



天津濱海泰達物流集團股份有限公司  
Tianjin Binhai Teda Logistics (Group) Corporation Limited\*

# 2016 Interim Report

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

Stock Code: 8348



TEDA LOGISTICS

TEDA LOGISTICS

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

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

**Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.**

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*This report, for which the directors (the “Directors”) of Tianjin Binhai Teda Logistics (Group) Corporation Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “GEM Listing Rules”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.*

## HIGHLIGHTS

The following are the financial highlights during the six months ended 30 June 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<br>RMB'000<br>(Unaudited) | 2015<br>RMB'000<br>(Unaudited) |
| Revenue  | 4    | 1,388,904                      | 1,496,769                      |
| Cost of sales  | 7    | (1,353,636)                    | (1,451,489)                    |
| <b>Gross profit</b>  |      | <b>35,268</b>                  | 45,280                         |
| Administrative expenses  | 7    | (25,742)                       | (24,409)                       |
| Other income   | 5    | 1,677                          | 3,922                          |
| Other gains – net  |      | 513                            | 897                            |
| Finance costs  | 6    | (3,603)                        | (3,091)                        |
| Share of results of investments accounted for using the equity method      |      | 15,693                         | 4,327                          |
| <b>Profit before income tax</b>  |      | <b>23,806</b>                  | 26,926                         |
| Income tax expense   | 8    | (2,885)                        | (5,629)                        |
| <b>Profit for the period and total comprehensive income for the period</b> |      | <b>20,921</b>                  | 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

|   | Note | 30 June<br>2016<br>RMB'000<br>(Unaudited) | 31 December<br>2015<br>RMB'000<br>(Audited) |
|---|------|---|---|
| <b>Non-current assets</b>                         |      |   |   |
| 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                                      |
|   |      | <b>617,650</b>                            | 631,791                                     |
| <b>Current assets</b>                             |      |   |   |
| 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                                     |
|   |      | <b>1,932,621</b>                          | 1,947,570                                   |
| <b>Total assets</b>                               |      | <b>2,550,271</b>                          | 2,579,361                                   |
| <b>Share capital and reserves</b>                 |      |   |   |
| Share capital                                     | 15   | 354,312                                   | 354,312                                     |
| Other reserves                                    |      | 95,322                                    | 94,091                                      |
| Retained profits                                  |      | 363,815                                   | 357,916                                     |
|   |      | <b>813,449</b>                            | 806,319                                     |
| <b>Non-controlling interests</b>                  |      | <b>83,366</b>                             | 84,857                                      |
| <b>Total equity</b>                               |      | <b>896,815</b>                            | 891,176                                     |
| <b>Non-current liabilities</b>                    |      |   |   |
| Deferred income                                   |      | 6,064                                     | 6,243                                       |
|   |      | <b>6,064</b>                              | 6,243                                       |
| <b>Current liabilities</b>                        |      |   |   |
| 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                                      |
|   |      | <b>1,647,392</b>                          | 1,681,942                                   |
| <b>Total liabilities</b>                          |      | <b>1,653,456</b>                          | 1,688,185                                   |
| <b>Total equity and liabilities</b>               |      | <b>2,550,271</b>                          | 2,579,361                                   |
| <b>Net current assets</b>                         |      | <b>285,229</b>                            | 265,628                                     |
| <b>Total assets less current liabilities</b>      |      | <b>902,879</b>                            | 897,419                                     |

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)***As of 30 June 2016*

|   | Attributable to owners of the Company |               |                    |                 |                  | Attributable to owners of the parent company | Non-controlling interests | Total          |
|---|---------------------------------------|---------------|--------------------|-----------------|------------------|--|---------------------------|----------------|
|   | Share capital                         | Share premium | Statutory reserves | Other reserves  | Retained profits |  |                           |                |
|   | RMB'000                               | RMB'000       | RMB'000            | RMB'000         | RMB'000          | RMB'000                                      | RMB'000                   | RMB'000        |
| At 1 January 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)          | -  | -                         | -              |
| <b>At 30 June 2015 (Unaudited)</b>                                  | <b>354,312</b>                        | <b>55,244</b> | <b>77,692</b>      | <b>(40,614)</b> | <b>347,796</b>   | <b>794,430</b>                               | <b>80,048</b>             | <b>874,478</b> |
| 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)          | -  | -                         | -              |
| <b>At 30 June 2016 (Unaudited)</b>                                  | <b>354,312</b>                        | <b>55,244</b> | <b>80,692</b>      | <b>(40,614)</b> | <b>363,815</b>   | <b>813,449</b>                               | <b>83,366</b>             | <b>896,815</b> |

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT (UNAUDITED)***For the six months ended 30 June 2016*

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

## 4. Segment information (Continued)

For the six months ended 30 June 2016

|   | Logistics and<br>supply chain<br>services for<br>finished<br>automobiles<br>and<br>components<br>RMB'000<br>(Unaudited) | Materials<br>procurement<br>and related<br>logistics<br>services<br>RMB'000<br>(Unaudited) | Reportable<br>segments<br>subtotal<br>RMB'000<br>(Unaudited) | All other<br>segments<br>RMB'000<br>(Unaudited) | Total<br>RMB'000<br>(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<br>accounted for using<br>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<br>RMB'000<br>(Unaudited) | Materials procurement and related logistics services<br>RMB'000<br>(Unaudited) | Reportable segments subtotal<br>RMB'000<br>(Unaudited) | All other segments<br>RMB'000<br>(Unaudited) | Total<br>RMB'000<br>(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<br>RMB'000<br>(Unaudited) | 2015<br>RMB'000<br>(Unaudited) |
| Interest income | 1,677                          | 2,915                          |
| Others          | –                              | 1,007                          |
| Total           | 1,677                          | 3,922                          |

## 6. Finance costs

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

## 7. Expenses by nature

|   | Six months ended<br>30 June    |                                |
|---|--------------------------------|--------------------------------|
|   | 2016<br>RMB'000<br>(Unaudited) | 2015<br>RMB'000<br>(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<br>30 June    |                                |
|----------------------------------|--------------------------------|--------------------------------|
|                                  | 2016<br>RMB'000<br>(Unaudited) | 2015<br>RMB'000<br>(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<br>30 June                              |                                |
|--|--|--------------------------------|
|  | 2016<br>RMB'000<br>(Unaudited)                           | 2015<br>RMB'000<br>(Unaudited) |
| Profit for the period attributable to owners of the Company and earnings for the purpose of calculating basic and diluted earnings per share | <b>17,795</b>  | 20,311                         |
|  | <b>Number of shares<br/>Six months ended<br/>30 June</b> |                                |
|  | 2016<br>'000<br>(Unaudited)                              | 2015<br>'000<br>(Unaudited)    |
| Weighted average number of shares for calculating basic earnings per share   | <b>354,312</b>   | 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<br>2016<br>RMB'000<br>(Unaudited) | 31 December<br>2015<br>RMB'000<br>(Audited) |
|-----------------------------------|---|---|
| Trade receivables                 | <b>436,491</b>                            | 560,081                                     |
| Less: impairment loss recognised  | <b>(930)</b>                              | (930)                                       |
| Bills receivables                 | <b>435,561</b><br><b>6,300</b>            | 559,151<br>4,000                            |
| Other receivables                 | <b>441,861</b>                            | 563,151                                     |
| Less: impairment provision        | <b>38,377</b><br><b>(620)</b>             | 29,388<br>(620)                             |
| Prepayments to suppliers          | <b>479,618</b>                            | 591,919                                     |
| Less: impairment loss recognised  | <b>831,581</b><br><b>(787)</b>            | 852,291<br>(787)                            |
| Prepayments to suppliers-net      | <b>830,794</b>                            | 851,504                                     |
| Total trade and other receivables | <b>1,310,412</b>                          | 1,443,423                                   |

## 12. Trade and other receivables (Continued)

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

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

## 13. Trade and other payables

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

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

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

## 14. Borrowings

|                       | <b>30 June<br/>2016<br/>RMB'000<br/>(Unaudited)</b> | 31 December<br>2015<br>RMB'000<br>(Audited) |
|-----------------------|---|---|
| Short-term borrowings | <b>181,016</b>                                      | 70,521                                      |

## 15. Share capital

|   | <b>Number of shares</b>    |                 |                       |
|---|----------------------------|-----------------|-----------------------|
|   | <b>Domestic<br/>shares</b> | <b>H Shares</b> | <b>Amount<br/>RMB</b> |
| At 31 December 2015<br>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, the holding subsidiaries of the Group Tianjin Fengtian Logistics Co., Ltd. and Tianjin Teda International Freight Forwarding Co., Ltd., and its wholly-owned subsidiary He Guang Trade and Business 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<br>(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)<br>Domestic shares     | 58.74%   | 42.45%   |
| Chia Tai Pharmaceutical Investment (Beijing) Co., Ltd.<br>正大製藥投資(北京)有限公司        | Beneficial owner | 77,303,789 (L)<br>Domestic shares      | 30.19%   | 21.82%   |
| Chia Tai Land Company Limited<br>正大置地有限公司                                       | Beneficial owner | 28,344,960 (L)<br>Domestic shares      | 11.07%   | 8%   |
| Tianjin Port Development Holdings Limited                                       | Beneficial owner | 20,000,000 (L)<br>H Shares             | 20.36%   | 5.64%  |
| Hongkong Topway Trading Co., Limited  | Beneficial owner | 10,000,000 (L)<br>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)<br>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<br>(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<br>正大置地有限公司                                | Beneficial owner  | 28,344,960(L)<br>Domestic shares       | 11.07%   | 8%   |
| Fortune (Shanghai) Limited<br>富泰(上海)有限公司                                 | Interest of corporation controlled by a substantial shareholder | 28,344,960(L)<br>Domestic shares       | 11.07%   | 8%   |
| Charoen Pokphand Group (BVI) Holdings Limited<br>正大集團(BVI)控股有限公司         | Interest of corporation controlled by a substantial shareholder | 28,344,960(L)<br>Domestic shares       | 11.07%   | 8%   |
| CPG Overseas Company Limited   | Interest of corporation controlled by a substantial shareholder | 28,344,960(L)<br>Domestic shares       | 11.07%   | 8%   |
| Charoen Pokphand Group Co., Ltd.   | Interest of corporation controlled by a substantial shareholder | 28,344,960(L)<br>Domestic shares       | 11.07%   | 8%   |
| Chia Tai Pharmaceutical Investment (Beijing) Co., Ltd.<br>正大製藥投資(北京)有限公司 | Beneficial owner  | 77,303,789(L)<br>Domestic shares       | 30.19%   | 21.82%   |
| Sino Biopharmaceutical Limited<br>中國生物製藥有限公司                             | Interest of corporation controlled by a substantial shareholder | 77,303,789(L)<br>Domestic shares       | 30.19%   | 21.82%   |

Note:

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

Save as disclosed in this report, 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 Xinsheng and Mr. Japhet Sebastian Law. Mr. Zhou Zisheng is the chairman of the audit committee. The audit committee has reviewed the Company's unaudited results for the reporting period and respective recommendation and opinion have been made.

## SECURITIES TRANSACTIONS BY DIRECTORS

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

## **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 report, 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 Xincheng, Mr. Japhet Sebastian Law, Mr. Mei Xingbao and Mr. Zhou Zisheng.*

\* *For identification purposes only*

