electronic components, the electronic components logistics business of Tianjin Alps Teda Logistics Co., Ltd. and Dalian Alps Teda Logistics Co., Ltd. (both associated companies of the Group) continued to maintain good development momentum, with notable increase in their respective operating results as compared with the corresponding period last year, hence leading to significant increase in the investment income as compared with the corresponding period last year. The cold chain logistics business continued to step up efforts in market exploration and accelerate industrial chain extension. During the reporting period, this business segment has achieved improvement in operating results, but it will still remain under adjustment and development pressure in the later period.

Logistics and supply chain services for finished automobiles and components

During the reporting period, the throughput of the logistics services for domestic finished automobiles was 286,936 sets, increased by 40,335 sets or 16.36% as compared to corresponding period last year. During the reporting period, the throughput of logistics services for the imported automobiles was 11,410 sets, increased by 4,613 sets or 67.87% as compared with the corresponding period last year. Turnover recorded for the reporting period amounted to RMB418,440,000, representing an increase of RMB36,379,000 or 9.52% as compared with the corresponding period last year.

Materials procurement and related logistics services

Turnover recorded for the reporting period amounted to RMB894,863,000, representing a decrease of RMB150,906,000 or 14.43% as compared with corresponding period last year.

Other logistics services

Turnover recorded for the reporting period amounted to RMB75,601,000, representing an increase of RMB6,662,000 or 9.66% as compared with corresponding period last year.

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

Turnover recorded for the reporting period amounted to RMB363,319,000, representing an increase of RMB40,433,000 or 12.52% as compared with the corresponding period last year.

Prospects and Outlook

In the first half of 2016, China's GDP growth rate was 6.7% with stable overall development. However, with the existing difficulties due to the structural adjustment, slowdown in investment growth and decrease in overall import and export, the real economy remained challenging under significant pressure of economic downturn. Under this backdrop, the Group continued to develop integrated logistics services business, achieving mixed performance among all the business segments, with the logistics services for automobiles, logistics services for vehicle-mounted electronic components and cold chain logistics services showing good development momentum, while the materials procurement business recording significant decrease in operating results due to active adjustments. Being affected by the aforesaid factors, the operating results of the Group for the first half of the year decreased to a certain degree as compared with that of last year.

Looking forward to the second half of the year, with the continuance of industrial structural adjustment, the real economy will still be under great pressure, presenting both challenges and opportunities for the enterprises. The Group will keep abreast of the progression of the economical structural adjustment of China and will adhere to the development philosophy of "tactic operation strategy with positive and steady growth". The Group will adjust its business structure and continue to control the business risks, so as to improve the operation of its own-brand businesses and push forward new business. Meanwhile, the Group will continue to push forward its comprehensive arrangement, focus on logistics facility resources at the core hubs, with an aim to improve availability and integration of key resources. Combining our efforts in business structure adjustment and new business exploration, the Group will strive to improve our competitiveness and profitability, laying a solid foundation for our business development at present and in the future. The Group remains confident about its future business development despite the grave operating and structural adjustment pressure at present.

Liquidity, Financial Resources and Capital Structure

The Group's working capital was generally financed by internally generated net cash inflow and bank borrowings. As at 30 June 2016, total assets of the Group amounted to RMB2,550,271,000, amongst which, total current assets amounted to RMB1,932,621,000, and total non-current assets were RMB617,650,000. The Group's total liabilities were RMB1,653,456,000, of which current liabilities amounted to RMB1,647,392,000, and non-current liabilities amounted to RMB6,064,000. Total equity amounted to RMB896,815,000, of which equity interest attributable to the Group amounted to RMB813,449,000 and non-controlling interests amounted to RMB83,366,000.

Charge on Assets of The Group

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

Gearing Ratio

As of 30 June 2016, the Group's gearing ratio was approximately 65% (31 December 2015: approximately 65%), which was measured by the total liabilities over the total assets.

Foreign Exchange Risk

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

The Group has no significant investments outside Mainland China. The Group, however, may be exposed to certain extent of foreign currency exchange loss or gain mainly as the Group and the holding subsidiaries of the Group, Tianjin Fengtian Logistics Co., Ltd., He Guang Trade and Business Co., Ltd. and Tianjin Teda International Freight Forwarding Co., Ltd., have foreign currency businesses for United States Dollar, Japanese Yen or Hong Kong Dollars. For the six months ended 30 June 2016, the Group had an exchange gain of RMB377,000 due to the depreciation of foreign currencies.

MATERIAL ACQUISITIONS AND DISPOSALS

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

CONTINGENT LIABILITIES

As at 30 June 2016, the Group had no material contingent liabilities.

EMPLOYEES

As at 30 June 2016, the Group employed 2,230 employees (corresponding period in 2015: 2,296 employees). During the reporting period, staff costs, including Directors' and supervisors' remunerations, amounted to approximately RMB66,615,000 (corresponding period in 2015: approximately RMB69,394,000). The Group's remuneration and bonus of employees are mainly determined by the provisions under the Group's remuneration policy and performance assessment of individual employee.

DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVES' INTERESTS AND/OR SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY OF ITS ASSOCIATED CORPORATIONS

As of 30 June 2016, none of the Directors, supervisors and chief executives of the Company or their respective associates (within the meaning of the GEM Listing Rules) held interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")), which were required to be notified to the Company and the Stock Exchange under Divisions 7 and 8 of Part XV of the SFO (Chapter 571) (including interests or short positions which they have been taken or deemed to have under the SFO), or which were recorded in the register required to be kept by the Company under Section 352 of the SFO, or which were otherwise required to be notified to the Company and Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules.

DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVES' RIGHTS TO ACQUIRE SHARES OR DEBENTURES OF THE COMPANY

So far as is known to the Directors, as at 30 June 2016, none of the Directors, supervisors and chief executives of the Company or any of their spouses and children under 18 years of age had any interest in the shares of the Company, or has been granted, or exercised, any rights to subscribe for shares (or warrants or debentures, if applicable) of the Company or to purchase shares of the Company.

SUBSTANTIAL SHAREHOLDERS AND PERSONS HOLDING INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

So far as is known to the Directors, supervisors and chief executives of the Company, as at 30 June 2016, the following persons (other than the Directors, supervisors or chief executives of the Company) had or were deemed to have interests or short positions in the shares and underlying shares of the Company, which were required to be disclosed to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under section 336 of the SFO, or were directly or indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group:

Name	Capacity	Number and class of shares (Note 1)	Approximate percentage of shareholding in the same class of shares	Approximate percentage of shareholding to the Company's total issued share capital
Tianjin Teda Investment Holding Co., Ltd.	Beneficial owner	150,420,051 (L) Domestic shares	58.74%	42.45%
Chia Tai Pharmaceutical Investment (Beijing) Co., Ltd. 正大製藥投資(北京)有限公司	Beneficial owner	77,303,789 (L) Domestic shares	30.19%	21.82%
Chia Tai Land Company Limited 正大置地有限公司	Beneficial owner	28,344,960 (L) Domestic shares	11.07%	8%
Tianjin Port Development Holdings Limited	Beneficial owner	20,000,000 (L) H Shares	20.36%	5.64%
Hongkong Topway Trading Co., Limited	Beneficial owner	10,000,000 (L) H Shares	10.18%	2.82%
The National Council for Social Security Fund of the People's Republic of China	Beneficial owner	8,931,200 (L) H Shares	9.09%	2.52%

On 7 June 2013, Tianjin Teda Investment Holding Co., Ltd. and Tianjin Economic and Technological Development Area State Asset Operation Company transferred 28,344,960 and 77,303,789 domestic shares of the Company held by them to Chia Tai Land Company Limited and Chia Tai Pharmaceutical Investment (Beijing) Co., Ltd. respectively and completed the transfer of the shares. So far as is known to the Directors, chief executives and supervisors of the Company, as at 30 June 2016, the deemed interests of Chia Tai Land Company Limited, Chia Tai Pharmaceutical Investment (Beijing) Co., Ltd. and their associates under Part XV of the SFO are as follows:

Name	Capacity	Number and class of shares (Note 1)	Approximate percentage of shareholding in the same class of shares	Approximate percentage of shareholding to the Company's total issued share capital
Chia Tai Land Company Limited 正大置地有限公司	Beneficial owner	28,344,960(L) Domestic shares	11.07%	8%
Fortune (Shanghai) Limited 富泰(上海)有限公司	Interest of corporation controlled by a substantial shareholder	28,344,960(L) Domestic shares	11.07%	8%
Charoen Pokphand Group (BVI) Holdings Limited 正大集團(BVI)控股有限公司	Interest of corporation controlled by a substantial shareholder	28,344,960(L) Domestic shares	11.07%	8%
CPG Overseas Company Limited	Interest of corporation controlled by a substantial shareholder	28,344,960(L) Domestic shares	11.07%	8%
Charoen Pokphand Group Co., Ltd.	Interest of corporation controlled by a substantial shareholder	28,344,960(L) Domestic shares	11.07%	8%
Chia Tai Pharmaceutical Investment (Beijing) Co., Ltd. 正大製藥投資(北京)有限公司	Beneficial owner	77,303,789(L) Domestic shares	30.19%	21.82%
Sino Biopharmaceutical Limited 中國生物製藥有限公司	Interest of corporation controlled by a substantial shareholder	77,303,789(L) Domestic shares	30.19%	21.82%

Note:

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

Save as disclosed in this announcement, so far as is known to the Directors and chief executives of the Company, as at 30 June 2016, no any other persons (other than Directors, supervisors or chief executives of the Company) had interests or short positions which would fall to be disclosed to the Company under provisions of Divisions 2 and 3 of Part XV of the SFO or, who were directly or indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company and/or any subsidiary of the Company or, which were required to be recorded in the register referred to in Section 336 of the SFO.

COMPETITION AND CONFLICT OF INTERESTS

None of the Directors, management shareholders, substantial shareholders of the Company nor their respective associates are engaged in business that competes or may compete with the business of the Group and have any other conflicts of interests with the Group.

CORPORATE GOVERNANCE CODE

The Company has complied with the code provisions in the Corporate Governance Code as set out in Appendix 15 of the GEM Listing Rules throughout the period under review, except for the following deviation: according to code provision A.2.1, the roles of the chairman of the Board (the “Chairman”) and the chief executive officer (the “CEO”) should be separate and should not be performed by the same individual. The division of responsibilities between the Chairman and CEO should be clearly established and set out in writing.

As at 30 June 2016, Mr. Zhang Jian was both the Chairman and CEO of the Company who is responsible for managing the Board and the Group’s business. The Board considers that Mr. Zhang Jian understands the business operation of the Group well and can make decisions which are in the interest of the shareholders as a whole in a timely manner. The combination of the roles of Chairman and CEO can effectively formulate and implement the strategies of the Group and react swiftly to changes in the market. The Board also considers that there is no immediate need to separate the roles of Chairman and CEO. However, the Board will continue to review the effectiveness of the Group’s corporate governance structure to assess whether the separation of the positions of Chairman and CEO is necessary.

AUDIT COMMITTEE

The Company has established an audit committee with terms of reference, which clearly defines the powers and duties of the committee. The primary duties of the audit committee are to review and supervise the financial reporting process and internal control systems of the Company, as well as providing opinion and recommendation to the Directors of the Company. The audit committee comprises three independent non-executive Directors, namely Mr. Zhou Zisheng, Mr. Cheng Xinseng and Mr. Japhet Sebastian Law. Mr. Zhou Zisheng is the chairman of the audit committee. The audit committee has reviewed the Company’s unaudited results for the reporting period and respective recommendation and opinion have been made.

SECURITIES TRANSACTIONS BY DIRECTORS

The Group has adopted a code of dealing in securities by the Directors of the Group, which was formulated in accordance with Rules 5.48 to 5.67 of the GEM Listing Rules for the purpose of setting out its own required standards for assessment of the conduct of the Directors of the Group 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.

* *For identification purposes only*

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

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

By order of the Board

Tianjin Binhai Teda Logistics (Group) Corporation Limited*

Zhang Jian

Chairman

Tianjin, the PRC

10 August 2016

As at the date of this announcement, the executive Director is Mr. Zhang Jian; the non-executive Directors are Mr. Cui Xuesong, Mr. Xu Lifan, 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.

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