



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 People's Republic of China with limited liability)

Stock Code: 8348

THIRD QUARTERLY REPORT

2010

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

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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.

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This report, for which the directors of the issuer 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 of Hong Kong Limited (“GEM Listing Rules”) for the purpose of giving information with regard to the issuer. The directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the figures contained in this report 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 report misleading.

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HIGHLIGHTS

The following are the financial highlights during the nine months ended 30 September 2010:

- Turnover increased by approximately 23% to RMB2,130,018,000
- Gross profit increased by approximately 97% to RMB116,992,000
- Profit attributable to shareholders increased by approximately 185% to RMB70,180,000
- Earnings per share amounted to RMB20 cents

UNAUDITED CONSOLIDATED THIRD QUARTERLY RESULTS OF 2010

The board of directors (the "Board") of the Company hereby announces the unaudited results of the Company and its subsidiaries (collectively referred to as the "Group") for the nine months ended 30 September 2010 together with the comparative unaudited figures for the corresponding period in 2009.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

For the nine months ended 30 September 2010

| | Note | Three months ended 30 September | | Nine months ended 30 September | |
|---|------|------------------------------------|--------------------------------|-----------------------------------|--------------------------------|
| | | 2010 RMB'000 (unaudited) | 2009 RMB'000 (unaudited) | 2010 RMB'000 (unaudited) | 2009 RMB'000 (unaudited) |
| Turnover | 4 | 745,781 | 866,404 | 2,130,018 | 1,735,845 |
| Cost of sales | 5 | (703,626) | (830,048) | (2,013,026) | (1,676,377) |
| Gross profit | | 42,155 | 36,356 | 116,992 | 59,468 |
| Other income | | 3,654 | 1,893 | 6,585 | 5,932 |
| Administrative expenses | 5 | (15,779) | (13,585) | (41,075) | (34,567) |
| Finance costs | | (1,000) | (647) | (3,172) | (1,395) |
| Share of results of associates | | 8,805 | 3,386 | 24,510 | 9,209 |
| Profit before income tax | | 37,835 | 27,403 | 103,840 | 38,647 |
| Income tax expense | 6 | (6,168) | (5,136) | (18,203) | (8,364) |
| Profit/total comprehensive income for the period | | 31,667 | 22,267 | 85,637 | 30,283 |
| Profit/ total comprehensive income attributable to Equity holders of the Company | | 27,156 | 16,158 | 70,180 | 24,610 |
| Non-controlling interests | | 4,511 | 6,109 | 15,457 | 5,673 |
| | | 31,667 | 22,267 | 85,637 | 30,283 |
| Earnings per share (RMB cents) | 8 | | | | |
| Basic and diluted | | 8 | 5 | 20 | 7 |

NOTES TO THE FINANCIAL INFORMATION (UNAUDITED)

For the nine months ended 30 September 2010

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. ("Teda Holding") and Tianjin Economic and Technological Development Area State Asset Operation Company ("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 oversea listed foreign shares ("H shares") on the Growth Enterprise Market ("GEM") of the Stock Exchange of Hong Kong Limited ("the Stock Exchange"), the Company has become 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 hereinafter collectively referred to as the Group ("the 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

The financial information has been prepared in accordance with the disclosure requirements of the Rules Governing the Listing of Securities on the GEM of the Stock Exchange.

3. Principal accounting policies

The financial information has been prepared on historical cost basis.

The accounting policies used in the preparation of this financial information are consistent with those applied by the Group for the year ended 31 December 2009.

3. Principal accounting policies (Continued)

The Group has adopted the new or amended IFRS, amendments of standards and interpretations effective for the accounting periods beginning on or after 1 January 2010. Adoption of such new or amended standards, amendments of standards and interpretations has no material effects on the condensed consolidated financial information, and has caused no material change to the accounting policies of the Group.

4. Segment information

For the nine months ended 30 September 2010

| | Logistics and supply chain services for automobiles and their components RMB'000 (Unaudited) | Logistics and supply chain services for electronic components RMB'000 (Unaudited) | Materials procurement and related logistics services RMB'000 (Unaudited) | Reportable segments subtotal RMB'000 (Unaudited) | All other segments RMB'000 (Unaudited) | Total RMB'000 (Unaudited) |
|------------------------------------|---|---|--|--|---|---------------------------------|
| Revenue | 676,552 | 397,587 | 1,231,107 | 2,305,246 | 24,882 | 2,330,128 |
| Inter-segment revenue | (161) | (9,828) | – | (9,989) | (2,004) | (11,993) |
| Revenue from external customers | 676,391 | 387,759 | 1,231,107 | 2,295,257 | 22,878 | 2,318,135 |
| Segment results | 41,107 | 36,651 | 20,179 | 97,937 | 1,838 | 99,775 |
| Depreciation and amortisation | (9,117) | (4,250) | (1,587) | (14,954) | (4,483) | (19,437) |
| Share of results of associates | – | – | (1,434) | (1,434) | 25,944 | 24,510 |
| Income tax expense | (9,263) | (7,955) | (4,673) | (21,891) | (154) | (22,045) |

4. Segment information (Continued)

For the three months ended 30 September 2010

| | Logistics and supply chain services for automobiles and their components RMB'000 (Unaudited) | Logistics and supply chain services for electronic components RMB'000 (Unaudited) | Materials procurement and related logistics services RMB'000 (Unaudited) | Reportable segments subtotal RMB'000 (Unaudited) | All other segments RMB'000 (Unaudited) | Total RMB'000 (Unaudited) |
|------------------------------------|---|---|--|--|---|---------------------------------|
| Revenue | 214,365 | 142,308 | 452,183 | 808,856 | 8,426 | 817,282 |
| Inter-segment revenue | (36) | (3,507) | – | (3,543) | (628) | (4,171) |
| Revenue from external customers | 214,329 | 138,801 | 452,183 | 805,313 | 7,798 | 813,111 |
| Segment results | 11,980 | 15,233 | 9,413 | 36,626 | 1,238 | 37,864 |
| Depreciation and amortisation | (3,145) | (1,133) | (1,079) | (5,357) | (1,505) | (6,862) |
| Share of results of associates | – | – | (428) | (428) | 9,233 | 8,805 |
| Income tax expense | (2,659) | (2,931) | (1,955) | (7,545) | (40) | (7,585) |

4. Segment information (Continued)

For the nine months ended 30 September 2009

| | Logistics and supply chain services for automobiles and their components RMB'000 (Unaudited) | Logistics and supply chain services for electronic components RMB'000 (Unaudited) | Materials procurement and related logistics services RMB'000 (Unaudited) | Reportable segments subtotal RMB'000 (Unaudited) | All other segments RMB'000 (Unaudited) | Total RMB'000 (Unaudited) |
|------------------------------------|---|---|--|--|---|---------------------------------|
| Revenue | 515,105 | 264,351 | 1,069,774 | 1,849,230 | 24,135 | 1,873,365 |
| Inter-segment revenue | (72) | (7,046) | – | (7,118) | (5,683) | (12,801) |
| Revenue from external customers | 515,033 | 257,305 | 1,069,774 | 1,842,112 | 18,452 | 1,860,564 |
| Segment results | 20,872 | 15,235 | 5,696 | 41,803 | (4,343) | 37,460 |
| Depreciation and amortisation | (9,766) | (4,010) | (269) | (14,045) | (4,024) | (18,069) |
| Share of results of associates | – | – | (604) | (604) | 9,813 | 9,209 |
| Income tax expense | (4,250) | (3,786) | (1,432) | (9,468) | (721) | (10,189) |

4. Segment information (Continued)

For the three months ended 30 September 2009

| | Logistics and supply chain services for automobiles and their components RMB'000 (Unaudited) | Logistics and supply chain services for electronic components RMB'000 (Unaudited) | Materials procurement and related logistics services RMB'000 (Unaudited) | Reportable segments subtotal RMB'000 (Unaudited) | All other segments RMB'000 (Unaudited) | Total RMB'000 (Unaudited) |
|------------------------------------|---|---|--|--|---|---------------------------------|
| Revenue | 218,753 | 112,359 | 584,471 | 915,583 | 8,038 | 923,621 |
| Inter-segment revenue | (39) | (2,209) | – | (2,248) | (1,527) | (3,775) |
| Revenue from external customers | 218,714 | 110,150 | 584,471 | 913,335 | 6,511 | 919,846 |
| Segment results | 17,673 | 11,193 | 2,356 | 31,222 | (1,409) | 29,813 |
| Depreciation and amortisation | (3,191) | (1,313) | (2) | (4,506) | (1,276) | (5,782) |
| Share of results of associates | – | – | (193) | (193) | 3,579 | 3,386 |
| Income tax expense | (3,582) | (2,032) | (478) | (6,092) | (25) | (6,117) |

4. Segment information (Continued)

| | For the three months ended 30 September 2010 RMB'000 (unaudited) | For the three months ended 30 September 2009 RMB'000 (unaudited) | For the nine months ended 30 September 2010 RMB'000 (unaudited) | For the nins months ended 30 September 2009 RMB'000 (unaudited) |
|---|---|--|--|---|
| Revenue for reportable segments | 805,313 | 913,335 | 2,295,257 | 1,842,112 |
| Revenue attributable to joint ventures partners | (67,330) | (53,442) | (188,117) | (124,719) |
| Other segments | 7,798 | 6,511 | 22,878 | 18,452 |
| Revenue of the Group | 745,781 | 866,404 | 2,130,018 | 1,735,845 |
| Reportable segment results | 36,626 | 31,222 | 97,937 | 41,803 |
| Segment results attributable to joint ventures partners | (7,351) | (5,396) | (17,687) | (7,335) |
| Other segments | 29,275 | 25,826 | 80,250 | 34,468 |
| | 1,238 | (1,409) | 1,838 | (4,343) |
| Segment total | 30,513 | 24,417 | 82,088 | 30,125 |
| Share of results of associate | 8,805 | 3,386 | 24,510 | 9,209 |
| Unallocated other income | 814 | 872 | 2,602 | 2,693 |
| Unallocated corporate expenses | (1,297) | (625) | (2,188) | (1,985) |
| Finance costs | (1,000) | (647) | (3,172) | (1,395) |
| Profit before income tax | 37,835 | 27,403 | 103,840 | 38,647 |
| Income tax expense | (6,168) | (5,136) | (18,203) | (8,364) |
| Profit/total comprehensive income for the period | 31,667 | 22,267 | 85,637 | 30,283 |

5. Expenses by nature

| | Three months ended 30 September | | Nine months ended 30 September | |
|--|------------------------------------|--------------------------------|-----------------------------------|--------------------------------|
| | 2010 RMB'000 (unaudited) | 2009 RMB'000 (unaudited) | 2010 RMB'000 (unaudited) | 2009 RMB'000 (unaudited) |
| Depreciation of property, plant and equipment | 5,742 | 5,010 | 15,904 | 15,430 |
| Amortisation of prepaid lease payments | 334 | 595 | 916 | 1,886 |
| Exchange loss | 211 | 99 | 808 | 224 |

6. Income tax expense

| | Three months ended 30 Septemebr | | Nine months ended 30 Septemebr | |
|---------------------------------------|------------------------------------|--------------------------------|-----------------------------------|--------------------------------|
| | 2010 RMB'000 (unaudited) | 2009 RMB'000 (unaudited) | 2010 RMB'000 (unaudited) | 2009 RMB'000 (unaudited) |
| Current income tax | | | | |
| – The Company and its subsidiaries | 4,654 | 4,086 | 14,090 | 6,403 |
| – Jointly controlled entities | 1,514 | 1,050 | 4,113 | 1,961 |
| Total | 6,168 | 5,136 | 18,203 | 8,364 |

7. Dividend

The Board does not recommend the payment of an interim dividend for the nine months ended 30 September 2010 (declared for the nine months ended 30 September 2009: RMB0.04).

8. Earnings per share

| | Three months ended 30 September | | Nine months ended 30 September | |
|--|------------------------------------|-----------------|-----------------------------------|-----------------|
| | 2010 RMB'000 | 2009 RMB'000 | 2010 RMB'000 | 2009 RMB'000 |
| Profit for the period attributable to equity holders of the Company and earnings for the purpose of calculating basic and diluted earnings per share | 27,156 | 16,158 | 70,180 | 24,610 |

| | Number of shares Three months ended 30 September | | Number of shares Nine months ended 30 September | |
|---|--|--------------|---|--------------|
| | 2010 '000 | 2009 '000 | 2010 '000 | 2009 '000 |
| Weighted average number of shares for the purpose of calculating basic and diluted earnings per share | 354,312 | 354,312 | 354,312 | 354,312 |

There is no potential dilutive share for the period ended 30 September 2009 and 2010.

9. Share capital and reserves

| | Attributable to equity holders of the Group | | | | | | | |
|-------------------------------------|---|---------------|-----------------|--------------------|------------------|--------------------------------|-----------------------|----------------|
| | Share capital | Share premium | Other reserves | Statutory reserves | Retained profits | Attributable to equity holders | Non- | Total |
| | | | | | | of parent entity | controlling interests | |
| | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| At 1 January 2009 (audited) | 354,312 | 55,244 | (73,258) | 47,255 | 114,522 | 498,075 | 72,947 | 571,022 |
| Profit for the period | - | - | - | - | 24,610 | 24,610 | 5,673 | 30,283 |
| Transfers | - | - | - | 5,654 | (5,654) | - | - | - |
| At 30 September 2009 (unaudited) | 354,312 | 55,244 | (73,258) | 52,909 | 133,478 | 522,685 | 78,620 | 601,305 |
| At 1 January 2010 (audited) | 354,312 | 55,244 | (73,258) | 52,907 | 159,919 | 549,124 | 85,069 | 634,193 |
| Profit for the period | - | - | - | - | 70,180 | 70,180 | 15,457 | 85,637 |
| Dividends | - | - | - | - | (14,172) | (14,172) | (13,705) | (27,877) |
| Transfers | - | - | - | 13,954 | (13,954) | - | - | - |
| At 30 September 2010 (unaudited) | 354,312 | 55,244 | (73,258) | 66,861 | 201,973 | 605,132 | 86,821 | 691,953 |

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Review

For the nine months ended 30 September 2010, the Group recorded a turnover of RMB2,130,018,000, representing an increase of RMB394,173,000 or 23% compared with the turnover of RMB1,735,845,000 of the corresponding period last year. During the reporting period, the materials procurement and related logistics business, logistics and supply chain services for automobiles and their components, and logistics and supply chain services for electronic components of the Group have different extent of growth compared with the corresponding period last year.

For the nine months ended 30 September 2010, overall gross profit margin for the Group was 5.49%, representing an increase of 2.06 percentage points as compared with 3.43% of the corresponding period last year. The significant increase in overall gross profit of the Group was mainly due to different extent of growth in the materials procurement and related logistics business, logistics and supply chain services for automobiles and their components, and logistics and supply chain services for electronic components of the Group compared with the corresponding period last year.

For the nine months ended 30 September 2010, share of results of associates for the Group was RMB24,510,000, representing an increase of RMB15,301,000 or 166% as compared with RMB9,209,000 of the corresponding period last year. The significant increase in share of results of associates was mainly due to remarkable results recorded by Tianjin Port International Automobile Logistics, the associate of the Group, during the reporting period. The Group enjoyed a net profit of RMB25,944,000 according to equity ratio.

For the nine months ended 30 September 2010, net profit attributable to the equity holders of the Group amounted to RMB70,180,000, representing an increase of RMB45,570,000 or 185% compared with RMB24,610,000 of corresponding period last year. The main reason for the significant growth in profit of the Group was due to (i) different extent of growth in the materials procurement and related logistics business, logistics and supply chain services for automobiles and their components, and logistics and supply chain services for electronic components of the Group compared with the corresponding period last year; (ii) share of results of associates by the Group recorded significant growth as compared to that in the same period of last year.

During the period under review, the Company did not purchase any derivative instrument for investment or other purpose.

Business review

The principal businesses of the Group are logistics and supply chain services for automobiles and their components, logistics and supply chain services for electronic components, materials procurement and related logistics services, and other warehouse, supervision, agency services. In the first three quarters of 2009, under the global financial crisis and the economic downturn of the PRC, the Group's logistics and supply chain services for automobiles and their components, logistics and supply chain services for electronic components had all decreased by different extent. During the reporting period, the above two businesses had gradually recovered with a significant growth in principal operating income and operating profits compared to the corresponding period last year. Materials procurement and related logistics services maintained a good stage of development, with further expansion of business scale and increased product variety. It has been developed from the single business of steel materials to a wide range of businesses including steel, iron ore powder, coke and ferroalloy. The container yard at Tianjin Port has commenced operation, while the Group has signed a long-term lease contract with a major customer, which contributed to the steady growth of the operating results. Tianjin Port International Automobile Logistics, the associate of the Group, recorded remarkable results during the reporting period.

Logistics and supply chain services for transportation of finished automobiles and automobile components

During the reporting period, the throughput of the logistics services for domestic finished automobiles reached 374,877 sets, increased by 113,192 sets or 43% compared with corresponding period last year. During the reporting period, the throughput of logistics services of the imported automobile was 18,354 sets, increased by 9,546 sets or 108% compared with the corresponding period last year. Turnover recorded for the reporting period amounted to RMB676,391,000, representing an increase of RMB161,358,000 or 31% compared with the corresponding period last year.

Logistics and supply chain services for electronic components business

Turnover recorded for the reporting period amounted to RMB387,759,000, representing an increase of RMB130,454,000 or 51% compared with the corresponding period last year.

Materials procurement and related logistics business

Turnover recorded for the reporting period amounted to RMB1,231,107,000, representing an increase of RMB161,333,000 or 15% compared with corresponding period last year.

Other logistics services business

Turnover recorded for the reporting period amounted to RMB22,878,000, representing an increase of RMB4,426,000 or 24% compared with corresponding period last year.

Prospects

Based on the analysis of the report jointly issued by China Federation of Logistics & Purchasing and China Logistics Information Center, as the slow down of the recovery of the economic growth, the growth of the logistics operations began to fall during the first half of the year. The increase in the demand of logistics services, actual quantity, and the investment of the fixed assets have slowed down gradually. The market fees for logistics services have stumblingly rose. During the reporting period, the businesses of materials procurement and related logistics services, logistics and supply chain services for automobiles and their components, logistics and supply chain services for electronic components, and other warehouse, supervision, agency services of the Company experienced a growth to a certain extent as compared with the corresponding period of last year.

However, China's domestic economy is experiencing inflation, currency appreciation, higher energy price, interest rates and labor cost. Meanwhile, besides unstable international political situation and frequent natural disasters, the recovery of global economy is not certain yet. All these factors have caused the difficulties in the forecast of future growth of the Company's business segments. Consequently, to cope with the affection of the adverse factors, the Company will actively take various approaches to maintain current market segments and clients, develop potential business and increase investment to renovate operating logistics facilities to maintain competitive advantage in logistics industry.

DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARE CAPITAL OF THE COMPANY AND ITS ASSOCIATES

During the period under review, none of the Directors, supervisors and chief executive of the Company or their respective associates (within the meaning of the GEM Listing Rules) held interests 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 Securities and Futures Ordinance ("SFO") (Cap. 571)), which were required to be notified to the Company and the Stock Exchange under the provisions of Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they have taken or deemed to have under the SFO), or which were recorded in the register required to be kept under Section 352 of the SFO, or which were otherwise required to be notified to the Company and Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules.

DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVES' RIGHTS TO ACQUIRE SHARES OR DEBENTURES OF THE COMPANY

So far as is known to the Directors, as at the date of this report, none of the Directors, the Supervisors and chief executives of the Company or any of their spouses and children under 18 years of age had any interest in the shares of the Company, or has been granted, or exercised, any rights to subscribe for shares (or warrants or debentures, if applicable) of the Company or to purchase shares of the Company.

INTERESTS OF SUBSTANTIAL SHAREHOLDERS

So far as is known to the Directors, Supervisors and chief executives of the Company, as at 30 September 2010, the following person (other than a Director or Supervisor or chief executives of the Company) held or deemed to hold 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 which were recorded in the register required to be kept by the Company under Section 336 of the SFO, or were directly or indirectly interested in 10% or more of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group:

| Name | Capacity | Number and class of shares (Note 1) | Approximate percentage of shareholding in the same class of shares | Approximate percentage of shareholding in the Company's total issued share capital |
|---|------------------|---|---|---|
| Tianjin Teda Investment Holding Company Limited | Beneficial owner | 178,765,011 shares (L) Domestic shares | 69.81% | 50.45% |
| Tianjin Economic and Technological Development Area State Asset Operation Company | Beneficial owner | 77,303,789 shares (L) Domestic shares | 30.19% | 21.82% |
| Tianjin Port Development Holdings Limited | Beneficial owner | 20,000,000 shares (L) H shares | 20.60% | 5.64% |
| Hongkong Topway Trading Co., Limited | Beneficial owner | 10,000,000 shares (L) H shares | 10.80% | 2.82% |
| The National Council for Social Security Fund of the People's Republic of China | Beneficial owner | 8,931,200 shares (L) H shares | 9.09% | 2.52% |

Notes:

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

INTERESTS OF SUBSTANTIAL SHAREHOLDERS (CONTINUED)

Save as disclosed above, the Directors are not aware of any persons (other than the Directors or Supervisors or chief executives of the Company) who held, or deemed to hold interests or short positions in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or, which were recorded in the register required to be kept by the Company under Section 336 of the SFO or who were directly or indirectly interested in 10% or more of any class of share capital carrying rights to vote at general meetings of any member of the Group as at the date of this report.

COMPETITION AND CONFLICT OF INTERESTS

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

CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has complied with the code provisions in the Code on Corporate Governance Practices (the "CG Code") as set out in Appendix 15 of the GEM Listing Rules during the period under review, except for the deviations below. According to code provision A.2.1, 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 CEO should be clearly established and set out in writing.

As at 30 September 2010, Mr. Zhang Jian was the Chairman and CEO of the Company who is responsible for managing the Board and the Group's business. The Board considered that Mr. Zhang Jian understands the business operation of the Group well and can make decisions which are in the interest of the shareholders as a whole in a timely manner. The combination of the roles of Chairman and CEO can effectively formulate and implement the strategies of the Group and respond quickly to the market change. The Board also considered that there is no immediate need to separate the roles of the Chairman and CEO. However, the Board will continue to review the effectiveness of the Group's corporate governance structure to assess whether the separation of the position of the Chairman and CEO is necessary.

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. Zhang Limin, Mr. Liu Jingfu and Mr. Luo Yongtai. Mr. Zhang Limin is the chairman of the audit committee. The audit committee has reviewed the Company's unaudited results for the reporting period and respective recommendation and opinion have been made.

SECURITIES TRANSACTIONS BY DIRECTORS

The Company has not adopted the model code for securities transactions by Directors. However, having made specific enquiry with all Directors, the Company was not aware of any Directors' non-compliance with the rules and standards for transactions and 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 reporting period.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the period under review, neither the Company nor any of its subsidiaries purchased, redeemed or sold or cancelled any listed securities of the Company.

INTERESTS OF COMPLIANCE ADVISER

The Company has appointed Guotai Junan Capital Limited as its compliance adviser pursuant to Rule 6A.19 of the GEM Listing Rules. The term of appointment commenced on the date of listing 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 date of listing (i.e. the date of despatch of the annual report of the Company in respect of its results for the financial year ending 31 December 2010), subject to early termination.

As at 30 September 2010, as advised by Guotai Junan Capital Limited, none of Guotai Junan Capital Limited, its directors, employees or associates had any interest in the Company's securities (including share options and the other rights to subscribe the Company's securities).

As at the date of this report, the Board of the Company comprises Mr. Zhang Jian and Mr. Wang Wei as executive Directors; Mr. Zhang Jun, Mr. Hu Jun, Mr. Ding Yi and Mr. Zhang Jinming as non-executive Directors; and Mr. Zhang Limin, Mr. Liu Jingfu 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, the PRC
9 November 2010