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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)**

## **1. CONTINUING CONNECTED TRANSACTION**

## **2. PROPOSED AMENDMENTS TO ARTICLES OF THE COMPANY**

### **CONTINUING CONNECTED TRANSACTION**

The Board announces that on 6 February 2009 Tianjin Fengtian Logistics, a non-wholly owned subsidiary of the Company, entered into the Service Agreement with Toyota Tsusho, pursuant to which Tianjin Fengtian Logistics engages Toyota Tsusho to provide logistics services and warehousing facilities for automobiles and car components subject to the terms and conditions therein.

### **REASONS AND BENEFITS FOR THE SERVICE AGREEMENT**

The customers of the Group spanning across Tianjin, Dalian, Shanghai and Guangzhou, and there are demands for logistics services and warehousing facilities, however, the branch office of Tianjin Fengtian Logistics situated at Shanghai offers customs declaration services only. In order to accommodate the demand for the logistics services and warehousing facilities in Shanghai and Guangzhou, Tianjin Fengtian Logistics intends to engage Toyota Tsusho and its associates, which have well-established transportation network for logistics services and warehousing facilities for automobiles and car components in Shanghai and Guangzhou. The proposed arrangement would allow the Group to provide a comprehensive logistics services and warehousing facilities to its customers.

### **IMPLICATIONS UNDER THE GEM LISTING RULES**

Toyota Tsusho, which holds approximately 36.2% equity interest in Tianjin Fengtian Logistics, a non-wholly owned subsidiary of the Company, is a substantial shareholder of Tianjin Fengtian Logistics and is therefore a connected person of the Company. Since the proposed annual caps exceed 2.5% of the applicable percentage ratios, the Service Agreement constitutes a non-exempted continuing connected transaction of the Company under Rule 20.35 of the GEM Listing Rules and are subject to the reporting, announcement and the Independent Shareholders' approval requirements under the GEM Listing Rules.

\* For identification purpose only

## **PROPOSED AMENDMENTS TO THE ARTICLES**

In light of the amendments to the GEM Listing Rules which were effective from 1 January 2009, special resolutions will be proposed at the EGM to approve the necessary amendments to the relevant provisions of the Articles, to allow the Company to send or otherwise make available the corporate communication to the relevant holders of the Shares using electronic means.

### **THE SERVICE AGREEMENT**

- Date : 6 February 2009
- Parties : (1) Tianjin Fengtian Logistics, a non-wholly owned subsidiary of the Company  
(2) Toyota Tsusho
- Term of the Service Agreement : The term of the Service Agreement shall commence upon the execution of the Service Agreement and due compliance with the conditions precedent and remain effective for a period of three years from 2009.
- Scope of service : Logistics services and warehousing facilities
- Service Fee : The service fee payable by Tianjin Fengtian Logistics to Toyota Tsusho for logistics services is calculated based on the nature and quantity of goods to be delivered and handled, the time and human resources required, the distance of freight forwarding services and the management fee.

The service fee payable by Tianjin Fengtian Logistics to Toyota Tsusho for warehousing facilities is the aggregate of: (i) operation costs; (ii) monthly management fee; and (iii) tax.

The Board considers that the service fee for the logistics services and warehousing facilities are reached in accordance with the following pricing principles: (i) pricing relating to certain types of products and services fixed by the PRC government; (ii) where there is no PRC government fixed price but a government guidance price exists, the government guidance price; (iii) when there is neither a PRC government fixed price nor a government guidance price, the market price; and (iv) where none of the above is applicable, the price to be agreed between the parties based on arm's length negotiations.

The proposed annual caps of the service fee payable by Tianjin Fengtian Logistics to Toyota Tsusho for logistics services and warehousing facilities for each of the three years ending 31 December 2011 shall be no more than RMB30,000,000.

The proposed annual caps is calculated based on the following factors:

- (i) the current market condition of the logistics industry in the PRC;
- (ii) the anticipated operation costs to be paid to Toyota Tsusho;
- (iii) the number of working days per month.

Conditions precedent : The Service Agreement shall become effective 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 Service Agreement pursuant to the GEM Listing Rules; and
- (ii) Both Tianjin Fengtian Logistics and Toyota Tsusho 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 Service Agreement.

Termination : The Service Agreement can be terminated by giving a three months' notice of termination to the other party.

## **REASONS FOR AND BENEFITS OF ENTERING INTO THE SERVICE AGREEMENT**

The customers of the Group spanning across Tianjin, Dalian, Shanghai and Guangzhou, and there are demands for logistics services and warehousing facilities, however, the branch office of Tianjin Fengtian Logistics situated at Shanghai offers customs declaration services. In order to accommodate the demand for the logistics services and warehousing facilities in Shanghai and Guangzhou, Tianjin Fengtian Logistics intends to engage Toyota Tsusho and its associates, which have well-established transportation network for procurement of logistics and warehousing facilities for automobiles and car components in Shanghai and Guangzhou. The proposed arrangement would allow the Group to provide a comprehensive logistics services and warehousing facilities to its customers. The Board considers that the terms of the Service Agreement are on normal commercial term and fair and reasonable and in the interests of the shareholders of the Company as a whole.

## **INFORMATION ON TOYOTA TSUSHO**

Toyota Tsusho and its associates are members of Toyota Group. Toyota Group is one of the leading manufacturers in the automobiles and car components industry. It has established numerous trade operations, joint ventures and affiliates which engage in the manufacture and trading automobiles and car components in the PRC. Toyota Tsusho has well established transportation network in Shanghai and Guangzhou.

## **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**

Toyota Tsusho, which holds approximately 36.2% equity interest in Tianjin Fengtian Logistics, a non-wholly owned subsidiary of the Company, is a substantial shareholder of Tianjin Fengtian Logistics and is therefore a connected person of the Company. Since the proposed annual caps exceed 2.5% of the applicable percentage ratios, the Service Agreement constitutes a non-exempted continuing connected transaction of the Company under Rule 20.35 of the GEM Listing Rules and are subject to the reporting, announcement and the Independent Shareholders' approval requirements under the GEM Listing Rules.

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 Service Agreement. The Company appointed Ample Capital Limited as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders with the same respect.

A circular containing, among other things, further details of the Service Agreement, the recommendation from the Independent Board Committee in relation to the Service Agreement, 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 amendments to the GEM Listing Rules which were effective from 1 January 2009, whereby the Company may, subject to the GEM Listing Rules and the Articles, send or otherwise make available the corporate communication to the relevant holder of the Shares using electronic means, special resolutions will be proposed at the EGM to approve the necessary amendments to the relevant provisions of the Articles, to allow the Company to send or otherwise make available the corporate communication to the relevant holders of the Shares using electronic means.

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:

“Articles”	means the articles of associations of the Company currently in force
“associate”	has the meaning ascribed to it under the GEM Listing Rules
“Board”	means the board of Directors of the Company
“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 to consider and approve the Service Agreement and the proposed annual caps as well as 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
“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 Service Agreement
“Independent Shareholders”	means Shareholders other than Controlling Shareholders and its associates, which are required to abstain from voting at the EGM

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“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
“RMB”	means Renminbi, the lawful currency of the PRC
“Service Agreement”	means the Service Agreement with Toyota Tsusho, pursuant to which Tianjin Fengtian Logistics engages Toyota Tsusho to provide logistics services and warehousing facilities for automobiles and car components subject to the terms and conditions therein
“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
“Tianjin Fengtian Logistics”	means Tianjin Fengtian Logistics Co., Ltd. (天津豐田物流有限公司), a sino-foreign equity joint venture incorporated in the PRC on 19 July 1996, which is owned as to 52% by the Company, 36.2% by Toyota Tsusho (日本豐田通商株式會社), 7.3% by Kamigumi Company Limited (日本株式會社上組) and 4.5% by Toyota Transportation Corporation (日本豐田輸送株式會社). Tianjin Fengtian Logistics is a subsidiary of the Company under the GEM Listing Rules
“Toyota Group”	means Toyota Motor Corporation and its subsidiaries and associated companies (including Toyota Tsusho, but for the purpose of this announcement, excluding the members of Binhai Logistics Group) from time to time, being one of the principal group of customers of Binhai Logistics Group which are principally engaged in the manufacturing and sales of automobiles

“Toyota Tsusho”

Toyota Tsusho Corporation (豐田通商株式會社), a company incorporated in Japan with limited liability whose common stock is listed on the first section of Tokyo Stock Exchange and Nagoya Stock Exchange, a shareholder of Tianjin Fengtian Logistics holding 36.2% of its entire registered capital. Toyota Tsusho is owned as to approximately 21.57% by Toyota Motor Corporation and is an associated company of Toyota Motor Corporation. Toyota Tsusho is therefore a member of the Toyota Group. Its principal business includes trading of metals, machinery and electronics products, automotive, energy and chemical products, produce and foodstuffs, consumer products, services and materials

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  
6 February 2009

*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 [www.hkgem.com](http://www.hkgem.com) for at least seven days from the date of its publication and on the website of the Company at [www.tbtl.cn](http://www.tbtl.cn).*

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