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 2009

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET ("GEM") OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "STOCK EXCHANGE")

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

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

The principal means of information dissemination on GEM is publication on the internet website operated by the Stock Exchange. Listed companies are not generally required to issue paid announcements in gazetted newspapers. Accordingly, prospective investors should note that they need to have access to the GEM website in order to obtain up-to-date information on GEM-listed issuers.

This announcement, for which the Directors ("the Director") 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 the GEM of the Stock Exchange ("GEM Listing Rules") for the purpose of giving information with regard to the Company. The Directors of the Company 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 the contents of 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.

* *For identification purpose only*

FINANCIAL HIGHLIGHTS

- Revenue increased by approximately 37% to RMB2,671,206,000
- Gross profit margin decreased by 2.86%
- Profit attributable to shareholders increased by 5.4% to RMB51,049,000
- Earnings per share achieved RMB0.14

ANNUAL RESULTS

The board of directors (the "Board") of Tianjin Binhai Teda Logistics (Group) Corporation Limited (the "Company") is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively the "Group") for the year ended 31 December 2009 and the comparative figures for the corresponding period of 2008 as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2009

	Note	2009 RMB'000	2008 RMB'000
Revenue	3	**2,671,206**	1,946,833
Cost of sales	10	**(2,570,037)**	(1,817,315)
Gross profit		**101,169**	129,518
Other income	4	**15,457**	15,086
Other gains and losses	5	**(933)**	(6,115)
Administrative expenses	10	**(49,781)**	(51,782)
		65,912	86,707
Finance costs	6	**(2,413)**	(2,161)
Share of results of associates		**12,159**	9,022
Profit before income tax		**75,658**	93,568
Income tax expense	7	**(13,135)**	(28,270)
Profit / total comprehensive income for the year		**62,523**	65,298
Profit / total comprehensive income attributable to:			
Equity holders of the Company		**51,049**	48,433
Minority interests		**11,474**	16,865
		62,523	65,298
Earnings per share (RMB cents)	9		
– Basic		**14**	15
– Diluted		**14**	15
Dividends	8	**14,172**	–

CONSOLIDATED BALANCE SHEET

At 31 December 2009

	Note	2009 RMB'000	2008 RMB'000
ASSETS			
Non-current assets			
Land use rights		**115,765**	114,457
Property, plant and equipment		**213,736**	238,749
Investment properties		**90,550**	–
Deposit paid for acquisition of a land use right		**7,820**	–
Interests in associates		**45,040**	19,314
Goodwill		**105**	105
		473,016	372,625
Current assets			
Inventories		**101,036**	13,350
Trade and other receivables	11	**968,387**	766,096
Amounts due from an associate		**5,088**	–
Taxation recoverable		**–**	220
Pledged bank deposits		**78,015**	57,856
Cash and cash equivalents		**246,560**	247,859
		1,399,086	1,085,381
Total assets		**1,872,102**	1,458,006
EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share capital		**354,312**	354,312
Other reserves	12	**34,893**	29,241
Retained earnings			
– Proposed dividend		**14,172**	–
– Others		**145,747**	114,522
		159,919	114,522
		549,124	498,075
Minority interests		**85,069**	72,947
Total equity		**634,193**	571,022

CONSOLIDATED BALANCE SHEET (Continued)

At 31 December 2009

	Notes	2009 RMB'000	2008 RMB'000
LIABILITIES			
Non-current liabilities			
Deferred tax liability		**–**	3,413
Deferred income		**5,514**	5,740
		5,514	9,153
Current liabilities			
Trade and other payables	13	**1,134,164**	822,201
Amounts due to an associate		**437**	–
Amount due to a related party		**–**	5
Dividend payable		**–**	17,036
Taxation payable		**13,380**	11,172
Borrowings		**84,414**	27,417
		1,232,395	877,831
Total liabilities		**1,237,909**	886,984
Total equity and liabilities		**1,872,102**	1,458,006
Net current assets		**166,691**	207,550
Total assets less current liabilities		**639,707**	580,175

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2009

	Attributable to equity holders of the Company					
	Share capital	**Reserves**	**Retained earnings**	**Total**	**Minority interests**	**Total**
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1 January 2008	265,000	(42,689)	82,775	305,086	83,537	388,623
Comprehensive income						
Profit / total comprehensive income for the year	–	–	48,433	48,433	16,865	65,298
Transactions with owners						
Transfer from retained earnings	–	16,686	(16,686)	–	–	–
Dividends paid	–	–	–	–	(27,455)	(27,455)
Issue of H shares	89,312	69,530	–	158,842	–	158,842
Share issue expenses	–	(14,286)	–	(14,286)	–	(14,286)
Total transactions with owners	89,312	71,930	(16,686)	144,556	(27,455)	117,101
Balance at 31 December 2008	354,312	29,241	114,522	498,075	72,947	571,022
Comprehensive income						
Profit / total comprehensive income for the year	–	–	51,049	51,049	11,474	62,523
Transactions with owners						
Transfer from retained earnings	–	5,652	(5,652)	–	–	–
Deemed disposal of a subsidiary	–	–	–	–	648	648
Total transactions with owners	–	5,652	(5,652)	–	648	648
Balance at 31 December 2009	354,312	34,893	159,919	549,124	85,069	634,193

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2009

1. General

The Company was established as an investment holding company in the People's Republic of China (the "PRC") by its promoters, Tianjin Teda Investment Holding Co., Ltd. (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 of 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.

The Company together with its subsidiaries are hereafter collectively referred to as the Group ("Group"). The Group is engaged in provision of logistics and supply chain solutions services and materials procurement and related logistics services.

The Group's principal operations are conducted in the PRC. The consolidated financial statements have been presented in Renminbi ("RMB"), which is the functional currency of the Company.

2. Basis of preparation and accounting policies

The consolidated financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS). The consolidated financial statements have been prepared under the historical cost convention. Except as described below, the accounting policies have been consistently applied to all the years presented.

(i) *Effective in the current year*

IAS 1 (revised) *"Presentation of financial statements"*

The revised standard prohibits the presentation of items of income and expenses (that is, 'non-owner changes in equity') in the statement of changes in equity, requiring 'non-owner changes in equity' to be presented separately from owner changes in equity in a statement of comprehensive income. The consolidated financial statements are presented in compliance with this revised standard, and comparative information has been re-presented accordingly. Since the change in accounting policy only impacts presentation aspects, there is no impact on earnings per share.

IAS 23 (revised) *"Borrowing costs"*

The revised standard requires an entity to capitalise borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset (that takes a substantial period of time to get ready for use or sale) as part of the cost of that asset. This revision has no significant impact to the Group.

IFRS 8 *"Operating segments"*

IFRS 8 replaces IAS 14, 'Segment reporting', and aligns segment reporting with the requirements of the US standard SFAS 131, 'Disclosures about segments of an enterprise and related information'. The new standard requires a 'management approach', under which segment information is presented on the same basis as that used for internal reporting purposes. This has resulted in segments being reported in a manner that is more consistent with the internal reporting provided to the chief operating decision-maker.

These new IFRSs have no material effect on the results or financial position of the Group for the current or prior accounting periods nor any substantial changes in the Group's accounting policies and presentation of the accounts except the presentation of the consolidated statement of comprehensive income to present the non-owner consolidated changes in equity as required under IAS 1 (Revised) and the segment information as required under IFRS 8.

(ii) *Amendments early adopted by the Group*
IAS 24 (Revised) "Related party disclosures" and IFRS 8 (Revised) "Operating segments", both of which are effective for annual period beginning 1 January 2011, have been early adopted by the Group.

IAS 24 (Revised) introduces an exemption from all of the disclosure requirements of IAS24 for transactions among government-related entities and the government. Those disclosures are replaced with a requirement to disclose:

– the name of the government and the nature of their relationship; and
– the nature and amount of any individually-significant transactions; and
– the extent of any collectively-significant transactions qualitatively or quantitatively.

IFRS 8 (revised) clarifies that an entity is required to disclose a measure of segment assets only if that measure is regularly reported to the chief operating decision-maker.

(iii) Amendments to accounting standard published and relevant to the Group's but are not effective for the financial year ended 31 December 2009 and have not been early adopted by the Group:

IAS 1 (amendment)	*"Presentation of financial statements"*
IAS 27 (revised)	*"Consolidated and separate financial statements"*
IFRS 3 (revised)	*"Business combinations"*
IFRS 9	*"Financial instruments"*

The Group is in the process of assessing the impact of these new standards, interpretations and amendments but is not yet in a position to state whether they would have a significant impact on its results and financial position.

3. Segment information

IFRS 8 (Operating Segments) has been applied effective 1 January 2009. The Group reports three 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 three 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;

Logistics and supply chain service for electronic components – Provision of logistics services, supply chain management and agency service for electronics components;

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

	For the year ended 31 December 2009					
	Logistics and supply chain service for finished automobiles and components RMB'000	**Logistics and supply chain service for electronic 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	**743,840**	**387,820**	**1,707,241**	**2,838,901**	**28,736**	**2,867,637**
Inter-segment revenue	**–**	**(10,028)**	**–**	**(10,028)**	**(3,224)**	**(13,252)**
Revenue from external customers	**743,840**	**377,792**	**1,707,241**	**2,828,873**	**25,512**	**2,854,385**
Segment results	**31,567**	**29,420**	**18,951**	**79,938**	**250**	**80,188**
Depreciation and amortisation	**(13,360)**	**(6,272)**	**(1,984)**	**(21,616)**	**(7,260)**	**(28,876)**
Share of results of associates	**–**	**–**	**–**	**–**	**12,159**	**12,159**
Income tax expense	**(7,438)**	**(7,494)**	**(1,043)**	**(15,975)**	**(776)**	**(16,751)**

	For the year ended 31 December 2008					
	Logistics and supply chain service for finished automobiles and components RMB'000	Logistics and supply chain service for electronic 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	754,317	461,909	929,340	2,145,566	38,989	2,184,555
Inter-segment revenue	(103)	(16,006)	–	(16,109)	(5,136)	(21,245)
Revenue from external customers	754,214	445,903	929,340	2,129,457	33,853	2,163,310
Segment results	50,525	46,022	21,754	118,301	(260)	118,041
Depreciation and amortisation	(8,194)	(5,282)	(194)	(13,670)	(10,371)	(24,041)
Share of results of associates	–	–	–	–	9,022	9,022
Income tax expense	(10,052)	(9,804)	(11,825)	(31,681)	(1,323)	(33,004)

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.

A reconciliation of segment revenue and results to profit for the year is provided as follows:

	2009 RMB'000	2008 RMB'000
Revenue for reportable segments	**2,828,873**	2,129,457
Revenue attributable to joint venture partners	**(183,179)**	(216,477)
Other segments	**25,512**	33,853
Revenue of the Group	**2,671,206**	1,946,833
Segment results for reportable segments	**79,938**	118,301
Segment results attributable to joint venture partners	**(14,324)**	(22,195)
	65,614	96,106
Other segments	**250**	(260)
Total segments	**65,864**	95,846
Share of results of associates	**12,159**	9,022
Unallocated other income	**3,593**	3,555
Unallocated corporate expenses	**(3,545)**	(12,694)
Finance costs	**(2,413)**	(2,161)
Profit before income tax	**75,658**	93,568
Income tax expense	**(13,135)**	(28,270)
Profit for the year	**62,523**	65,298

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

4. Other income

	2009 RMB'000	2008 RMB'000
Interest income from bank deposits	**3,593**	3,555
Subsidy income (note)	**11,864**	11,295
Others	**–**	236
	15,457	15,086

Note: Subsidy income represents subsidies and awards from local government authorities for the Group's contribution to the development of the local economies. Included in the subsidy income is a government grant of RMB9.2 million (2008: RMB10.9 million) according to "Provisional Regulations on Modern Services and Development of Tianjin Economic and Technological Development Area" (Guan Wei Hui Ling No. 114) ("天津經濟技術開發促進現代服務與發展的暫行規定") (管委會令No. 114) to assist the Company.

5. Other gains and losses

	2009	2008
	RMB'000	RMB'000
Gain on deemed disposal of a subsidiary	**1,473**	–
Loss on disposal of property, plant and equipment	**(739)**	(1,012)
Net foreign exchange losses	**(375)**	(4,880)
Others	**(1,292)**	(223)
	(933)	(6,115)

6. Finance costs

	2009	2008
	RMB'000	RMB'000
Interest on bank borrowings	**2,413**	2,161

7. Income tax expense

	2009	2008
	RMB'000	RMB'000
Current income tax		
– the Company and subsidiaries	**12,670**	19,788
– jointly controlled entities	**3,878**	5,069
	16,548	24,857
Deferred tax		
– the Company	**(3,413)**	3,413
	13,135	28,270

Under the prevailing tax law in the PRC, the Enterprise Income Tax rate of the Company, the subsidiaries and the jointly controlled entities, other than those stated below, is 25%.

Pursuant to the relevant approval by the tax authorities, both Tianjin Fengtian Logistics, a subsidiary of the Group, and Tianjin Alps Teda Logistics, a jointly wholly entity of the Group, which are recognised as manufactory foreign investment enterprises, have been entitled to a preferential tax rate of 15% since 2005. Upon the implementation of the Law of the PRC on Enterprise Income Tax in 2008, a five-year transitional period has been granted to entities that previously enjoyed the preferential tax rate of 15%, over which the tax rate will gradually be increased to the standard rate of 25%. The applicable tax rate for both entities is 20% for 2009 (2008: 18%).

Pursuant to the relevant approval by the tax authorities, TEDA General Bonded Warehouse Co., Ltd., a subsidiary of the Group is recognised as a new high-tech enterprise, entitled a preferential tax rate of 15% for 2009. The preferential tax treatment is subject to review by the relevant tax authority on an annual basis.

8. Dividends

On 23 November 2009, the Company announced that an interim dividend of RMB0.04 per share was proposed to be paid to shareholders whose names appear on the register of members of the Company on 8 January 2010. The proposed dividend was approved at an extraordinary general meeting held on 8 January 2010 and paid in February 2010.

This proposed dividend is not reflected as a dividend payable in these financial statements, but will be reflected as an appropriation of retained earnings for the year ending 31 December 2010.

9. Earnings per share

The calculation of the basic and diluted earnings per share is based on the following data:

	2009	2008
	RMB'000	RMB'000
Earnings		
Profit attributable to equity holders of the Company	**51,049**	48,433
Number of shares (thousands)		
Weighted average number of ordinary shares for calculating basic and diluted earnings per share	**354,312**	324,733

There are no diluted earnings per share presented as there are no potential ordinary shares outstanding for both 2008 and 2009.

10. Expenses by nature

Profit before income tax is arrived after charging:

	2009	2008
	RMB'000	RMB'000
Auditor's remuneration	**1,100**	1,254
Depreciation	**23,062**	21,482
Amortisation	**2,780**	2,154
Listing expenses	**–**	14,286
Operating lease charges	**6,057**	4,389
Employee benefits expenses	**95,427**	86,501
Cost of materials purchased	**1,711,398**	968,401
Subcontracting charges	**649,862**	644,113
Sales tax	**12,950**	15,003
Transportation	**20,518**	3,932
Fuel	**15,415**	22,694
Others	**81,249**	84,888
	2,619,818	1,869,097

11. Trade and other receivables

The Group	2009 RMB'000	2008 RMB'000
Trade receivables	**176,741**	188,363
Less: impairment recognised	**(46)**	(537)
	176,695	187,826
Bills receivable (note (c))	**447,778**	349,134
	624,473	536,960
Prepayment to suppliers	**327,306**	205,363
Other receivables	**17,124**	24,288
Less: impairment recognsied	**(516)**	(515)
	968,387	766,096

(a) The Group's trade receivables are principally denominated in Renminbi.

(b) The bills are non-interest bearing bank acceptance bills with a maximum maturity period of six months.

(c) Bills receivable outstanding at the balance sheet date amounting to RMB438 million (2008: RMB324 million) have been endorsed to the Group's trade creditors.

As at 31 December 2008, the Group discounted notes receivable of RMB24 million with a bank with recourse.

The Group continues to recognise the endorsed bills as receivables. Such endorsed bills have not been applied to reduce the amounts of related trade creditors.

(d) The Group allows an average credit period ranging from 30 to 90 days to its trade customers. Bills receivables have a maturity of 180 days.

The following is an aged analysis of trade and bills receivables at the balance sheet date:

The Group	2009 RMB'000	2008 RMB'000
0 – 90 days	**339,925**	515,493
91 – 180 days	**282,984**	20,720
181 – 365 days	**722**	732
1 – 2 years	**842**	15
	624,473	536,960

12. Other reserves

The Group	Share premium RMB'000	Other reserves RMB'000	Statutory reserves RMB'000	Total RMB'000
Balance at 1 January 2008	–	(73,258)	30,569	(42,689)
Transfer from retained earnings	–	–	16,686	16,686
Issue of H shares	69,530	–	–	69,530
Share issue expense	(14,286)	–	–	(14,286)
Balance at 31 December 2008	55,244	(73,258)	47,255	29,241
Transfer from retained earnings	–	–	5,652	5,652
Balance at 31 December 2009	55,244	(73,258)	52,907	34,893

13. Trade and other payables

The Group	**2009 RMB'000**	2008 RMB'000
Trade payables (note (i))	**546,935**	426,915
Bills payables (note (ii))	**390,075**	272,000
	937,010	698,915
Deposits from customers	**160,398**	54,698
Other payables	**36,756**	68,588
	1,134,164	822,201

Notes:

(i) At the balance sheet date, the Group has endorsed bank acceptance bills to certain creditors amounted to RMB438 million.

(ii) 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. The management of the Group monitors the repayment of all payables and ensures compliance with credit timeframe.

The aging analysis of the trade payables and bills payables at the balance sheet dates is as follows:

	The Group	
	2009	2008
	RMB'000	RMB'000
0 – 90 days	**817,357**	694,447
91 – 180 days	**118,803**	1,361
181 – 365 days	**158**	1,194
1 – 2 years	**364**	1,855
Over 2 years	**328**	58
	937,010	698,915

The Group's trade payable is principally denominated in Renminbi.

CHAIRMAN'S STATEMENT

On behalf of the Board of Directors of the Company, I am pleased to present the audited consolidated financial results of the Group for the year ended 31 December 2009 to all shareholders.

Results of the Year

For the year ended 31 December 2009 (the "Year"), turnover of the Group amounted to RMB2,671,206,000 (2008: RMB1,946,833,000), representing an increase of approximately 37% from last year. Profit attributable to the shareholders was approximately RMB51,049,000 (2008: RMB48,433,000) and the basic earnings per share was approximately RMB0.14 (2008: RMB0.15).

As at 31 December 2009, the total assets and current assets of the Group was approximately RMB1,872,102,000 (2008: RMB1,458,006,000) and approximately RMB1,399,086,000 (2008: RMB1,085,381,000), respectively, representing increases of RMB414,096,000 and RMB313,705,000 from 31 December 2008, respectively. Our net assets and net assets per share at the end of the period was approximately RMB634,193,000 (2008: RMB571,022,000) and RMB1.79 (2008: RMB1.76), respectively, representing increases of 11% and 2% from 31 December 2008.

Review for the Year

Regulating and Optimizing the Company's Management Systems

The Group continued to optimize the governance standard and various management systems in order to ensure a standardized operation. The Company and its affiliates Tianjin Alps Teda Logistics Co., Ltd., Tianjin Fengtian Logistics Co., Ltd. and TEDA General Bonded Warehouse Co., Ltd. passed the ISO9001:2008 quality management system certification consecutively. In addition, Tianjin Fengtian Logistics Co., Ltd. passed the ISO14001 environment management system certification, TEDA General Bonded Warehouse Co., Ltd. passed OHSAS18000 occupational health and safety management system certification. Tianjin Alps Teda Logistics Co., Ltd. also passed the ISO14001 environment management system certification and the OHSAS18000 occupational health and safety management system certification. These achievements represent the emphasis placed on compliance by our management and that the overall management capability of the Group has been improving.

Materials Procuring and Related Logistics Services

The operation model of our materials procuring and related logistics business gradually mature in 2009 and the sales results and gross profit thereof increased to approximately RMB1.7 billion and RMB18,951,000, respectively. The proportion of its income and profit in the overall operating results of the Company increased rapidly and this has helped to realize the diversification of the Company's operation income and profit base. The Company has acquired credit facilities of approximately RMB1.6 billion from 11 financial institutions, increasing by 60% when compared with last year. The credit facilities offered strong pillars to the development of logistics business of the Company.

Rapid Development of Logistics Infrastructures

The construction of the container stacking yard and warehouse facilities of the Company at Tianjin Port was completed at the second half of 2009 and such facilities have commenced operation. The re-construction of the storage and warehouse facilities of Tianjin Yuan Da Xian Dai Logistics Co., Ltd. and the extension projects of the warehouses of Tianjin Fengtian Logistics Co., Ltd. and Tianjin Alps Teda Logistics Co., Ltd. were completed and have commenced operation consecutively. The Company acquired a land property (Binhai Logistics 4# Storage and Delivery Base) located in the center of Tianjin Development Zone in the second half of 2009, and such asset brought satisfactory profit. In addition, the Company acquired a plot of land with an area of 77,000m^2, which is close to the container stacking yard at Tianjin Port during the year. Such valuable and scarce land resource will be used for the construction of our new logistics base in the future. The operation and acquisition of the above infrastructures would effectively support the existing operating activities and the future development requirements of the Company.

An Expanded Investment Area

The Company actively extended its scope of investment and invested in the establishment of the first international exchange agency for ferroalloy products – Tianjin Ferroalloy Exchange Co., Ltd. in China, which mainly provides services such as electronic transactions of ferroalloy products, market information consultation, financing guarantee and storage, warehouse and logistics services. Tianjin Ferroalloy Exchange Co., Ltd. aims to provide a new trading platform for domestic and foreign ferroalloy dealers to purchase and sell ferroalloy so as to consolidate the resources in ferroalloy industry. The Company would expand into a new scope of logistics business by using such platform to increase its revenue generating from the provision of logistics services and enhance its operation standard. Meanwhile, the Company has been actively seeking for partners for cooperation and investment opportunities in new logistics businesses.

Awards

During the reporting period, the Company was accredited "5A Comprehensive Logistics Providers", the highest award in national logistics providers industry, which reflected the comprehensive strength of our logistics business and influence on society in the PRC. TEDA General Bonded Warehouse Co., Ltd and Tianjin Port International Automobile Logistics Co., Ltd. under the Company were awarded "High and New Technological Corporations", and such award allowed them to enjoy the relevant preferential taxation policies. TEDA General Bonded Warehouse Co., Ltd is one of the qualified steel futures clearing houses that have been designated by the Shanghai Futures Exchange and it becomes a clearing house designated by two futures exchanges at the same time. These awards had promoted the comprehensive strength and the influential power of the Company and served as critical support for the Company to identify new customers, extend its investment scope and acquiring financing.

Prospectus and Outlook

After experiencing the economic downturn in 2009, it is expected that the world and the PRC economy will show a stable momentum of growth in 2010, even though there will still be uncertainties in respect of domestic and international politics and economy. With the lessons we've learnt from the economic crisis and keen competition during last year, the Company will further develop in the coming year. We will further standardize and enhance the service level of our logistics business and continue to build on the existing resources, technology and information in the following ways;

– optimizing the shareholding structure and further enhancing the governance standard of the Company;

– continuously improving the Company's logistics capacity, profitability and development potential;

– continuously and actively exploring innovative logistics services and service modes;

– continuously developing quality logistics infrastructures that will lay a solid foundation for the future;

– actively seeking for partners in order to enhance our integral logistics capacity by different ways of cooperation.

The Group will continue to follow its operation values of "integrity, reputation and responsibility", with a steady and effective work style, to actively develop management concepts, reinforce every aspect of the management, regulate every operation, strive to scale a new height in the results and create higher values for every party in the society.

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

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The principal businesses of the Group were transportation of finished vehicles and related logistics service, automobile components, electronic components and logistics supply chain services which included materials procurement and bonded warehouse service. The major customers of the Group included 同方環球（天津）物流有限公司, 天津市金屬材料有限公司, 上海龍納物貿有限公司, 天津物產金屬國際貿易有限公司, 天津市嘉普龍商貿有限公司, 天津坤峰工貿有限公司, 天津泰峰鋼鐵有限公司, 豐田通商（天津）有限公司.

Under the influence of the global financial crisis and the downturn of domestic economy, the performances of the finished vehicles and components supply chain logistics service business, electronic components supply chain logistics service business and bonded warehouse business have worsen to different extents. However, the Group has successfully mitigated the adverse influences of the international financial crisis and domestic economic downturn through adhering to the business approach of consolidating the traditional logistics service business, reducing costs and expenses significantly and taking proactive stance to develop new logistics business, namely materials procurement and related logistics service business. For the year ended 31 December 2009, the Group achieved revenue of RMB2.671 billion, representing an increase of RMB724 million, or 37%, as compared to the corresponding period last year, while combined net profit attributable to the shareholders was RMB51,049,000, representing an increase of approximately RMB2,616,000 or 5.4%.

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

During the reporting period, due to the decline in turnover of the transportation of domestically made and imported automobiles, as at 31 December 2009, the revenue generated from the logistics and supply chain services regarding transportation of finished automobile and automobile components was approximately RMB743,840,000, down RMB10,374,000 or 1.4% as compared to the corresponding period last year.

Logistics and Supply Chain Services for Electronic Components

During the reporting period, the electronic components logistics service realized a revenue of RMB377,792,000, representing a decrease of RMB68,111,000 or 15% as compared to the corresponding period last year.

Materials procurement and Related Logistic Services

During the period, benefiting from the robust development of the materials procurement and related logistics service business, we have generated revenue of RMB1,707,241,000, representing an increase of RMB777,901,000, or 84%, over the last year and was the main income driver of the Company in 2009.

Bonded Warehouse Services

During the reporting period, this segment generated revenue of RMB11,029,000, down RMB8,441,000, or 43%, as compared to the corresponding period last year.

Warehouse, supervision, agency and other incomes

During the reporting period, this segment generated revenue of RMB14,483,000 (2008: RMB14,401,000).

Financial Review

Turnover

For the year ended 31 December 2009, turnover of the Group increased to RMB2.671 billion, representing a leap of RMB724 million or 37% as compared to RMB1.947 billion last year. The substantial increase in turnover is mainly attributable to the strong development of the materials procurement and related logistics service business of the Group.

Cost of sales and gross profit

For the year ended 31 December 2009, the cost of sales of the Group was RMB2.57 billion, up RMB753 million or 41% as compared with 1.817 billion of the corresponding period last year and is in line with the growth trend of turnover for the year.

For the year ended 31 December 2009, gross profit margin of the Group was 3.79%, down 2.86% as compared to 6.65% of 2008. One of the main reasons for the over decline of the gross profit margin of the Group is the different extents of decline of turnover of the finished vehicles and components supply chain logistics service business, electronic components supply chain logistics service business and bonded warehouse service business, which resulted in a decline in gross profit. In addition, the materials procurement and related logistics businesses which we started to engage during the reporting period delivers significant turnover amount but relatively low gross profit margin, which further diluted the overall gross profit margin of the Group.

Administrative expenses

The administrative expenses of the Group amounted to RMB49,781,000 in 2009, representing a decrease of RMB2,001,000, or 3.9% as compared to RMB51,782,000 in 2008. The reason for the decline in administrative expenses was that last year administrative expenses included part of the non-recurring listing expenses, which would not be accounted for again this year. Besides, the Company and its subsidiaries have strengthened their control of certain administrative expenses.

Finance costs

The Group's finance costs for the year increased RMB252,000 from RMB2,161,000 last year to RMB2,413,000. The main reason for the increase was that the Group increased certain short-term bank borrowings to finance its liquidity during the year.

Taxation expenses

The taxation expenses of the Group for 2009 were RMB13,135,000, representing a decrease of RMB15,135,000 as compared to RMB28,270,000 for the last year. Under the prevailing corporate income tax laws, the Company is no longer required to pay the difference on tax on the dividends distributed by a subsidiary which is subject to a lower corporate income tax rate. The taxation expenses for the year decreases by a substantial amount as a result.

Earnings attributable to the equity holders of the Company

For the year ended 31 December 2009, earnings attributable to the equity holders of the Group was RMB51,049,000, representing an increase of RMB2,616,000, or 5.4%, as compared to RMB48,433,000 of last year.

Dividend

For the year ended 31 December 2009, profit attributable to the equity holders of the Company was approximately RMB51,049,000. The Board did not recommend the payment of final dividend for the financial year ended 31 December 2009 at the annual general meeting. On 9 November 2009, the Board proposed an interim dividend of RMB0.04 per share, representing a payout ratio of approximately 28%, and a total dividend payment of RMB14,172,480, which was approved on the general meeting held on 8 January 2010.

Liquidity and financial resources

For the year ended 31 December 2009, the Group maintained a sound financial position. As at 31 December 2009, the cash and bank deposit of the Group was RMB246,560,000 (31 December 2008: RMB247,859,000). As at 31 December 2009, the total assets of the Group was RMB1,872,102,000 (31 December 2008: RMB1,458,006,000), current liabilities of RMB1,232,395,000 (31 December 2008: RMB877,831,000), non-current liabilities of RMB5,514,000 (31 December 2008: RMB9,153,000), shareholder's equity attributable to the shareholders of the Company was RMB549,124,000 (31 December 2008: RMB498,075,000) and minority interests of RMB85,069,000 (31 December 2008: RMB72,947,000).

As at 31 December 2009, the balance of the bank loans of the Group was RMB84,414,000 (31 December 2008: RMB27,417,000).

As at 31 December 2009, the ratio of total liabilities to total assets of the Group was 66% (31 December 2008: 61%) and the Group's gearing ratio (a ratio of short-term bank loans to shareholder's equity excluding minority interests) was 15.4% (31 December 2008: 5.5%).

Capital structure

During the year ended 31 December 2009, there has been no change in the capital structure of the Company. The capital of the Company comprises only ordinary shares.

Pledge and Charged of Assets

For the year ended 31 December 2009, bank deposits of RMB78,015,000 (31 December 2008: RMB57,856,000) of the Group were pledged to banks for the issuance of banks' acceptance bills. The pledged deposits carry fixed interest rate of ranging from 1.71% to 1.98% (2008: 1.98%). The pledged bank deposits will be released upon the settlement of relevant bills payable. Save as mentioned above, the Group had no pledged or charged assets.

Foreign currency risks

The Group may be exposed to certain extent of foreign currency risks as the proceeds from the issue of H shares by the Group was denominated in Hong Kong dollar and was placed in a Hong Kong Dollars account with commercial banks in the PRC pursuant to the regulations of the relevant foreign exchange administrative authority of the PRC and the Group had the balance of deposit denominated in US dollars of approximately RMB17,059,000 at the end of the year. Save as mentioned above, at present, with limited foreign currency transactions, the relevant effect on the Group is minimal.

Contingent liabilities

As at 31 December 2009, the Company had outstanding guarantee provided to Tianjin Alps Teda Logistics for its liabilities arising on the air freight logistics operation.

Capital commitments

As at 31 December 2009, the Group had the following capital commitments:

	2009 RMB'000
Property, plant and equipments	
Contracted for but not provided	**19,656**
Approved but not contracted	**–**
Total	**19,656**

Major acquisition or disposal of subsidiaries and associated companies

On 21 April 2009, the Company published an announcement in relation to the entering into of a capital injection agreement for capital injection by its shareholders into Tianjin Binhai Yuan Sheng Steel Market Operation and Management Co., Ltd. ("Yuan Sheng"), whereby Yuan Sheng will cease to be an indirect non-wholly owned subsidiary of the Company. Such transaction, which constitutes a connected transaction exempt from the independent shareholders' approval requirements under Rule 20.32 of the GEM Listing Rules, is only subject to the reporting and announcement requirements.

On 11 May 2009, the Company published an announcement in relation to establishment of a limited liability company, namely, Tianjin Ferroalloy Exchange Co., Ltd. in Tianjin, the PRC for provision of metal products trading market and related warehousing and logistics services. Such transaction, which constitutes a discloseable transaction under Rule 19.06 of the GEM Listing Rules, is only subject to the reporting and announcement requirements.

Save as disclosed above, during the reporting period, there was no major acquisition or disposal of any subsidiaries and associated companies by the Group.

Employees

As at 31 December 2009, the Company employed 1,688 employees (31 December 2008: 1,646).

	As at 31 December 2009	As At 31 December 2008
Administration	**126**	79
Finance	**45**	46
Information Technology	**10**	31
Sales and Operation	**1,507**	1,490
Total	**1,688**	1,646

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 staff. Also, a discretionary bonus based on individual performance during the year will be distributed to reward the contributions of employees to the Company. Other staff benefits include pension insurance, unemployment insurance, labour injury insurance, medical insurance, maternity insurance and housing fund, etc.

USE OF PROCEEDS

The Group raised a total net proceeds of approximately HK$162,300,000 from placing on 30 April 2008 and over-allotment on 28 May 2008. Since the date of listing on the GEM to 31 December 2009, the practical applications of the proceeds in accordance with the usage disclosed in the prospectus are as follow:

- Approximately RMB20,000,000 will be used to repay bank borrowings, which were applied for the development of storage and warehousing facilities on the land at TEDA.
- Approximately RMB109,400,000 will be used for the acquisition of land at Tianjin Port, development of the container stacking yard and construction of warehousing facilities thereon.
- Approximately RMB8,000,000 will be used for the development of information technology system.
- Approximately RMB4,000,000 will be used as general working capital of the Group.

For the year ended 31 December 2009, the actual amount of proceeds used by the Company was approximately RMB141,400,000 in aggregate, and the remaining net proceeds had been placed with the commercial banks in the PRC. The Board believes that the remaining net proceeds will be used according to the intended usages as set out in the Prospectus.

COMPARISON BETWEEN BUSINESS OBJECTIVES AND ACTUAL OPERATION PROGRESS

Business objectives for the six months ended 31 December 2009 set out in the Prospectus of the Company	**Actual business progress for the six months ended 31 December 2009**
Business development	
To develop efficient integrated freight forwarding logistics services by sea, highway and railways spanning across Eastern and Northern Asia.	During the reporting period, such project has achieved significant progress with potential customers acquired during the initial stage gradually entering into formal cooperative relations with the Company.
To provide comprehensive logistics and supply chain solutions complemented by procurement services.	During the reporting period, tremendous effort was made to develop such project and significant progress was achieved.
Sales and marketing	
To secure and improve the existing services of provision of logistics and supply chain solutions and procurement services.	During the reporting period, the materials procurement and related logistics service business achieved robust growth and recorded revenue of RMB1,227,593,000, up RMB535,837,000 or 77.5% as compared to the corresponding period last year and was the main income driver of the Company in 2009.
Logistics infrastructure	
To strengthen the logistics infrastructure (including road and sea freight forwarding facilities and operational equipment) of Binhai Logistics Group at Binhai New Area	During the reporting period, the construction works of the container-stacking yard and warehouse facilities at Tianjin Port was completed and such facilities have commenced operation, while the acquisition of a stacking land with an area of 76,792.5 square meters at Tianjin Port is still in progress.

The comparison of business objectives and actual operation progress for the six months ended 30 June 2009 was set out in the interim report of 2009.

OTHER CORPORATE INFORMATION

Competition and Conflict of Interests

Competing Interests

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

Directors', Chief Executive's and Supervisors' Interests in the Company and its Associated Corporations

As at 31 December 2009, none of the directors, chief executives or supervisors of the Company had any interest or short positions in the shares, underlying shares or debentures of the Company or 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 they 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 2009, none of the directors, chief executives or supervisors of the Company hold 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 persons to subscribe for any securities in any member of the Group, or had any interest, directly or indirectly, in any assets acquired or disposed of or leased by or to any member of the Group or proposed to be acquired or disposed of or leased by or to any member of the Group since 31 December 2008.

Substantial Shareholders and Persons holding Interests and Short Position in the Shares and Underlying Shares of the Company

So far as is known to the directors, chief executives and supervisors of the Company, as at 31 December 2009, the following person (other than the directors, chief executives and supervisors of the Company) had interests or short positions in the shares and underlying shares of the Company, which were required to be disclosed to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO, or were directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company, or which were required to be recorded in the register referred to in Section 336 of the SFO:

Long position in Shares

Name	Capacity	Number and class of shares (Note 1)	Approximate percentage of shareholding in the same class of shares	Approximate percentage of shareholding to the Company's total issued share capital
Tianjin Teda Investment Holding Company Limited	Beneficial owner	178,765,011 (L) Domestic shares	69.81%	50.45%
Tianjin Economic and Technological Development Area State Asset Operation Company	Beneficial owner	77,303,789 (L) Domestic shares	30.19%	21.82%
Tianjin Port Development Holdings Limited	Beneficial owner	20,000,000 (L) H shares	20.36%	5.64%
Edmond de Rothchild Asset Management (Note 2)	Investment manager	15,672,000 (L) H shares	15.95%	4.42%
Hongkong Topway Trading Co., Limited	Beneficial owner	10,000,000 (L) H shares	10.18%	2.82%
The National Council for Social Security Fund of the People's Republic of China	Beneficial owner	8,931,200 (L) H shares	9.09%	2.52%

Note:

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

2. Edmond de Rothchild Asset Management was deemed to be interested in the 15,672,000 H shares directly owned by Edmond de Rothchild Asset Management Hong Kong Limited by virtue of its 100% shareholding in Edmond de Rothchild Asset Management Hong Kong Limited.

Save as disclosed in this report, so far as is known to the directors and chief executives of the Company, as at 31 December 2009, no any other persons (other than directors or chief executives or supervisors of the Company) had interests or short positions which would fall to be disclosed to the Company under provisions of Divisions 2 and 3 of Part XV of the SFO or, who were directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group or, which were required to be recorded in the register referred to in Section 336 of the SFO.

Corporate governance report

The Company believes that stringent corporate governance practices could enhance creditability 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" in pursuant to the requirements of the GEM Listing Rules. During the reporting year, the Company has complied with all the requirements of the Code on Corporate Governance Practices set out in Appendix 15 of the GEM Listing Rules.

Code on Corporate Governance Practices

The Company has complied with the Code on Corporate Governance Practices ("the Code") as set out in appendix 15 of the GEM Listing Rules throughout the year ended 31 December 2009, except for the following deviations:

The code provision A 2.1 stipulates that the roles of the chairman of the Board (the "Chairman") and the chief executive officer (the "CEO") should be separate and should not be performed by the same individual. The division of responsibilities between the Chairman and Chief Executive Officer should be clearly established and set out in writing.

As at 31 December 2009, the roles of the Chairman and the CEO of the Company have been performed by Mr. Zhang Jian and he is 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 and thus enabling him to make appropriate decisions which are in the interests of the shareholders as a whole on a timely and effectively basis. The Company believes that the combination of the roles of the Chairman and the CEO helps effectively formulating and implementing the Group's strategies as well as quickly responding 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.

Audit Committee

The Company has established an audit committee with terms of reference, which clearly defined the powers and duties of the committee. The primary duties of the audit committee are to review and supervise the financial reporting process and internal control systems of the Company, as well as providing opinion and recommendation to the Directors of the Company.

The audit committee comprises three Independent Non-Executive Directors, namely Mr. Liu Jing Fu, Mr. Zhang Limin and Mr. Luo Yongtai. Mr. Zhang Limin is the chairman of the audit committee. The audit committee has reviewed the annual results for the year ended 31 December 2009.

Securities Transaction by Directors

The Company has not adopted the model code for securities transactions by directors. However, having made specific enquiry of all Directors of the Company, the Company did not aware any directors' non-compliance with the code of conduct regarding securities transactions by the directors as set out in rules 5.48 to 5.67 of the GEM listing rules during the year ended 31 December 2009.

Purchase, Sale or Redemption of securities

During the year ended 31 December 2009, neither the Company nor any of its subsidiaries has purchased, redeemed or sold any listed securities of the Company.

Interest of Compliance Advisor

The Company has appointed Guotai Junan Capital Limited as its compliance advisor pursuant to Rule 6A.19 of the GEM Listing Rules. The term of the appointment commenced on the Listing Date and will end on the date on which the Company complies with Rule 18.03 of the GEM Listing Rules in respect of its financial results for the second full financial year after the Listing Date (i.e. the date of despatch of the annual report of the Company in respect of its results of the financial year ending 31 December 2010), subject to early termination.

As at 31 December 2009, as notified by Guotai Junan Capital Limited, none of Guotai Junan Capital Limited, its directors, its employees or associates had any interest in the Company's securities (including share options and other rights to subscribe for the Company's securities).

Preliminary Announcement of the Results

The figures in respect of the preliminary announcement of the Group's results for the year ended 31 December 2009 have been agreed by the Group's auditors, PricewaterhouseCoopers Hong Kong, to the amounts set out in the Group's draft consolidated financial statements for the year. The work performed by PricewaterhouseCoopers Hong Kong 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 PricewaterhouseCoopers Hong Kong on the preliminary announcement.

As at the date of this announcement, the Board of directors of the company comprises Mr. Zhang Jian and Mr. Wang Wei as Executive Directors; Mr. Zhang Jun, Mr. Ding Yi, Mr. Hu Jun and Mr. Zhang Jinming as Non-Executive directors; and Mr. Liu Jingfu, Mr. Zhang Limin and Mr. Luo Yongtai as Independent Non-Executive directors.

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

Tianjin, 22 March 2010

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.