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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)

**CONNECTED TRANSACTION AND MAJOR TRANSACTION  
IN RELATION TO DEEMED DISPOSAL OF SUBSIDIARY**

The Board would like to announce that on 2 July 2010, the Company and Alps Logistics entered into the Capital Increase Agreement, pursuant to which the Parties agreed to increase the registered capital of Tianjin Alps Teda Logistics from USD6,000,000 to USD6,240,000 and Alps Logistics agreed to make an additional capital contribution into Tianjin Alps Teda Logistics subject to the terms and conditions thereof.

As at the date of this announcement, the Company owns 52% interest in the registered capital of Tianjin Alps Teda Logistics, which is a non-wholly owned subsidiary of the Company under the GEM Listing Rules (and accounted for as a jointly controlled entity in the latest consolidated financial statement of the Company), while Alps Logistics owns 48% interest in the registered capital of Tianjin Alps Teda Logistics. After the Completion, the Company and Alps Logistics will respectively own 50% interest in the registered capital of Tianjin Alps Teda Logistics and Tianjin Alps Teda Logistics will cease to be a non-wholly owned subsidiary of the Company under the GEM Listing Rules (but will continue to be accounted for as a jointly controlled entity in the consolidated financial statement of the Company). Consequently, the transactions between the Group and Alps Logistics will not be regarded as connected transactions under the GEM Listing Rules after the Completion.

Since the shareholding of the Company in Tianjin Alps Teda Logistics will be diluted by 2% to 50% after the Completion, the Proposed Capital Increase constitutes a deemed disposal by the Company of its interest in Tianjin Alps Teda Logistics under Rule 19.29 of the GEM Listing Rules. As the applicable ratios under the GEM Listing Rules in relation to the Proposed Capital Increase are more than 25% but less than 75%, it constitutes a major transaction of the Company under Rule 19.06 of the GEM Listing Rules, which is subject to the reporting, announcement and shareholders' approval requirements under the GEM Listing Rules.

\* *For identification purposes only*

Alps Logistics, which holds 48% interest in the registered capital of Tianjin Alps Teda Logistics, a non-wholly owned subsidiary of the Company, is a substantial shareholder of Tianjin Alps Teda Logistics and thus, a connected person of the Company as defined under the GEM Listing Rules. Consequently, it also constitutes non-exempt connected transactions of the Company under the GEM Listing Rules, which is subject to the reporting, announcement and independent shareholders' approval requirements under the GEM Listing Rules.

A circular containing, among other things, further details of the Proposed Capital Increase, the recommendations from the Independent Board Committee and the opinion from the independent financial advisor in respect of the Proposed Capital Increase together with a notice of the EGM will be dispatched to the Shareholders on or before 23 July 2010 in accordance with the requirements under the GEM Listing Rules.

## THE CAPITAL INCREASE AGREEMENT

Date : 2 July 2010

Parties : (1) The Company  
(2) Alps Logistics

Capital Increase : The registered capital of Tianjin Alps Teda Logistics as at the date of this announcement is USD6,000,000 and its equity interest holders are as follows:

	Contribution to registered capital before the Proposed Capital Increase	Shareholding in the registered capital before the Proposed Capital Increase
The Company	USD3,120,000	52%
Alps Logistics	USD2,880,000	48%

The registered capital of Tianjin Alps Teda Logistics will be increased from USD6,000,000 to USD6,240,000. Within 30 days from the fulfillment of all the Conditions Precedent, Alps Logistics will pay to Tianjin Alps Teda Logistics a sum of approximately RMB6,180,392 as the Capital Contribution, out of which approximately RMB1,625,280 (equivalent sum of USD240,000) will be applied to the registered capital of Tianjin Alps Teda Logistics and approximately RMB4,555,112 will be applied to the capital reserve of Tianjin Alps Teda Logistics.

After Completion, the contribution and shareholding in the registered capital of Tianjin Alps Teda Logistics will be distributed as follows:

	Contribution to registered capital after the Proposed Capital Increase	Shareholding in the registered capital after the Proposed Capital Increase
The Company	USD3,120,000	50%
Alps Logistics	USD3,120,000	50%

Capital Contribution : The amount of the Capital Contribution arrived at after arm's length negotiations between the Parties with reference to the valuation of Tianjin Alps Teda Logistics conducted by independent qualified professional valuer who was jointly appointed by the Parties. According to the valuation report, the preliminary appraised value of Tianjin Alps Teda Logistics as at 31 December 2009 is approximately 154,509,800, which is subject to approval by the relevant PRC authority.

The Capital Contribution will be in the sum of approximately RMB6,180,392 and paid by Alps Logistics as follows:

- (i) the payment of dividend for the financial year of 2009 in the sum of RMB4,800,000 (pre-tax) distributed by Tianjin Alps Teda Logistics will be set off against the Capital Contribution; and
- (ii) the outstanding will be payable by Alps Logistics within 30 days from the date of fulfilment of all the conditions precedent.

The exchange rate between USD and RMB will be determined by reference to the relevant exchange rate published by the People's Bank of China on the date of approval from the relevant PRC authorities in respect of the Proposed Capital Increase.

- Conditions Precedent : The Proposed Capital Increase will be conditional upon fulfilment of all the following conditions:
- (a) the Company has obtained all necessary approvals from its independent non-executive Directors and Shareholders in respect of the transactions under the Capital Increase Agreement (including but not limited to the Proposed Capital Increase) in compliance with the requirements under the GEM Listing Rules; and
  - (b) the board of Tianjin Alps Teda Logistics has approved the transactions under the Capital Increase Agreement (including but not limited to the Proposed Capital Increase); and
  - (c) the Company has obtained all necessary approvals from the relevant PRC authorities in respect of the Proposed Capital Increase.

#### **EFFECT OF THE PROPOSED CAPITAL INCREASE**

Upon Completion, Tianjin Alps Teda Logistics will cease to be a non-wholly owned subsidiary of the Company under the GEM Listing Rules (but will continue to be accounted for as a jointly controlled entity in the consolidated financial statement of the Company). The composition of the board of directors of Tianjin Alps Teda Logistics will remain unchanged. Consequently, the transactions between the Group and Alps Logistics will not be regarded as connected transactions under the GEM Listing Rules after the Completion.

There is no significant gain/loss expected to accrue to the Company for this transaction for the reason that the Capital Contribution is based on the appraised value of Tianjin Alps Teda Logistics. The Capital Contribution will be used by Tianjin Alps Teda Logistics as its working capital.

#### **REASONS FOR AND BENEFITS OF THE PROPOSED CAPITAL INCREASE**

This Capital Increase is beneficial to maintain a long-term, positive and equal cooperative relationship between the Company and Alps Logistics, which facilitates the smooth business development in the future.

The Board (including the independent non-executive Directors) considers that the Proposed Capital Increase is on normal commercial terms and in the ordinary and usual course of business, fair and reasonable and in the interests of the Company and its Shareholders as a whole.

## **INFORMATION ON TIANJIN ALPS TEDA LOGISTICS**

Tianjin Alps Teda Logistics is a Sino-foreign joint venture established by the Company and Alps Logistics in the PRC. It is regarded as a subsidiary under the GEM Listing Rules and accounted for as a jointly controlled entity in the consolidated financial statement of the Company. Its principal business includes the provision of logistics and supply chain services in relation to electronic products.

The net asset value of Tianjin Alps Teda Logistics as at 31 December 2009 is approximately RMB154,509,800.

The net profits of Tianjin Alps Teda Logistics for the financial year of 2008 before and after taxation and extraordinary items are RMB43,191,250 and RMB34,112,530 respectively. The net profits of Tianjin Alps Teda Logistics for the financial year of 2009 before and after taxation and extraordinary items are RMB25,122,840 and RMB19,004,522 respectively.

## **INFORMATION ON ALPS GROUP**

Alps Group is one of the principal group of customers of the Group. Its principal business includes manufacturing and sales of electronic products.

## **INFORMATION ON THE GROUP**

The Group is principally engaged in the provision of supply chain logistic services regarding transportation of finished automobiles and automobile components, electronic components, materials procurement and related logistic services and bonded warehouse services.

## **GEM LISTING RULES IMPLICATIONS**

As at the date of this announcement, the Company owns 52% interest in the registered capital of Tianjin Alps Teda Logistics, which is a non-wholly owned subsidiary of the Company, while Alps Logistics owns 48% interest in the registered capital of Tianjin Alps Teda Logistics. After the Completion, the Company and Alps Logistics will respectively own 50% interest in the registered capital of Tianjin Alps Teda Logistics and Tianjin Alps Teda Logistics will cease to be a non-wholly owned subsidiary of the Company. Consequently, the transactions between the Group and Alps Logistics will not be regarded as connected transactions under the GEM Listing Rules after the Completion.

Since the shareholding of the Company in Tianjin Alps Teda Logistics will be diluted by 2% to 50% after Completion, the Proposed Capital Increase constitutes a deemed disposal by the Company of its interest in Tianjin Alps Teda Logistics under Rule 19.29 of the GEM Listing Rules. As the applicable ratios under the GEM Listing Rules in relation to the Proposed Capital Increase are more than 25% but less than 75%, it constitutes a major transaction of the Company under Rule 19.06 of the GEM Listing Rules, which is subject to the reporting, announcement and shareholders' approval requirements under the GEM Listing Rules.

Alps Logistics, which holds 48% interest in the registered capital of Tianjin Alps Teda Logistics, a non-wholly owned subsidiary of the Company, is a substantial shareholder of Tianjin Alps Teda Logistics and thus, a connected person of the Company as defined under the GEM Listing Rules. Consequently, it also constitutes non-exempt connected transactions of the Company under the GEM Listing Rules, which is subject to the reporting, announcement and independent shareholders' approval requirements under the GEM Listing Rules.

No Shareholder is required to abstain from voting at the EGM regarding the approval of the Proposed Capital Increase. The Independent Board Committee, comprising of all the independent non-executive Directors, will be established to advise the Shareholders on the Proposed Capital Increase and an independent financial adviser will be appointed to advise the Independent Board Committee and the Shareholders on the Proposed Capital Increase.

A circular containing, among other things, further details of the Proposed Capital Increase, the recommendations from the Independent Board Committee and the opinion from the independent financial advisor in relation to the Proposed Capital Increase together with a notice of the EGM will be dispatched to the Shareholders on or before 23 July 2010 in accordance with the requirements under the GEM Listing Rules.

## **DEFINITIONS**

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

“Alps Logistics”	means Alps Logistics Co., Ltd. (株式會社阿爾卑斯物流), is a company with limited liability incorporated in Japan, whose common stock is listed on the second section of the Tokyo Stock Exchange. Alps Logistics is owned as to approximately 46.6% by Alps Electric Co. Ltd. and according to the annual report of Alps Electric Co. Ltd. for the year of 2009, is regarded as a consolidated subsidiary of Alps Electric Co. Ltd.
“Alps Group”	means Alps Electric Co. Ltd. and its subsidiaries and associated companies (including Alps Logistics but excluding any member of the Group)
“associate”	has the meaning ascribed to it under the GEM Listing Rules
“Board”	means the board of Directors
“Capital Contribution”	means the total capital contribution in the sum of approximately RMB6,180,392 to be paid by Alps Logistics to Tianjin Alps Teda Logistics pursuant to the Capital Increase Agreement

“Capital Increase Agreement”	means an agreement in relation to increase to the registered capital and alteration to the capital contributions of Tianjin Alps Teda Logistics (天津泰達阿爾卑斯物流有限公司註冊資本及出資比例變更協議) entered into between the Company and Alps Logistics on 2 July 2010
“Conditions Precedent”	means the conditions precedent to the Proposed Capital Increase as provided in the Capital Increase agreement
“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
“Completion”	means the completion of the Proposed Capital Increase pursuant to the Capital Increase Agreement
“connected person”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	means the director(s) of the Company
“Domestic Shares”	means 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
“EGM”	means the extraordinary general meeting to be convened and held to consider and approve the Proposed Capital Increase
“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 together with its subsidiaries
“H Shares”	means overseas-listed foreign shares of the Company with a nominal value of RMB1.00 each, which are listed on the GEM
“Hong Kong”	means the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	means an independent committee of the Board comprising all the independent non-executive Directors, namely, Mr. Zhang Limin, Mr. Luo Yongtai and Mr. Liu Jingfu, to be established to advise the Shareholders on the Proposed Capital Increase

“Parties”	means the Company and Alps Logistics
“PRC”	means 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 Capital Increase”	means the proposed increase of the registered capital of Tianjin Alps Teda Logistics and capital contribution of Alps Logistics as contemplated under the Capital Increase Agreement
“RMB”	means Renminbi, the lawful currency of the PRC
“Shares”	means the Domestic Shares and the H shares
“Shareholder”	means holder(s) of the Shares
“Stock Exchange”	means The Stock Exchange of Hong Kong Limited
“Tianjin Alps Teda Logistics”	means Tianjin Alps Teda Logistics Co., Ltd. (天津泰達阿爾卑斯物流有限公司), a Sino-foreign equity joint venture incorporated in the PRC on 27 October 1992, which is owned as to 52% by the Company and 48% by Alps Logistics as at the date of this announcement. Tianjin Alps Teda Logistics is a non-wholly owned subsidiary of the Company under the GEM Listing Rules (and accounted for as a jointly controlled entity in the latest consolidated financial statement of the Company).
“USD”	means the lawful currency of the United States of America
“%”	means per cent

For the purpose of illustration only and unless otherwise specified in this announcement, amounts denominated in USD have been converted into RMB at a rate of USD1.00 to RMB6.7720 (the central parity rate of RMB/USD announced by the People’s Bank of China on the date of signing the Capital Increase Agreement). The effective exchange rate used in Capital Contribution is based on the exchange rate of RMB to USD as announced by the People’s Bank of China on the date of approval of the valuation by the relevant PRC authorities.

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

Tianjin, the PRC  
2 July 2010



*As at the date of this announcement, the executive Directors are (1) Mr. Zhang Jian and (2) Mr. Wang Wei; the non-executive Directors are (3) Mr. Zhang Jun, (4) Mr. Hu Jun, (5) Mr. Ding Yi and (6) Mr. Zhang Jinming; and the independent non-executive Directors are (7) Mr. Zhang Limin, (8) Mr. Luo Yongtai and (9) Mr. Liu Jingfu.*

*This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market (“GEM”) of the Stock Exchange of Hong Kong Limited 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 respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.*

*This announcement will remain on the “Latest Company Announcements” page of the GEM website at [www.hkgem.com](http://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](http://www.tbtl.cn).*