

The Stock Exchange of Hong Kong Limited (the "Stock Exchange") takes no responsibility for the contents of this announcement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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)

1. CONNECTED TRANSACTION

2. PROPOSED AMENDMENTS TO ARTICLES OF THE COMPANY

THE TRANSACTION

The Board announces that the Company, as purchaser, and Teda Construction, as seller, have entered into the Agreement on 29 July 2008, pursuant to which the Company agrees to purchase, and Teda Construction agrees to sell, the Property subject to the terms and conditions therein.

REASONS AND BENEFITS FOR THE TRANSACTION

The Company placed substantial investments in logistics infrastructure in the year of 2008. Besides applying the proceeds from Listing in accordance with the manners as set out in the Prospectus, which includes constructing a logistics warehousing site in Tianjin Port, the Company also makes investments in other quality logistics infrastructure funded by our internal finance resources in order to meet the urgent demand of warehousing resources and facilities arising from the overall development of logistics business of the Group. The Land is located in the core area of TEDA and is in close proximity to the headquarters of the Company and its subsidiaries such as TBW and Binhai Yuan Sheng. It is intended that the Property will be used for warehousing upon the acquisition. Thus, the Transaction would deliver enormous benefits to the future operation of the Company in terms of both economy of scale and team competence.

IMPLICATIONS UNDER THE GEM LISTING RULES

Teda Construction is a wholly-owned subsidiary of Teda Holding, which is one of the controlling shareholders of the Company. Thus, Teda Construction, as an associate of Teda Holding, is considered as a connected person of the Company under the GEM Listing Rules. Accordingly, the Transaction constitutes a connected transaction of the Company under Rule 20.13 of the GEM Listing Rules and are subject to the reporting, announcement and the Independent Shareholders' approval requirement under the GEM Listing Rules.

PROPOSED AMENDMENTS TO THE ARTICLES

In light of the changes to the capital nature, the shareholdings and the term of operation of the Company after Listing, and also in contemplation of the future development of the Company, special resolutions will be proposed, among other things, at the EGM to approve the necessary amendments to the relevant provisions of the Articles, including but without limitation, the registered capital, the shareholdings, the duties of directors and the appointment of general manager, so as to comply with the applicable laws and regulations in the PRC and to cater for the future development plans of the Company.

* For identification purposes only

THE TRANSACTION

Acquisition of the Property

- Date : 29 July 2008
- Parties : (1) The Company, as purchaser
- (2) Teda Construction, as seller, which is a wholly-owned subsidiary of the controlling shareholder of the Company, namely, Teda Holding
- Property to be acquired : The Company, as the purchaser, shall acquire the Property pursuant to the terms and conditions of the Agreement. According to the Certificate of Land Use Right, the term of the Land Use Right commences from 19 April 2007 to 9 February 2048 and will be specifically used for industrial purpose.

The Land was purchased by Teda Construction from Teda Holding at a consideration of RMB419,071.80 on 19 April 2007. The original cost of the buildings and the construction works on the Land incurred by Teda Construction was approximately RMB11,500,000.

The construction works on the Land are completed pending the approval of the relevant PRC authorities. The buildings on the Land are warehouses, the construction area of which amounts to approximately 6,603 sq.m..

- Consideration : Upon fulfilment of the conditions precedent set out below, the Company shall purchase, and Teda Construction shall sell, the Property at an aggregate consideration of RMB15 million (exclusive of any applicable taxation and duty in connection with the Transaction) subject to the terms and conditions of the Agreement. The applicable taxation and duty in connection with the Transaction, which is estimated to be in the sum of approximately RMB1,600,000, shall be borne by the Company.

The Consideration has been arrived at after arm's length negotiations between Teda Construction and the Company with reference to the valuation on the Property conducted by qualified professional valuer in the PRC, which is independent from the Company. The valuation method adopted is "Depreciated Replacement Costs" approach. According to the valuation report, the estimated net asset value of the Property is approximately RMB15 million as at 30 June 2008.

The Consideration will be paid by way of cash in two (2) instalments. The first payment in the sum of RMB5,742,000 will be paid by the Company to Teda Construction on the Completion Date. The balance payment in the sum of RMB9,258,000 will be paid by the Company into an escrow account on the Completion Date and will be released to Teda Construction subject to completion of the registration process of the Property under the name of the Company.

The Consideration will be financed by the internally generated funds of the Group (exclusive of any proceeds obtained from the Listing).

- Conditions precedent : The Agreement shall become effective and the Completion is conditional upon the fulfilment of the following conditions precedent:
- (i) The Company has made full disclosure and obtained the approvals from the Independent Non-executive Directors and the Independent Shareholders in an EGM regarding the Transaction pursuant to the GEM Listing Rules; and
 - (ii) Both the Company and Teda Construction have obtained the necessary resolutions from its board of directors or decision making bodies and the approval documents from the relevant regulating bodies in respect of the Transaction.

REASONS FOR AND BENEFITS OF ENTERING INTO THE TRANSACTION

The Company has placed substantial investments in logistics infrastructure in the year of 2008. Besides applying the proceeds from Listing in accordance with the manners as set out in the Prospectus, which includes constructing a logistics warehousing site in Tianjin Port, the Company also makes investments in other quality logistics infrastructure funded by our internal finance resources in order to meet the urgent demand of warehousing resources and facilities arising from the overall development of logistics business of the Group. The Land is located in the core area of TEDA and is in close proximity to the headquarters of the Company and its subsidiaries such as TBW and Binhai Yuan Sheng. It is intended that the Property will be used for warehousing upon the acquisition. Thus, the Transaction would deliver enormous benefits to the future operation of the Company in terms of both economy of scale and team competence.

The Board consider that the terms of the transaction are fair and reasonable and in the interests of the shareholders of the Company as a whole.

INFORMATION ON TEDA CONSTRUCTION AND TEDA HOLDING

Teda Construction is a large-scale state-owned enterprise in the PRC, which is principally engaged in the property development and management, infrastructure construction and decoration. At present, the total assets of Teda Construction amount to over RMB15 billion.

Teda Holding is a state-owned enterprise established in the PRC and is wholly owned by TEDA Administrative Commission (天津經濟技術開發區管理委員會), which is a government authority performing unified management in TEDA on behalf of the People's Government of Tianjin. Teda Holding is an operating unit responsible for the management of state-owned assets, companies or other operating institutions in TEDA as authorised by TEDA Administrative Commission. It is principally engaged in the provision of electricity, water, gas and road infrastructure facilities and real estate development.

INFORMATION ON THE GROUP

The Group is principally engaged in provision of comprehensive logistics and supply chain solutions as well as steel procurement services in the PRC.

IMPLICATIONS UNDER THE GEM LISTING RULES

Teda Holding is one of the controlling shareholders of the Company and holds approximately 50.45% of the total issued shares in the Company as at the date hereof. Teda Construction, being the wholly-owned subsidiary of Teda Holding, is considered as an associate of Teda Holding and thus, a connected person of the Company under the GEM Listing Rules. Accordingly, the Transaction constitutes a connected transaction of the Company under Rule 20.13 of the GEM Listing Rules and are subject to the reporting, announcement and the Independent Shareholders' approval requirement under the GEM Listing Rules. Teda Holding and its associates will abstain from voting (which will be taken by poll) at the EGM on the relevant resolutions approval the Transaction. Apart from Teda Holding and its associates, no other Shareholder is interested in the Transaction or is required to abstain from voting at the EGM.

The Independent Board Committee (comprising all the independent non-executive directors of the Company) will be established to advise Independent Shareholders with respect to the Transaction. An independent financial adviser will be appointed to advise the Independent Board Committee and the Independent Shareholders the same respect.

A circular containing, among other things, further details of the Agreement, the recommendation from the Independent Board Committee in relation to the Transaction, the opinion from the independent financial adviser and a notice of the EGM will be despatched to the Shareholders as soon as practicable in accordance with the requirements of the GEM Listing Rules.

PROPOSED AMENDMENTS TO THE ARTICLES

In light of the changes to the capital nature, the shareholdings and the term of operation of the Company after Listing, and also in contemplation of the future development of the future Company, special resolutions will be proposed, among other things, at the EGM to approve the necessary amendments to the relevant provisions of the Articles, including but without limitation, the registered capital, the shareholdings, the duties of directors and the appointment of general manager, so as to comply with the applicable laws and regulations in the PRC and to cater for the future development plans of the Company.

Full text of the proposed amendments to the Articles will be set out in the notice convening the EGM to be sent to the Shareholders together with the circular.

DEFINITIONS

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

“Agreement”	means the Agreement for Assignment of the Land Use Right in respect of the Industrial Land (工業用地使用權轉讓協議) dated 29 July 2008 between the Company and Teda Construction whereby the Company agrees to purchase, and Teda Construction agrees to sell, the Property subject to the terms and conditions therein
“Articles”	means the articles of association of the Company currently in force
“associate”	has the meaning ascribed to it under the GEM Listing Rules

“Binhai Yuan Sheng”	means Tianjin Binhai Yuan Sheng Steel Market Operation and Management CO., Ltd. (天津濱海元盛鋼材市場經營管理有限公司), which is a company incorporated in the PRC and a non-wholly owned subsidiary of Tianjin Yuan Da Xian Dai Logistics Co., Ltd. (天津元大現代物流有限公司), a wholly owned subsidiary of the Company
“Board”	means the board of Directors of the Company
“Certificate of Land Use Right”	means the certificate of land use right in respect of the Land (Kai Zhong Guo Yong (2007) No.0126) (國有土地使用權證(開中國用(2007)第0126號))
“Company”	means 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
“controlling shareholder”	has the meaning ascribed to it under the GEM Listing Rules
“Director(s)”	means the director(s) of the Company
“EGM”	means an extraordinary general meeting of the Company to be convened and held for the Independent Shareholders to consider and, if they think fit, approve the Agreement and the Transaction and the proposed amendments to the Articles
“GEM”	means the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	means the Rules Governing the Listing of Securities on the GEM
“Group”	means the Company and its subsidiaries
“HK\$”	means Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	means the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	means an independent board committee comprising all the independent non-executive directors of the Company, namely, Mr. Zhang Limin, Mr. Luo Yongtai and Mr. Liu Jing Fu, to be established to advise the Independent Shareholders regarding the Transaction
“Independent Shareholders”	means Shareholders other than Teda Holding and its associates, which are required to abstain from voting at the EGM

* For identification purposes only

“Land”	means a land situate at the junction of the Seventh Street and Muning Road, the Tianjin Economic and Technological Development Area, Tianjin, the PRC with a total site area of approximately 13,969 sq.m.
“Land Use Right”	means the land use right in respect of the Land and the buildings thereon
“Listing”	means the listing of the Company on GEM on 30 April 2008
“PRC”	means the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Property”	means the Land together with the Land Use Right thereof and all the buildings and construction works on the Land
“Prospectus”	means the prospectus of the Company dated 24 April 2008
“RMB”	means Renminbi, the lawful currency of the PRC
“Shareholders”	means holder(s) of the Shares
“Shares”	means the ordinary shares in the share capital of the Company with a nominal value of RMB1.00 each, comprising the domestic shares and the H shares
“Stock Exchange”	means The Stock Exchange of Hong Kong Limited
“TBW”	means TEDA General Bonded Warehouse CO., Ltd. (天津開發區泰達公共保稅倉有限公司), which is a company incorporated in the PRC and a wholly owned subsidiary of the Company
“TEDA”	means Tianjin Economic and Technological Development Area (天津經濟技術開發區), which is situate at Tianjin Binhai New Area
“Teda Construction”	means Tianjin Teda Construction Group Co., Ltd. (天津泰達建設集團有限公司), a company incorporated in the PRC with limited liability, which is a wholly-owned subsidiary of Teda Holding
“Teda Holding”	means Tianjin Teda Investment Holding Co., Ltd. (天津泰達投資控股有限公司), a state-owned enterprise incorporated in the PRC, which is a controlling shareholder of the Company
“Transaction”	means the acquisition of the Property by the Company from Teda Construction pursuant to the terms of the Agreement
“%”	means per cent
“sq.m.”	means square meter

For the purpose of illustration only and unless otherwise specified in this announcement, amounts denominated in RMB have been converted into HK\$ at a rate of RMB1.00 to HK\$0.8755. No. representation is made that any amounts in RMB or HK\$ could have been or could be converted at the above rate or at any other rates or at all.

By order of the Board
天津濱海泰達物流集團股份有限公司
Tianjin Binhai Teda Logistics (Group) Corporation Limited
Zhang Jian
Chairman

Tianjin, the PRC
29 July 2008

As at the date of this announcement, the Board comprises (1) Mr. Zhang Jian and (2) Mr. Sun Quan as executive directors; (3) Mr. Zhang Jun and (4) Mr. Ding Yi as non-executive directors; and (5) Mr. Zhang Limin, (6) Mr. Luo Yongtai and (7) Mr. Liu Jing Fu 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 information with regard to the Company. The Directors having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (1) the information contained in this announcement is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this announcement misleading; and (3) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

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