天津濱海泰達物流集團股份有限公司

Tianjin Binhai Teda Logistics (Group) Corporation Limited*

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

(Stock code: 8348)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2016

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 the 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.

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

FINANCIAL HIGHLIGHTS

- Revenue decreased by approximately 13% to RMB2,772,369,000
- The gross margin rate was approximately 3%
- Profit attributable to shareholders decreased by approximately 19% to RMB43,383,000
- Earnings per share was RMB0.12
- The Board recommended the payment of a final dividend of RMB0.03 per share

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

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

ANNUAL RESULTS

The Board of Directors (the "Board") of the Company is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 December 2016, together with the comparative figures for the corresponding period in 2015 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2016

	Note	**2016** **RMB'000**	2015 RMB'000
Revenue	3	**2,772,369**	3,186,352
Cost of sales		**(2,682,819)**	(3,085,640)
Gross profit		**89,550**	100,712
Administrative expenses		**(58,536)**	(54,241)
Other income	4	**14,814**	18,530
Other gains/(losses) – net	5	**513**	(823)
Operating profit		**46,341**	64,178
Finance costs	6	**(10,427)**	(5,842)
Share of profit of investments accounted for using the equity method		**31,789**	13,449
Profit before income tax	10	**67,703**	71,785
Income tax expense	7	**(10,067)**	(12,306)
Profit/total comprehensive income for the year		**57,636**	59,479
Profit/total comprehensive income attributable to:			
Owners of the Company		**43,383**	53,684
Non-controlling interests		**14,253**	5,795
		57,636	59,479
Earnings per share (RMB cents)			
– Basic and diluted	9	**12**	15
Dividends	8	**10,629**	21,258

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2016

	Notes	**2016** **RMB'000**	2015 RMB'000
ASSETS			
Non-current assets			
Land use rights		**93,976**	96,563
Property, plant and equipment		**183,492**	202,534
Investment properties		**70,564**	75,008
Investments accounted for using the equity method		**253,794**	241,376
Available-for-sale financial assets		**16,310**	16,310
		618,136	631,791
Current assets			
Inventories		**54,863**	72,714
Trade and other receivables	11	**1,375,227**	1,443,423
Pledged bank deposits		**144,423**	216,083
Cash and cash equivalents		**327,598**	215,350
		1,902,111	1,947,570
Total assets		**2,520,247**	2,579,361
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company			
Share capital	12	**354,312**	354,312
Other reserves	12	**97,564**	94,091
Retained earnings	12	**387,156**	357,916
		839,032	806,319
Non-controlling interests	12	**94,493**	84,857
Total equity		**933,525**	891,176

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

As at 31 December 2016

	Notes	2016 RMB'000	2015 RMB'000
LIABILITIES			
Non-current liabilities			
Deferred income		**5,887**	6,243
Obligations under finance lease		**56,875**	–
		62,762	6,243
Current liabilities			
Trade and other payables	13	**1,293,547**	1,600,347
Current income tax liabilities		**6,246**	11,074
Borrowings		**193,834**	70,521
Obligations under finance lease		**30,333**	–
		1,523,960	1,681,942
Total liabilities		**1,586,722**	1,688,185
Total equity and liabilities		**2,520,247**	2,579,361
Net current assets		**378,151**	265,628
Total assets less current liabilities		**996,287**	897,419

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2016

1. General information

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

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

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

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

As at 31 December 2016, the Directors of the Company consider TEDA Holding as the immediate holding company and the ultimate holding company of the Company.

These financial statements are presented in Renminbi ("RMB") unless otherwise stated. These financial statements have been approved for issue by the Board of Directors on 24 March 2017.

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

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

In the current year, the Group has applied, for the first time, the following new and revised standards, amendments and interpretations ("new and revised IFRSs") issued by the IASB, which are effective for the Group's financial year beginning on or after 1 January 2016.

IFRSs (Amendments)	Annual Improvements to IFRSs 2012-2014 Cycle
IFRS 10, IFRS 12 and IAS 28 (Amendments)	Investment Entities: Applying the Consolidation Exception
IFRS 11 (Amendments)	Accounting for Acquisitions of Interests in Joint Operations
IFRS 14	Regulatory Deferral Accounts
IAS 1 (Amendments)	Disclosure Initiative
IAS 16 and IAS 38 (Amendments)	Clarification of Acceptable Methods of Depreciation and Amortisation
IAS 16 and IAS 41 (Amendments)	Agriculture: Bearer Plants
IAS 27 (Amendments)	Equity Method in Separate Financial Statements

Annual Improvements to IFRSs 2012-2014 Cycle

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

The amendments to IFRS 5 introduce specific guidance in IFRS 5 for when an entity reclassifies an asset (or disposal group) from held for sale to held for distribution to owners (or vice versa), or when held-for-distribution accounting is discontinued. The amendments shall be applied prospectively.

The amendments to IFRS 7 Disclosure – Offsetting Financial Assets and Financial Liabilities provide additional guidance to clarify whether a servicing contract is continuing involvement in a transferred asset for the purpose of the disclosures required in relation to transferred assets and clarify that the offsetting disclosures (introduced in the amendments to IFRS 7 issued in December 2011 and effective for periods beginning on or after 1 January 2013) are not explicitly required for all interim periods. However, the disclosures may need to be included in condensed interim financial statements to comply with IAS 34 Interim Financial Reporting.

The amendments to IAS 19 clarify that the high quality corporate bonds used to estimate the discount rate for post-employment benefits should be issued in the same currency as the benefits to be paid. These amendments would result in the depth of the market for high quality corporate bonds being assessed at currency level. The amendments apply from the beginning of the earliest comparative period presented in the financial statements in which the amendments are first applied. Any initial adjustment arising should be recognised in opening retained earnings of the earliest comparative period presented.

The amendments to IAS 34 clarify the requirements relating to information required by IAS 34 that is presented elsewhere in the interim financial report. The amendments require that such information be incorporated by way of a cross reference from the interim financial statements to the other part of the interim financial report that is available to users on the same terms and at the same time as the interim financial statements.

The application of the said amendments to IFRSs has had no material effect on the Group's consolidated financial statements.

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

The amendments to IFRS 10 Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities and IAS 28 Investments in Associates and Joint Ventures clarify that the exemption from preparing consolidated financial statements is available to a parent entity that is a subsidiary of an investment entity, even if the investment entity measures all its subsidiaries at fair value in accordance with IFRS 10. The amendments also clarify that the requirement for an investment entity to consolidate a subsidiary, whose main purpose is to provide services and activities that are related to the investment activities of the investment entity parent, applies only to subsidiaries that are not investment entities themselves.

The application of these amendments to IFRS 10, IFRS 12 and IAS 28 has had no material impact on the Group's consolidated financial statements as the Group is not an investment entity and does not have any subsidiary, associate or joint venture that qualifies as an investment entity.

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

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

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

The amendments to IFRS 11 apply prospectively for annual periods beginning on or after 1 January 2016. The application of these amendments to IFRS 11 has had no material impact on the Group's consolidated financial statements.

Amendments to IAS 1 Disclosure Initiative

The amendments to IAS 1 are designed to further encourage companies to apply professional judgment in determining what information to disclose in their financial statements. For example, the amendments make clear that materiality applies to the whole of financial statements and that the inclusion of immaterial information can inhibit the usefulness of financial disclosures. Furthermore, the amendments clarify that companies should use professional judgment in determining where and in what order information is presented in the financial disclosures.

The application of these amendments to IAS 1 has had no material impact on the Group's consolidated financial statements.

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

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

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

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

The amendments apply prospectively for annual periods beginning on or after 1 January 2016. Currently, the Group uses the straight-line method for depreciation for its plant and equipment. The directors of the Company believe that the straight-line method is the most appropriate method to reflect the consumption of economic benefits inherent in the respective assets and accordingly, the application of these amendments to IAS 16 and IAS 38 has had no material impact on the Group's consolidated financial statements.

Amendments to IAS 27 Equity Method in Separate Financial Statements

The amendments allow an entity to account for investments in subsidiaries, joint ventures and associates in its separate financial statements:

- at cost;

- in accordance with IFRS 9 Financial Instruments (or IAS 39 for entities that have not yet adopted IFRS 9);

- using the equity method as described in IAS 28 Investments in Associates and Joint Ventures.

The accounting option must be applied by category of investments.

The amendments also clarify that when a parent ceases to be an investment entity, or becomes an investment entity, it shall account for the change from the date when the change in status occurred.

In addition to the amendments to IAS 27, there are consequential amendments to IAS 28 to avoid a potential conflict with IFRS 10 Consolidated Financial Statements and to IFRS 1 First-time Adoption of International Financial Reporting Standards.

The directors of the Company do not anticipate that the application of these amendments to IAS 27 will have a material impact on the Group's consolidated financial statements.

The application of the other new and revised IFRSs in the current year has had no material impact on the Group's financial performance and position for the current and prior years and on the disclosures set out in these consolidated financial statements.

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

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

IFRS 2 (Amendments)	Classification and Measurement of Share-based Payment Transactions[2]
IFRS 4 (Amendments)	Insurance Contracts[2]
IFRS 9	Financial Instruments[2]
IFRS 10 and IAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[4]
IFRS 15	Revenue from Contracts with Customers[2]
IFRS 15 (Amendments)	Clarifications to IFRS 15 Revenue from Contracts with Customers[2]
IFRS 16	Leases[3]
IAS 7 (Amendments)	Disclosure Initiative[1]
IAS 12 (Amendments)	Recognition of Deferred Tax Assets for Unrealised Losses[1]

1 Effective for annual periods beginning on or after 1 January 2017, with earlier application permitted.

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

3 Effective for annual periods beginning on or after 1 January 2019, with earlier application permitted.

4 Effective for annual periods beginning on or after a date to be determined.

That are relevant to the Group are described as follows:

IFRS 9 Financial Instruments

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

Key requirements of IFRS 9

- All recognised financial assets that are within the scope of IAS 39 to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent reporting periods. All other debt investments and equity investments are measured at their fair values at the end of subsequent accounting periods. In addition, under IFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

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

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

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

The directors of the Company anticipate that the application of IFRS 9 in the future may impact the amounts reported and disclosures made in the Group's consolidated financial statements. However, it is not practicable to provide a reasonable estimate of the effect until a detailed review has been completed.

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

Amendments to IFRS 10:

- An exception from the general requirement of full gain or loss recognition has been introduced into IFRS 10 for the loss control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method.

- New guidance has been introduced requiring that gains or losses resulting from those transactions are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the remeasurement at fair value of investments retained in any former subsidiary that has become an associate or a joint venture that is accounted for using the equity method are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture.

Amendments to IAS 28:

- The requirements on gains and losses resulting from transactions between an entity and its associate or joint venture have been amended to relate only to assets that do not constitute a business.

- A new requirement has been introduced that gains or losses from downstream transactions involving assets that constitute a business between an entity and its associate or joint venture must be recognised in full in the investor's financial statements.

- A requirement has been added that an entity needs to consider whether assets that are sold or contributed in separate transactions constitute a business and should be accounted for as a single transaction.

The directors of the Company do not anticipate that the application of these amendments to IFRS 10 and IAS 28 will have a material impact on the Group's consolidated financial statements.

IFRS 15 Revenue from Contracts with Customers

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

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

- Step 1: Identify the contract(s) with a customer.
- Step 2: Identify the performance obligations in the contract.
- Step 3: Determine the transaction price.
- Step 4: Allocate the transaction price to the performance obligations in the contract.
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

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

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

The Group is in the process of assessing the potential impact of the other new and revised IFRSs upon initial application but is not yet in a position to state whether the other new and revised IFRSs, will have a significant impact on the Group's financial performance and position.

3. Segment information

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

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

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

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

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

	For the year ended 31 December 2016				
	Logistics and supply chain service for finished automobiles and components RMB'000	Materials procurement and related logistics services RMB'000	Reportable segments subtotal RMB'000	All other segments RMB'000	Total RMB'000
Revenue	**883,152**	**1,884,370**	**2,767,522**	**80,543**	**2,848,065**
Inter-segment revenue	**–**	**(66,302)**	**(66,302)**	**(9,394)**	**(75,696)**
Revenue from external customers	**883,152**	**1,818,068**	**2,701,220**	**71,149**	**2,772,369**
Segment results	**31,376**	**6,009**	**37,385**	**7,343**	**44,728**
Share of profit of investments accounted for using the equity method					**31,789**
Unallocated other income					**6,274**
Unallocated corporate expenses					**(4,661)**
Finance costs					**(10,427)**
Profit before income tax					**67,703**
Income tax expense					**(10,067)**
Profit for the year					**57,636**
Other information:					
Depreciation and amortisation	**(12,930)**	**(467)**	**(13,397)**	**(14,767)**	**(28,164)**
Income tax expense	**(9,918)**	**(157)**	**(10,075)**	**8**	**(10,067)**

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

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

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

Geographical information

Over 90% of the Group's operations and non-current assets are located in the PRC, and over 90% of the Group's revenue of the external customers is attributed to the PRC. Therefore, no analyses of geographical segment is presented for the years ended 31 December 2016 and 2015.

Information about major customer

	2016	2015
	RMB'000	RMB'000
Customer A	**736,671**	757,652
Customer B	**321,954**	–
Customer C	**281,946**	–
Customer D (note)	**–**	319,892

Note: No information on turnover for the current year is disclosed for this customer since it contributed less than 10% to the Group's turnover for the year ended 31 December 2016.

4. Other income

	2016	2015
	RMB'000	RMB'000
Government grant (note)	**8,540**	12,093
Interest income from bank deposits	**6,274**	6,437
	14,814	18,530

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

5. Other gains/(losses)-net

	2016	2015
	RMB'000	RMB'000
Net foreign exchange gains	**818**	1,231
Loss on disposal of property, plant and equipment	**(286)**	(1,717)
Others	**(19)**	(337)
	513	(823)

6. Finance costs

	2016	2015
	RMB'000	RMB'000
Interest on borrowings wholly repayable within five years	**8,425**	4,439
Interest on discounted bill receivables	**1,394**	1,403
Interest on finance lease	**608**	–
	10,427	5,842

7. Income tax expense

	2016 RMB'000	2015 RMB'000
Current tax:		
Provision for the year	**10,893**	13,108
Over-provision in prior years	**(826)**	(802)
	10,067	12,306

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

Hong Kong profits tax has been provided at the rate of 16.5% (2015: 16.5%) on the estimated assessable profit for the year.

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

	2016 RMB'000	2015 RMB'000
Profit before income tax	**67,703**	71,785
Tax at the official income tax rate of 25% and 16.5% (2015: 25% and 16.5%)	**16,862**	17,977
Tax effect of:		
– Associates' and joint ventures' results reported, net of tax	**(7,947)**	(3,362)
– Expenses and income not deductible or taxable for taxation purpose	**1,978**	(1,507)
– Over-provision in respect of prior years	**(826)**	(802)
Income tax expense	**10,067**	12,306

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

8. Dividends

	2016	2015
	RMB'000	RMB'000
Interim dividend (note a)	**–**	10,629
Final dividend (note b)	**10,629**	10,629
	10,629	21,258

Notes:

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

(b) On 16 March 2016, the Directors of the Company proposed the payment of final dividend of RMB0.03 per share for the year ended 31 December 2015. The annual general meeting approved and declared the proposal on 11 May 2016. The total amount is approximately RMB10,629,000 and was paid on or before 30 June 2016 to shareholders whose names appeared on the register of members of the Company on 23 May 2016.

On 24 March 2017, the Directors of the Company proposed the payment of final dividend of RMB0.03 per share for the year ended 31 December 2016. These consolidated financial statements do not reflect this dividend payable.

(c) The dividends actually paid to owners of the Company for the years ended 31 December 2016 and 2015 were approximately RMB10,670,000 and RMB39,269,000 respectively based on the number of issued shares outstanding at relevant time.

9. Earnings per share

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

	2016	2015
	RMB'000	RMB'000
Earnings		
Profit attributable to owners of the Company	**43,383**	53,684
Number of shares (thousands)		
Weighted average number of ordinary shares for calculating basic and diluted earnings per share	**354,312**	354,312

For the years ended 31 December 2016 and 2015, diluted earnings per share are the same as the basic earnings per share as the Company did not have any potential dilutive ordinary shares outstanding during the years ended 31 December 2016 and 2015.

10. Profit before taxation

Profit before taxation is arrived at after charging:

	2016 RMB'000	2015 RMB'000
Auditors' remuneration	**1,760**	1,350
Cost of materials purchased	**1,806,906**	2,138,941
Subcontracting charges	**628,728**	699,721
Employee benefits expenses	**152,504**	148,209
Depreciation	**25,577**	26,220
Transportation	**14,354**	10,715
Fuel	**8,919**	9,222
Operating lease charges	**2,406**	3,128
Business tax	**2,340**	3,260
Amortisation	**2,587**	2,587
Others	**95,274**	96,528
Total cost of sales and administrative expenses	**2,741,355**	3,139,881

11. Trade and other receivables

	2016 RMB'000	2015 RMB'000
Trade receivables	**566,300**	560,081
Less: allowance for impairment	**(930)**	(930)
	565,370	559,151
Bill receivables	**1,250**	4,000
	566,620	563,151
Other receivables, deposits and prepayments	**31,536**	29,388
Less: allowance for impairment	**(620)**	(620)
	597,536	591,919
Prepayment to suppliers	**778,478**	852,291
Less: allowance for impairment	**(787)**	(787)
Prepayment to suppliers-net	**777,691**	851,504
	1,375,227	1,443,423

The following is an aging analysis of trade and bill receivables at the end of reporting period:

	2016	2015
	RMB'000	RMB'000
0 – 90 days	**367,119**	528,960
91 – 180 days	**122,327**	17,887
181 – 365 days	**50,969**	3,050
Over 365 days	**27,135**	14,184
	567,550	564,081

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

12. Share capital, other reserves, retained earnings and non-controlling interests

	Attributable to owners of the Company					
	Share capital	**Other reserves**	**Retained earnings**	**Total**	**Non-controlling interests**	**Total equity**
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1 January 2015	354,312	89,103	348,489	791,904	88,061	879,965
Profit and total comprehensive income for the year	–	–	53,684	53,684	5,795	59,479
Transfer from retained earnings	–	4,988	(4,988)	–	–	–
Dividends paid	–	–	(39,269)	(39,269)	(8,999)	(48,268)
Balance at 31 December 2016 and 1 January 2016	354,312	94,091	357,916	806,319	84,857	891,176
Profit and total comprehensive income for the year	–	–	43,383	43,383	14,253	57,636
Transfer from retained earnings	–	3,473	(3,473)	–	–	–
Dividends paid	–	–	(10,670)	(10,670)	(4,617)	(15,287)
Balance at 31 December 2016	354,312	97,564	387,156	839,032	94,493	933,525

13. Trade and other payables

	2016 RMB'000	2015 RMB'000
Trade payables	**171,507**	181,094
Bill payables (note a)	**686,441**	976,431
	857,948	1,157,525
Deposits from customers	**372,389**	392,780
Other tax payables	**2,026**	3,691
Other payables and accruals	**61,184**	46,351
	1,293,547	1,600,347

Notes:

(a) The bills are non-interest bearing and have a maximum maturity of six months. The credit period granted by the suppliers to the Group ranged from 30 to 90 days. Management of the Group monitors the repayment of all payables and ensures compliance with credit time frame.

(b) The aging analysis of the trade payables and bill payables at the end of the reporting period is as follows:

	2016 RMB'000	2015 RMB'000
0 – 90 days	**517,571**	730,396
91 – 180 days	**339,544**	425,027
181 – 365 days	**335**	406
Over 365 days	**498**	1,696
	857,948	1,157,525

CHAIRMAN'S STATEMENT

On behalf of the board of directors of the Company (the "Board"), I am pleased to present the audited consolidated financial results of the Group for the year ended 31 December 2016 to all shareholders.

Results of the year

For the year ended 31 December 2016 (the "Year"), turnover of the Group amounted to approximately RMB2,772,369,000 (2015: RMB3,186,352,000), representing a decrease of approximately 13% as compared with the corresponding period of last year. Profit attributable to the shareholders was approximately RMB43,383,000 (2015: RMB53,684,000) and the earnings per share was approximately RMB0.12 (2015: RMB0.15).

As at 31 December 2016, the total assets and current assets of the Group were approximately RMB2,520,247,000 (2015: RMB2,579,361,000) and approximately RMB1,902,111,000 (2015: RMB1,947,570,000), respectively, representing decreases of RMB59,114,000 and RMB45,459,000 from 31 December 2015, respectively. Our net assets attributable to the parent company and net assets per share at the end of the year were approximately RMB839,032,000 (2015: RMB806,319,000) and approximately RMB2.37 (2015: RMB2.28), respectively, both representing an increase of 4% from 31 December 2015.

Review for the year

In 2016, the global market demand remained sluggish with no substantial improvement. The complexity of political environment significantly and adversely affected the global economic development. Although GDP growth of the PRC economy was generally stable, the real economy was still under great downward pressure. In response to the increasingly complex domestic and international political and economic situation, at the beginning of the year the Group put forward the strategy of "adapting to the new normal state, constructing new platform, innovating new culture and seeking new breakthroughs" to take proactive initiatives against the severe economic situation in the new normal state. Adopting the business development strategy of "tactic operation with flexible approaches", the Group made great effort to develop more sophisticated platforms for business development, management, talent development and capital operation through resources integration. The Group also actively adjusted the business structure, strictly controlled business risks and enhanced own-brand business operation, delivering mixed performances across all business segments, with the overall operating results of 2016 achieving expectation.

Keeping abreast with the policy and economic development to adjust macro development strategy

Adhering to the business development strategy of "tactic operation with flexible approaches", the Group scaled down its bulk commodity trade business and adjusted product category, consolidated the electronic components logistics business and vigorously promoted the automobile and cold chain business.

Enhancing joint-venture cooperation

During the reporting period, the Company officially renewed the joint venture contract with the Japanese shareholder of Fengtian Logistics and completed the relevant procedures, extending the term of the joint venture for another twenty years to 2036. In addition, Fengtian Logistics and Tianjin Alps respectively held a grand celebration of the 20th anniversary during the year. The renewal of the joint venture contract and the celebration activities showed their firm confidence about the future of the PRC economy.

Improving the national automobile logistics network and the "river, sea, railway and road" intermodal transportation system

During the reporting period, the Group made great efforts to establish a comprehensive vehicle transportation network combining the "sea, river, railway and road" transportation with Eastern China, Northern China and Southwestern China as the major hubs. The branch company in Changshu City, which was taken as our base in Eastern China, launched the ceremony of maiden voyage in river in April, which marked the commencement of our automobile river transportation business. Combined with the railway transportation business, the Group has preliminarily established the intermodal transportation system combining the "river, sea, railway and road" transportation, which is in compliance with the new traffic regulations promulgated by the PRC in 21 September 2016 and is consistent with the new trend of vehicle transportation in the PRC.

Continuously improving internal management

The Group attached great emphasis on talent training. The Company initially identified the establishment of two position systems consisting of administrative management positions and technical positions. In order to further improve the performance appraisal system, the Company promulgated the annual assessment management approaches for senior management of the Group, middle-level management and general manager assistants of the management department at the headquarters of the Group as well as the daily assessment management approach for junior staff, covering all employees at different levels.

The Group made strenuous efforts in expanding financing channels. In addition to continuous cooperation with banks, the Group introduced medium and long-term funds from non-banking financial institutions through various means including financial leasing and factoring, so as to form a financing model with complementary edges of long, medium and short term financing, with an aim to optimize the overall capital structure of the Group and diversify capital pressure and financing risks.

The Group made smooth progress in systematic and institutionalized construction. The Group further improved the construction of the office automation system. On the basis of ISO9001:2008 quality management certification system, the Group made persisting efforts to improve the logical relation of internal authorization system, and implemented the requirements of the institution in the OA system. The whole model was also implemented within the Group to regulate, guide and promote the construction of information system and institutional system.

An internal auditing function was established. The Company set up an internal auditing function and further improved the internal control system and risk management and assessment system, so as to ensure the effectiveness of the internal control system and cultivate a corporate culture of respecting rules.

Efforts were stepped up to push ahead safety production standardization and implementation of safety culture. During the reporting period, the Company completed the evaluation of Grade II accreditation of the safety standardization, since then three member companies of the Group namely the Company, Tedahang and Fengtian Logistics have obtained the Grade II certification of safety production standardization. The Group held a number of joint security emergency drills to strengthen our staff's safety awareness and skills in safety production. The Group also launched a series of safety month activities with a keynote of "strengthening the safety awareness and creating a safety production environment", which consolidated the results of safety education by various way including promotion, training, written examination and drills.

The Group attached great importance to social responsibility. The Company put great emphasis on environmental protection and participation in community activities. We focused on process optimization and reduction of resource consumption in our daily management and business activities. As a director of Hefu Cultural Development Foundation, the Company actively supported their activities on society and public welfare. During the reporting period, the Company conducted a comprehensive review of our affairs on environment, society and governance to better undertake our social responsibility.

Prospect and outlook

In 2017, with continuous slowdown in the growth of the global economy, sluggish growth in international trade and investment, a more vulnerable financial market and widening gap in income and wealth, there exist great uncertainties around the economic growth, and the Group will still face great challenges. With the PRC economy entering into a new normal state, the Group will adhere to the development philosophy of "advancing steadily by promoting innovation and coordinated development". Focusing on the general work guideline of "advancing forward through consolidation and innovation", we put forward a work strategy of "enhancing business presence, deepening joint-venture cooperation, promoting capital operation and accelerating system construction". To this end, the Group intends to take the following measures:

In 2017, our most outstanding logistics and supply chain services for finished automobiles and components business will seize the policy opportunity to further improve the nationwide automobile logistics network and river-sea intermodal transportation system and consolidate the integrated vehicle transportation network combining the "sea, river, railway and road" transportation with Eastern China, Northern China and Southwestern China as the major hubs. By expanding and leveraging on our existing advantages in technology, network and facilities, the Group will expand its services to cover the whole supply chain of automobile industry, and explore domestic and overseas customer base beyond Japanese car brand. In addition, the Group will proactively participate in the "One Belt and One Road" strategy of the PRC, and play an important role in promoting the implementation of such strategy. As a pioneer in optimizing automobile transportation solution and national network system, the Group will continue to seize opportunities to create new business growth drivers.

In terms of materials procurement and logistics business, the Group will continue to adjust product categories of bulk commodity trade business, increase the variety of items, improve risk resistance capacity and strengthen relationship with logistics entities, so as to continuously expand the variety and scale of the business and make full use of our advantages in facilities and premises, driving the sustainable development of the Group.

In terms of traditional logistics business, the Company will vigorously push ahead the transformation and upgrading of the traditional business, introduce new business resources and projects through joint venture and business innovation and further enrich the portfolio of logistics products.

Despite our efforts to overcome the adverse impact and achieve satisfactory results in 2016, the logistics and supply chain services for electronic components business still faces operation pressure due to the general situation of customers and markets. In the future, the Group will continue to explore new markets and customers, expand business areas, make technological innovation, strengthen the professional training of the staff and seize new market opportunities, with an aim to improve profitability.

The Company will step up efforts to further explore the cold chain logistics business and introduce shareholders' resources. Based on its existing business of "centralized inspection and management warehousing of imported meat at Tianjin Port" and leveraging on its terminal advantage, unique location and function edge, Tedahang will take proactive measures to develop new clients and explore new markets, with an aim to broaden operating revenue and further reduce losses.

Efforts will be made to strengthen internal management of the Company. The Company will continue to improve the human resource management system, and step up efforts in talent cultivation, especially focusing on training of outstanding junior staff and young cadres. Through training of existing staff and introduction of new talents, the Company will expand the talent reserve to build an echelon of talents at all levels and formulate our management succession plan, and efforts will be made to further fine-tune the incentive mechanism and appraisal system. In the construction of information system, the Company will further improve the office automation system implemented within the Group, regulate and strengthen the internal management and integration of the Group, so as to regulate, guide and promote the construction of information system within the Group. The Company will pay more attention to environmental protection and participation in community activities, with an aim to develop itself into an environment-friendly and community-contributing enterprise. Furthermore, the Company will continue to strengthen safety management efforts and the implementation of safety culture by highlighting the responsibility of security principal, pushing forward safety standardization and strengthening daily management and inspection, with an aim to ensure safety production. Meanwhile, adhering to the human-oriented concept, the Company will provide safety protection to all staff and the people involved, and will attach emphasis on personal safety and social security.

In 2017, the Group will take proactive initiatives to adapt to the new economic normal state and establish a systematic and diverse logistic service platform. Leveraging on the opportunities from policy adjustment and upholding the development philosophy of "advancing steadily", the Group will overcome operational risks, alleviate staff pressure, remain cautious, promote operation in the capital market, fully utilise resources and advantages from all partners and innovate business model, adjust its business structure, so as to create new spotlight for development and maintain sustainable development of business. It is expected that the operating results of the Company appears to remain stable in 2017, and the Company is confident in its development in the future.

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

MANAGEMENT DISCUSSION AND ANALYSIS

Business highlights

The principal businesses of the Group are logistics and supply chain services for finished automobiles and components, logistics and supply chain services for electronic components, materials procurement and related logistics services, cold chain logistics services and other services such as bonded warehouse, container yard, supervision, agency and transportation services. The major customers of the Group include Tong Fang Global (Tianjin) Logistics Co., Ltd. (同方環球（天津）物流有限公司), Wuxi Leyejia Commercial Co., Ltd. (無錫樂業家商業有限公司), Tangshan Donghua Steel Group Co., Ltd. (唐山東華鋼鐵企業集團有限公司), Tianjin Tongguang Group Digital Communication Co., Ltd. (天津通廣集團數字通訊有限公司), Toyota Tsusho (Tianjin) Co., Ltd. (豐田通商（天津）有限公司), etc.

During the reporting period, the operating results of our logistics and supply chain services for finished automobiles and components recorded significant increase, and the logistics services for the imported automobiles which was hit by the 8.12 Explosions in 2015 was on the course of recovery growth with dramatic improvement in the operating results of the imported automobiles business, driving substantial growth in the operating results of that segment. 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 recorded losses in the reporting period as it had just started its operation not long ago. 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 achieved substantial increase in turnover and significant decrease in net profit as compared with the corresponding period last year.

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

Logistics and Supply Chain Services for Transportation of Finished Automobiles and Components

During the reporting period, the principal businesses income amounted to RMB883,152,000, basically the same as compared to last year. The logistics services for the imported automobiles recovered at a rapid pace, driving substantial growth in the operating results of that segment, with a year-on-year increase of 125%.

Materials Procurement and Related Logistics Services

During the reporting period, the principal business income from the materials procurement and related logistics services amounted to RMB1,818,068,000, representing a decrease of RMB364,089,000 or 17% as compared with last year.

Warehouse, Supervision, Agency and Other Incomes

During the reporting period, other services such as bonded warehouse, container yard, supervision, agency and transportation services recorded an operating income of RMB71,149,000, representing a decrease of RMB24,393,000 or 26% as compared with last year.

Logistics and Supply Chain Services for Electronic Components (Conducted Through Investments in Joint Ventures)

During the reporting period, the logistics and supply chain services for electronic components business of the Group's associates continued to maintain a growth momentum, and its operating income and net profit recorded substantial increase as compared with that of last year, in particular, the results of Tianjin Alps Teda Logistics Co., Ltd. contributed a relatively large portion. During the reporting period, its operating income amounted to RMB790,597,000, representing an increase of 19%, and the net profit amounted to RMB64,756,000, representing an increase of 32%.

Financial Review

Turnover

For the year ended 31 December 2016, turnover of the Group was RMB2,772 million, representing a decrease of RMB414 million or 13% as compared to RMB3,186 million last year. The decrease in turnover is mainly attributable to the decrease in materials procurement and related logistics services compared to last year.

Cost of sales and gross profit

For the year ended 31 December 2016, the cost of sales of the Group was RMB2,683 million, representing a decrease of RMB403 million or 13% as compared to RMB3,086 million of the corresponding period of last year, which was broadly in line with the decrease of turnover for the year.

For the year ended 31 December 2016, gross profit margin of the Group was 3.23%, substantially the same as compared to last year.

Administrative expenses

The administrative expenses of the Group amounted to RMB58,536,000 in 2016, representing an increase of RMB4,295,000 or 8% as compared to RMB54,241,000 last year. The Group will continue to strengthen its control over part of its administrative expenses.

Finance costs

The Group's finance costs during 2016 amounted to RMB10,427,000, representing an increase of RMB4,585,000 or 78% as compared to RMB5,842,000 last year. The increase in finance costs is mainly because the Group increased the scale of its loans during the reporting period. The Group will continue to improve the efficiency of capital utilisation and strive for the most favorable conditions for bank credits so as to reduce the overall finance costs.

Taxation expenses

The taxation expenses of the Group for 2016 were RMB10,067,000, representing a decrease of RMB2,239,000 or 18% as compared to RMB12,306,000 last year. The decrease in taxation expenses was mainly attributable to the substantial decrease in the income tax expenses of the Group and TEDA General Bonded Warehouse Co., Ltd. (a subsidiary of the Group) as compared to last year.

Share of results of joint ventures and associates

The share of results of joint ventures and associates of the Group for 2016 was RMB31,789,000, representing an increase of RMB18,340,000 or 136% as compared to RMB13,449,000 last year, which was mainly due to the substantial increase in the operating results of Tianjin Alps Teda Logistics Co., Ltd. and Dalian Alps Teda Logistics Co., Ltd. (both of which are associated companies of the Group) as compared to the corresponding period of last year.

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

For the year ended 31 December 2016, total profits for the period amounted to RMB57,636,000, representing a decrease of RMB1,843,000 or 3% as compared to last year. Earnings attributable to the equity holders of the Company were RMB43,383,000, decreased by RMB10,301,000 or 19% as compared to RMB53,684,000 last year. The decrease in earnings attributable to the equity holders of the Company was mainly because the Company's total gross profit for its main operating business decreased as compared to the corresponding period of last year. The main reason of the decrease in gross profit was because the operating results of the materials procurement and related logistics services decreased as compared to the corresponding period of last year.

Dividend

The Board proposes the payment of a final dividend of RMB0.03 per share for the year ended 31 December 2016 (corresponding period of 2015: RMB0.03). The proposal shall be subject to the approval by the shareholders at the Company's annual general meeting of 2016. Information about the date of the annual general meeting and arrangement on closure of register of member will be announced in due course.

Liquidity and financial resources

For the year ended 31 December 2016, the Group maintained a sound financial position. As at 31 December 2016, the cash and bank balances of the Group were RMB327,598,000 (31 December 2015: RMB215,350,000). As at 31 December 2016, the total assets of the Group were RMB2,520,247,000 (31 December 2015: RMB2,579,361,000). Capital was sourced from current liabilities of RMB1,523,960,000 (31 December 2015: RMB1,681,942,000), non-current liabilities of RMB62,762,000 (31 December 2015: RMB6,243,000), shareholder's equity attributable to the shareholders of the Group of RMB839,032,000 (31 December 2015: RMB806,319,000) and minority interests of RMB94,493,000 (31 December 2015: RMB84,857,000).

Capital structure

For the year ended 31 December 2016, there was no change in the capital structure of the Group. The share capital of the Company comprised only ordinary shares.

Loans and borrowings

As at 31 December 2016, the balance of bank loans of the Group was RMB193,834,000 (31 December 2015: RMB70,521,000).

Gearing ratio

As at 31 December 2016, the ratio of total liabilities to total assets of the Group was 63% (31 December 2015: 65%). The gearing ratio (ratio of loans (including borrowings and obligations under finance lease) to total equity) of the Group was 30% (31 December 2015: 8%).

Charge on assets

As at 31 December 2016, the charge on assets of the Group was as follows:

On 8 November 2016, Bonded Warehouse, a wholly-owned subsidiary of the Group, entered into a financial lease agreement with Huayun Finance Leasing Company Limited* (華運金融租賃股份有限公司) at the consideration of RMB91,000,000, and entered into a mortgage in favour of Huayun Leasing to guarantee the principal payment under the finance lease agreement. The mortgaged assets are certain properties and facilities of Bonded Warehouse with a net asset value of approximately RMB109,436,000.

Exchange loss or gain

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

The Group has no significant investments outside Mainland China. The Group, however, may be exposed to certain extent of foreign currency exchange loss or gain mainly because the Group and its subsidiaries, Tianjin Fengtian Logistics Co., Ltd and Tianjin TEDA International Freight Forwarding Co., Ltd., have transactions denominated in United States Dollar, Japanese Yen and Hong Kong Dollar. For the year ended 31 December 2016, the Group had an exchange gain of RMB818,000 after offsetting the exchange loss.

Contingent liabilities

As at 31 December 2016, the Group had no material contingent liabilities.

Operating lease commitments

As at 31 December 2016, the Group had the following operating lease commitments:

The Group as lessee **The Group**	**2016** **RMB'000**
Within one year	**3,852**
In the second to fifth year	**165**
Over five years	**–**
	4,017

The Group as lessor **The Group**	**2016** **RMB'000**
Within one year	**10,114**
In the second to fifth year	**27,585**
Over five years	**–**
	37,699

MATERIAL ACQUISITION OR DISPOSAL OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

During the year, there was no material acquisition or disposal of subsidiaries, associates and joint ventures by the Group.

EMPLOYEES

As at 31 December 2016, the Company employed 2,329 employees (31 December 2015: 2,380).

	As at 31 December 2016	As at 31 December 2015
Administration	**304**	327
Finance	**69**	62
Consulting Technology	**13**	15
Sale and Operation	**1,943**	1,976
Total	**2,329**	2,380

REMUNERATION POLICY

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

OTHER CORPORATE INFORMATION

Competition and Conflict of Interests

Competing Interests

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

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

As at 31 December 2016, none of the directors, supervisors or chief executives of the Company had any interest and short positions in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO), which were (a) required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which the directors and supervisors are taken or deemed to have under such provisions of the SFO); or (b) recorded in the register required to be kept pursuant to Section 352 of the SFO; or (c) otherwise required to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules.

As at 31 December 2016, none of the directors, supervisors or chief executives held any beneficial interests in the equity interests of any member of the Group, or had any right (whether legally enforceable or not) to subscribe for or to nominate others to subscribe for any securities in any member of the Group, or had any interest, directly or indirectly, in any assets acquired or leased or proposed to be acquired since 1 January 2016.

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

So far as is known to the Directors, supervisors and chief executives of the Company, as at 31 December 2016, the following persons had interests or short positions in the shares and the underlying shares of the Company which were required to be disclosed to the Company pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO or had, directly or indirectly, been interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meeting of the Company; or which were required to be recorded in the register specified in Section 336 of the SFO pursuant to such Section:

Long position in shares of the Company

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

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

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

Save as disclosed in this announcement, so far as is known to the Directors, chief executives and supervisors of the Company, as at 31 December 2016, no other persons (other than the Directors or chief executives or supervisors of the Company) had interests or short positions which were required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were required to be recorded in the register specified in Section 336 of the SFO or had, directly or indirectly, been interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meeting of the Company; or which were required to be recorded in the register specified in Section 336 of the SFO pursuant to such Section.

Corporate governance report

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

Pursuant to Code A.2.1, the roles of the chairman of the Board (the "Chairman") and the chief executive officer (the "CEO") should be separated and should not be performed by the same individual. The division of responsibilities between the Chairman and the CEO should be clearly established and set out in writing. As of 31 December 2016, the roles of the Chairman and the CEO of the Company have been performed by Mr. Zhang Jian and he has been responsible for the management of the Board and the operation of the Group. The Board considered that Mr. Zhang Jian has thorough understanding and expertise regarding the business operations of the Group, which enables him to make appropriate decisions which are in the interests of the shareholders as a whole on a timely and effective basis. The Company believes that the combination of the roles of the Chairman and the CEO helps effectively formulate and implement the Group's strategies as well as quickly respond to the ever-changing markets. The Board also considers that, at this moment, it is not necessary to separate the roles of the Chairman and the CEO. However, the Board will continue to review the effectiveness of the corporate governance structure of the Group in order to decide whether the roles of the Chairman and the CEO should be separated.

Code A.6.7 (as amended) is related to attendance by the independent non-executive Directors and other non-executive Directors to the meetings. The non-executive Director of the Company Mr. Xu Lifan did not attend the Board meetings held on 16 March 2016 and 10 August 2016 in person due to personal reasons. The non-executive Director Mr. Cui Xuesong did not attend the annual general meeting and the extraordinary general meeting held on 11 May 2016 and 11 November 2016 and did not attend the Board meetings held on 11 May 2016 and 10 August 2016 in person due to personal reasons. The non-executive Director Mr. Tse Ping did not attend the Board meetings held on 16 March 2016 and 10 August 2016 in person. The non-executive Director Mr. Yang Xiaoping did not attend the Board meeting held on 16 March 2016 in person due to personal reasons and the independent non-executive Director Mr. Japhet Sebastian Law did not attend the extraordinary general meeting and the Board meeting held on 11 November 2016 in person due to personal reasons. These circumstances are not compliant with Code A.6.7. The Company will continue to create excellent conditions for non-executive Directors to attend general meetings, so as to support non-executive Directors to respond to shareholders' questions in the general meetings.

Audit Committee

The Company has set up an audit committee pursuant to the requirements under Rule 5.28 of the GEM Listing Rules and the "Guidelines for the Establishment of Audit Committees" prepared by the Hong Kong Institute of Certified Public Accountants, and its duties and responsibilities have been properly laid down in writing under the requirements of Rule 5.29 of the GEM Listing Rules. The audit committee currently comprises Mr. Zhou Zisheng (chairman), Mr. Cheng Xinsheng and Mr. Japhet Sebastian Law (all being independent non-executive Directors), among which Mr. Cheng Xinsheng has the relevant professional qualification and financial experience. The members of the audit committee convene meetings regularly with the management and external auditors and review the internal audit report and the quarterly, interim and annual results of the Group. The audit committee reviewed the audited financial statements for the year ended 31 December 2016 and recommended its adoption by the Board. In 2016, the audit committee held a total of 4 meetings to review the financial information and the risk management and internal control system of the Company. For the year ended 31 December 2016, the Company complied with the requirements of Rules 5.28 of the GEM Listing Rules in respect of the audit committee.

Securities Transaction by Directors

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

Purchase, Sale or Redemption of Listed Securities of the Company

During the year ended 31 December 2016, neither the Company nor any of its subsidiaries has purchased, sold or redeemed or cancelled any listed securities of the Company.

Preliminary Results Announcement

The figures in respect of the preliminary announcement of the Group's results for the year ended 31 December 2016 have been agreed by the Group's auditors, HLB Hodgson Impey Cheng Limited, to the amounts set out in the Group's draft consolidated financial statements for the year. The work performed by HLB Hodgson Impey Cheng Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by HLB Hodgson Impey Cheng Limited on the preliminary results announcement.

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

Tianjin, 24 March 2017

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

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

* *For identification purpose only*