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天津濱海泰達物流集團股份有限公司

Tianjin Binhai Teda Logistics (Group) Corporation Limited*

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

(Stock code: 8348)

CONTINUING CONNECTED TRANSACTIONS BUSINESS COOPERATION FRAMEWORK AGREEMENT

The Board announces that on 12 May 2017, the Company and Tedahang entered into the Business Cooperation Framework Agreement pursuant to which Tedahang would sell various frozen meat and provide related storage, logistics and logistics supporting services to the Company, for a term of three years from 1 January 2017 to 31 December 2019.

As at the date of this announcement, Tedahang is a non-wholly owned subsidiary of the Company, and its registered capital is owned as to 60% by the Company and 40% by Chia Tai Logistics. Chia Tai Logistics is a company entirely owned and controlled by Mr. Tse Ping, who was a non-executive Director in the last 12 months and a connected person of the Company. Hence, Tedahang is a connected subsidiary of the Company under the GEM Listing Rules. Therefore, the Continuing Connected Transactions contemplated under the Business Cooperation Framework Agreement will constitute continuing connected transactions of the Company under Chapter 20 of the GEM Listing Rules.

As the applicable percentage ratios in respect of the Proposed Annual Caps are more than 5%, the Continuing Connected Transactions are subject to the reporting, annual review, announcement, circular and Independent Shareholders' approval requirements under Chapter 20 of the GEM Listing Rules.

A circular containing, among other things, (i) a letter of recommendation from the Independent Board Committee to the Independent Shareholders; (ii) a letter of advice from the independent financial adviser to the Independent Board Committee and the Independent Shareholders; (iii) further details on the Continuing Connected Transactions (including the Proposed Annual Caps); and (iv) a notice to convene an extraordinary general meeting will be despatched to the Shareholders on or before 5 June 2017.

* *For identification purposes only*

BACKGROUND

The Board is pleased to announce that on 12 May 2017, the Company and Tedahang entered into the Business Cooperation Framework Agreement pursuant to which Tedahang would sell various frozen meat and provide related storage, logistics and logistics supporting services to the Company, for a term of three years from 1 January 2017 to 31 December 2019.

THE BUSINESS COOPERATION FRAMEWORK AGREEMENT

The principal terms of the Business Cooperation Framework Agreement are summarized below:

Date	:	12 May 2017
Parties	:	(1) The Company; and (2) Tedahang
Term	:	Three years from 1 January 2017 to 31 December 2019
Subject matter	:	Sale of frozen meat (including but not limited to frozen pork, beef, lamb, poultry and seafood) and provision of the related storage, logistics and logistics supporting services by Tedahang to the Company.

The Parties shall enter into agreements in respect of the individual transactions contemplated under the Business Cooperation Framework Agreement in accordance with the principal terms under the Business Cooperation Framework Agreement.

Condition precedent	:	The Business Cooperation Framework Agreement is conditional upon the following: <ol style="list-style-type: none">1. obtaining of the necessary approvals by the Parties thereunder from their respective board of directors, general meeting and/or independent shareholders in accordance with their respective memorandum and articles of association and the relevant requirements under the GEM Listing Rules; and2. obtaining of the necessary approval of the Stock Exchange by the Company.
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Consideration : Under normal circumstances, the Company shall pay 20 to 50% of the consideration stipulated in each agreement signed under the Business Cooperation Framework Agreement as deposit; and the balance before Tedahang loads the products onto its cold storage trucks for delivery to the Company.

The consideration can be settled by wire transfer or cash.

Basis of consideration : The fees payable by the Company will be determined based on arm's length negotiations between the Parties, with reference to Tedahang's procurement cost of the food products plus the related logistics fees, which include cost, insurance and freight (CIF), tariff, value added tax (VAT), customs clearance fees and other services charges. Such related logistics fees are determined with reference to the list of logistics service fees issued by Tedahang, which is made reference to the relevant comparable logistics fees for the same type of food products provided by Tedehang to independent third parties in the same or nearby region in the ordinary course of business and on normal commercial terms.

With reference to the above, the individual agreements to be entered into by the Company and Tedahang shall be on normal commercial terms that are fair and reasonable, and shall be on terms no less favourable to the Group than (i) those available to the Group for the same type of food products and related storage, logistics and logistics supporting services from independent third parties, or (ii) the price and payment terms offered by Tedahang to independent third parties.

Proposed Annual Caps : The proposed annual monetary caps of the Continuing Connected Transactions for three years from 1 January 2017 to 31 December 2019 under the Business Cooperation Framework Agreement are set out below:

For the year ending 31 December		
2017	2018	2019
<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
<u>62,500</u>	<u>100,000</u>	<u>100,000</u>

Basis of the Proposed Annual Caps : The Proposed Annual Caps were determined after taking into account the following:

- (1) Historical frozen meat consumption and demand in the PRC;
- (2) Historical frozen meat import volume at Tianjin Port;
- (3) Historical frozen meat trading volume of the Company;
- (4) Forecast of future frozen meat trading volume of the Company.

Historical transaction amounts : The fees paid to Tedahang by the Company in respect of the trade of frozen meat and its related logistics services since 1 January 2015 are as follows:

Approximate historical transaction amounts	
<i>(in RMB)</i>	
For the period from 1 January 2015 to 31 December 2015	For the period from 1 January 2016 to 31 December 2016
<u>0</u>	<u>9,960,000</u>

REASONS FOR AND BENEFITS OF THE CONTINUING CONNECTED TRANSACTIONS

Tedahang is the General Administration of Quality Supervision, Inspection and Quarantine's demonstration unit for the "Three Focus" and the "Double Random, One Public" inspection processes, and it possesses vast amount of information in relation to the import and export of frozen meat in PRC. It has good cooperation relationship with overseas factories and competitive advantage in terms of the facilities, information and channels for frozen food trading. The Company considers that the Continuing Connected Transactions can help the Group to further open up its food cold chain market.

The Directors (excluding the members of the Independent Board Committee who will form their opinion after considering the advice from the independent financial adviser in respect of the Business Cooperation Framework Agreement) consider the terms of the Business Cooperation Framework Agreement, the Continuing Connected Transactions thereunder and the Proposed Annual Caps are in the ordinary and usual course of the business of the Group, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

GEM LISTING RULES IMPLICATIONS

As at the date of this announcement, Tedahang is a non-wholly owned subsidiary of the Company, and its registered capital is owned as to 60% by the Company and 40% by Chia Tai Logistics. Chia Tai Logistics is a company entirely owned and controlled by Mr. Tse Ping, who was a non-executive Director in the last 12 months and a connected person of the Company. Hence, Tedahang is a connected subsidiary of the Company under the GEM Listing Rules. Therefore, the Continuing Connected Transactions contemplated under the Business Cooperation Framework Agreement will constitute continuing connected transactions of the Company under Chapter 20 of the GEM Listing Rules.

As the applicable percentage ratios in respect of the Proposed Annual Caps are more than 5%, the Continuing Connected Transactions are subject to the reporting, annual review, announcement, circular and Independent Shareholders' approval requirements under Chapter 20 of the GEM Listing Rules.

An Independent Board Committee comprising all the independent non-executive Directors will be formed to advise the Independent Shareholders as to whether the terms of the Business Cooperation Framework Agreement and the Continuing Connected Transactions including the Proposed Annual Caps are fair and reasonable and in the interests of the Company and the Shareholders as a whole and to make recommendation to the Independent Shareholders on how to vote, taking into the advice of the independent financial adviser. An independent financial adviser will be appointed to advise the Independent Board Committee and the Independent Shareholders in these regards.

A circular containing, among other things, (i) a letter of recommendation from the Independent Board Committee to the Independent Shareholders; (ii) a letter of advice from the independent financial adviser to the Independent Board Committee and the Independent Shareholders; (iii) further details on the Continuing Connected Transactions (including the Proposed Annual Caps); and (iv) a notice to convene an extraordinary general meeting will be despatched to the Shareholders on or before 5 June 2017.

INFORMATION ON THE GROUP

The principal businesses of the Group are supply chain and logistics services for finished automobiles and components, supply chain and logistics services for electronic components, materials procurement and related logistics services, and bonded warehouse services, container stack yard service and other services such as supervision, agency and transportation services.

INFORMATION ON TEDAHANG

Tedahang is a company established in the PRC and has a registered capital of RMB200,000,000, its registered capital is owned as to 60% by the Company and 40% by Chia Tai Logistics. Tedahang's scope of business is as follows:

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

DEFINITIONS

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

“associate”	has the meaning ascribed to it under the GEM Listing Rules
“Board”	the board of Directors
“Business Cooperation Framework Agreement”	the framework agreement on business cooperation dated 12 May 2017 entered into between the Company and Tedahang in relation to the trading of frozen meat and the provision of storage, logistics and logistics supporting services for the trading business
“Chia Tai Logistics”	Chia Tai Logistics Company Limited* (正大物流有限公司), a company incorporated in Hong Kong with limited liability, a company entirely owned and controlled by Mr. Tse Ping, who was a non-executive Director
“Company”	Tianjin Binhai Teda Logistics (Group) Corporation Limited* (天津濱海泰達物流集團股份有限公司) a joint stock limited company incorporated in the PRC with limited liability
“connected person”	has the meaning ascribed to it under the GEM Listing Rules
“Continuing Connected Transactions”	the transactions as contemplated between the Company and Tedahang under the Business Cooperation Framework Agreement
“Director(s)”	the director(s) of the Company

“Domestic Shares”	the ordinary share(s) of nominal value of RMB1.00 each in the share capital of the Company which are subscribed for or credited as fully paid in RMB
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the GEM
“Group”	the Company together with its subsidiaries
“H shares”	the overseas-listed foreign shares of the Company with a nominal value of RMB1.00 each, which are listed on the GEM board of the Stock Exchange
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the board committee of the Company comprising all independent non-executive Directors, namely Mr. Cheng Xinsheng, Mr. Japhet Sebastian Law, Mr. Chia Pun Kok and Mr. Zhou Zisheng, to be established to make recommendation to the Independent Shareholders in respect of the terms of the Business Cooperation Framework Agreement and the Continuing Connected Transactions (including the Proposed Annual Caps)
“Independent Shareholders”	the Shareholders who are not prohibited under the GEM Listing Rules from voting on a resolution to approve the relevant transaction at a general meeting of the Company
“Parties”	the Company and Tedahang, and “Party” means any one of them
“PRC”	the People’s Republic of China, which for purpose of this announcement, does not include, Hong Kong, the Macau Special Administrative Region and Taiwan
“Proposed Annual Caps”	the proposed annual monetary caps for the Continuing Connected Transactions for the period from 1 January 2017 to 31 December 2019
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	holder(s) of the Shares
“Shares”	the Domestic Shares and the H shares

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tedahang”	Tedahang Cold Chain Logistics Co., Ltd.* (泰達行(天津)冷鏈物流有限公司), a company established in Dongjiang Bonded Free Port, Tianjin, PRC with limited liability and owned as to 60% by the Company and 40% by Chia Tai Logistics
“%”	per cent

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

Tianjin, the PRC
12 May 2017

As at the date of this announcement, the Board comprises of Mr. Zhang Jian as executive director; Mr. Cui Xuesong, Mr. Zhang Wang, Miss Tse, Theresa Y Y and Mr. Yang Xiaoping as non-executive directors; and Mr. Cheng Xinsheng, Mr. Japhet Sebastian Law, Mr. Zhou Zisheng and Mr. Chia Pun Kok as independent non-executive Directors.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving the 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 aspects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or in this announcement misleading.

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