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 2011

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.

This announcement, 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 GEM of the Stock Exchange of Hong Kong Limited (the "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 information contained in this announcement is accurate and complete in all material respects and is not misleading or deceptive, and there are no matters the omission of which would make any statement herein or this announcement misleading.

FINANCIAL HIGHLIGHTS

- **Revenue decreased by approximately 20% to RMB2,288,319,000**
- **Gross profit margin was approximately 5.05%**
- **Profit attributable to shareholders decreased by 0.42% to RMB80,521,000**
- **Earnings per share were RMB0.23**
- **The Board recommended the payment of a final dividend of RMB0.02 per share**

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 2011 and the comparative figures for the corresponding period of 2010 as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2011

	NOTES	**2011 RMB'000**	2010 RMB'000
Revenue	3	**2,288,319**	2,863,018
Cost of sales	10	**(2,172,715)**	(2,709,269)
Gross profit		**115,604**	153,749
Other income	4	**13,026**	7,353
Other gains and losses	5	**7,427**	(6,736)
Administrative expenses	10	**(62,816)**	(56,958)
		73,241	97,408
Finance costs	6	**(7,214)**	(4,894)
Share of results of associates		**33,112**	31,523
Profit before income tax		**99,139**	124,037
Income tax expense	7	**(7,282)**	(22,107)
Profit/total comprehensive income for the year		**91,857**	101,930
Profit attributable to:			
Owners of the parent		**80,521**	80,861
Non-controlling interests		**11,336**	21,069
		91,857	101,930
Earnings per share (RMB cents)	9		
– Basic		**23**	23
– Diluted		**23**	23
Dividends	8	**7,086**	–

CONSOLIDATED BALANCE SHEET

As at 31 December 2011

	NOTES	**2011** **RMB'000**	2010 RMB'000
ASSETS			
Non-current assets			
Land use rights		**149,759**	121,021
Property, plant and equipment		**346,206**	226,569
Investment properties		**92,784**	97,228
Interests in associates		**56,046**	59,744
Goodwill		**105**	105
		644,900	504,667
Current assets			
Inventories		**41,752**	113,337
Trade and other receivables	11	**566,120**	947,160
Amounts due from an associate		**–**	3,658
Pledged bank deposits		**67,552**	88,844
Cash and cash equivalents		**296,419**	311,248
		971,843	1,464,247
Total assets		**1,616,743**	1,968,914
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent			
Share capital		**354,312**	354,312
Other reserves	12	**55,712**	48,848
Retained earnings		**279,224**	212,653
		689,248	615,813
Non-controlling interests		**86,781**	92,433
Total equity		**776,029**	708,246

CONSOLIDATED BALANCE SHEET (Continued)

As at 31 December 2011

	NOTES	2011 RMB'000	2010 RMB'000
LIABILITIES			
Non-current liabilities			
Deferred income		**10,063**	5,289
		10,063	5,289
Current liabilities			
Trade and other payables	13	**572,386**	1,102,637
Amounts due to an associate		**15**	330
Taxation payable		**5,730**	9,763
Borrowings		**252,520**	142,649
		830,651	1,255,379
Total liabilities		**840,714**	1,260,668
Total equity and liabilities		**1,616,743**	1,968,914
Net current assets		**141,192**	208,868
Total assets less current liabilities		**786,092**	713,535

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2011

	Attributable to owners of the parent					
	Share capital	**Reserves**	**Retained earnings**	**Total**	**Non-controlling interests**	**Total**
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1 January 2010	354,312	34,893	159,919	549,124	85,069	634,193
Comprehensive income						
Profit/total comprehensive income for the year	–	–	80,861	80,861	21,069	101,930
Transactions with owners						
Transfer from retained earnings	–	13,955	(13,955)	–	–	–
Dividend paid	–	–	(14,172)	(14,172)	(13,705)	(27,877)
Total transactions with owners	–	13,955	(28,127)	(14,172)	(13,705)	(27,877)
Balance at 31 December 2010	**354,312**	**48,848**	**212,653**	**615,813**	**92,433**	**708,246**
Comprehensive income						
Profit/total comprehensive income for the year	**–**	**–**	**80,521**	**80,521**	**11,336**	**91,857**
Transactions with owners						
Transfer from retained earnings	**–**	**6,864**	**(6,864)**	**–**	**–**	**–**
Dividend paid	**–**	**–**	**(7,086)**	**(7,086)**	**(16,988)**	**(24,074)**
Total transactions with owners	**–**	**6,864**	**(13,950)**	**(7,086)**	**(16,988)**	**(24,074)**
Balance at 31 December 2011	**354,312**	**55,712**	**279,224**	**689,248**	**86,781**	**776,029**

1. General information

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 for 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 steel & coal trading 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. These policies have been consistently applied to all the years presented, unless otherwise stated.

2. **Basis of preparation and accounting policies (Continued)**

(a) The following new standards and amendments to standards which are relevant to the Group and are mandatory for the first time for the financial year beginning 1 January 2011 but have no material impact on the Group:

- IFRIC – Int 19, "Extinguishing Financial Liabilities with Equity Instruments"
- Amendment to IFRS 1, "Limited Exemption From Comparative"
- IAS24 (Revised), "Related Party Disclosures"
- Amendment to IFRIC Int – 14, "Prepayments of a Minimum Funding Requirement"
- IFRS3, "Business combinations"
- IFRS7, "Financial instruments: Disclosures"
- IAS1, "Presentation of financial statements"
- IAS27, "Consolidated and separate financial statements"
- IAS34, "Interim financial reporting"

(b) New and amended standards have been issued but are not effective for the financial year beginning 1 January 2011 and have not been early adopted:

- IFRS 7 (Amendment), "Disclosures – Transfers of financial assets"
- IAS 12 (Amendment), "Deferred tax: Recovery of underlying assets"
- IAS 1 (Amendment), "Presentation of financial statements"
- IFRS 10, "Consolidated financial statements"
- IAS 27 (Revised 2011), "Separate financial statements"
- IFRS 11, "Joint arrangements"
- IAS 28 (Revised 2011), "Associates and joint ventures"
- IFRS 12, "Disclosure of interests in other entities"
- IFRS 13, "Fair value measurements"
- IAS 19 (Amendment), "Employee benefits"
- IFRS 7 (Amendment), "Financial instruments: Disclosures – Offsetting financial assets and financial liabilities"
- IAS 32 (Amendment), "Financial instruments: Presentation – Offsetting financial assets and financial liabilities"
- IFRS9, "Financial Instruments"
- IFRS7 and IFRS 9 (Amendments), "Mandatory effective date and transition disclosures"

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

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 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 2011					
	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	**984,870**	**532,574**	**996,363**	**2,513,807**	**41,989**	**2,555,796**
Inter-segment revenue	**(6)**	**–**	**–**	**(6)**	**(1,185)**	**(1,191)**
Revenue from external customers	**984,864**	**532,574**	**996,363**	**2,513,801**	**40,804**	**2,554,605**
Segment results	**22,856**	**50,222**	**11,762**	**84,840**	**13,535**	**98,375**
Depreciation and amortisation	**13,085**	**7,162**	**994**	**21,241**	**11,510**	**32,751**
Share of results of associates	**–**	**–**	**–**	**–**	**33,112**	**33,112**
Income tax expense	**33**	**(12,792)**	**(576)**	**(13,335)**	**(343)**	**(13,678)**

3. Segment information (Continued)

	For the year ended 31 December 2010					
	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	948,914	533,259	1,610,011	3,092,184	39,033	3,131,217
Inter-segment revenue	–	(14,300)	–	(14,300)	(2,244)	(16,544)
Revenue from external customers	948,914	518,959	1,610,011	3,077,884	36,789	3,114,673
Segment results	56,296	48,142	15,467	119,905	634	120,539
Depreciation and amortisation	(12,592)	(6,911)	(626)	(20,129)	(12,176)	(32,305)
Share of results of associates	–	–	–	–	31,523	31,523
Income tax expense	(12,879)	(10,202)	(3,747)	(26,828)	(206)	(27,034)

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:

	2011 RMB'000	2010 RMB'000
Revenue for reportable segments	**2,513,801**	3,077,884
Revenue attributable to joint venture partners	**(266,287)**	(251,655)
Other segments	**40,805**	36,789
Revenue of the Group	**2,288,319**	2,863,018
Segment results for reportable segments	**84,840**	119,905
Segment results attributable to joint venture partners	**(25,111)**	(23,202)
	59,729	96,703
Other segments	**13,537**	634
Total segments	**73,266**	97,337
Share of results of associates	**33,112**	31,523
Unallocated other income	**4,689**	3,299
Unallocated corporate expenses	**(4,714)**	(3,228)
Finance costs	**(7,214)**	(4,894)
Profit before income tax	**99,139**	124,037
Income tax expense	**(7,282)**	(22,107)
Profit for the year	**91,857**	101,930

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

	2011 RMB'000	2010 RMB'000
Interest income from bank deposits	**4,689**	3,299
Subsidy income (note)	**8,245**	2,548
Others	**92**	1,506
	13,026	7,353

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 are government grants of RMB8.2 million (2010: RMB2.2 million) pursuant to "Provisional Regulations on Modern Services and Development of Tianjin Economic and Technological Development Area" (Guan Wei Hui Ling No. 114) ("天津經濟技術開發區促進現代服務業發展的暫行規定") (管委會令 No. 114).

5. Other gains and losses

	2011 RMB'000	2010 RMB'000
Gain on disposal of interest in associates	**7,826**	–
Loss on deemed disposal of interest in a jointly controlled entity	**–**	(71)
Loss on disposal of property, plant and equipment	**(67)**	(3,775)
Net foreign exchange losses	**(1,342)**	(1,261)
Others	**1,010**	(1,629)
	7,427	(6,736)

6. Finance costs

	2011 RMB'000	2010 RMB'000
Interest on bank borrowings	**9,381**	4,894
Less: Amount capitalised in construction in progress	**(2,167)**	–
	7,214	4,894

7. Income tax expense

	2011 RMB'000	2010 RMB'000
Current income tax		
– the Company and subsidiaries	**886**	16,830
– jointly controlled entities	**6,396**	5,277
	7,282	22,107

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 Co., Ltd and TEDA General Bonded Warehouse Co., Ltd, subsidiaries of the Group, is recognised as a new high-tech enterprise from year 2010, entitled a preferential tax rate of 15% for 2011 (2010: 15%). The preferential tax treatment is subject to review by the relevant tax authority on an annual basis.

The tax charge for the year can be reconciled to the profit before income tax as follows:

	2011 RMB'000	2010 RMB'000
Profit before income tax	**99,139**	124,037
Tax at the domestic income tax rate of 25% (2010: 25%)	**24,785**	31,009
Tax effect of:		
– Income attributable to associates	**(8,278)**	(7,881)
– Expenses not deductible for taxation purpose	**367**	2,226
– Tax losses for which deferred tax assets are not recognised	**31**	–
– Income not subject to income tax	**(2,425)**	–
– Preferential tax rates of subsidiaries/jointly controlled entities	**(2,742)**	(2,564)
– Utilisation of tax losses previously not recognised	**(30)**	(337)
– Over-provision in prior year	**(3,496)**	(346)
– Others	**(930)**	–
Income tax expense	**7,282**	22,107

8. Dividends

A dividend in respect of the year ended 31 December 2011 of RMB0.02 per share, amounting to a total dividend of RMB7,086,000 (2010: Nil), is proposed at the Board of Directors meeting on 20 March 2012. These financial statements do not reflect this dividend payable.

On 12 August 2011, the Company announced that an interim dividend of RMB0.02 per share, totalling RMB7,086,000 was proposed to be paid to shareholders whose names appear on the register of members of the Company on 11 October 2011. The proposed dividend was approved at an extraordinary general meeting held on 26 September 2011 and paid in October 2011 (2010: Nil).

9. Earnings per share

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

	2011	2010
	RMB'000	RMB'000
Earnings		
Profit attributable to equity holders of the Company	**80,521**	80,861
Number of shares (thousands)		
Weighted average number of ordinary shares for calculating basic and diluted earnings per share	**354,312**	354,312

There are no diluted earnings per share presented as there are no potential dilutive ordinary shares outstanding for both 2010 and 2011.

10. Expenses by nature

Profit before income tax is arrived at after charging:

	2011	2010
	RMB'000	RMB'000
Auditor's remuneration	**1,330**	1,150
Depreciation	**26,322**	26,182
Amortisation	**2,848**	2,782
Operating lease charges	**12,013**	8,724
Employee benefits expenses	**138,614**	123,712
Cost of materials purchased	**1,032,083**	1,629,571
Subcontracting charges	**860,827**	828,083
Business tax	**18,840**	17,664
Transportation	**10,798**	13,555
Fuel	**21,759**	19,173
Others	**110,097**	95,631
	2,235,531	2,766,227

11. Trade and other receivables

The Group	2011 RMB'000	2010 RMB'000
Trade receivables	**170,481**	155,937
Less: impairment recognised	**(8)**	(7)
	170,473	155,930
Bills receivables (note (b))	**41,000**	212,980
	211,473	368,910
Prepayment to suppliers	**326,166**	560,188
Other receivables	**28,734**	18,305
Less: impairment recognsied	**(253)**	(243)
	566,120	947,160

(a) Except for approximately RMB25 million of trade and other receivables are denominated in US dollar, the balance of the Group's trade and other receivables are denominated in Renminbi.

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

(c) 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 aging analysis of trade and bills receivables at the balance sheet date:

The Group	2011 RMB'000	2010 RMB'000
0 – 90 days	**204,784**	298,071
91 – 180 days	**4,834**	69,923
181 – 365 days	**150**	137
Over 1 year	**1,705**	779
	211,473	368,910

12. Other reserves

The Group	Share premium RMB'000	Other reserves RMB'000	Statutory reserves RMB'000	Total RMB'000
Balance at 1 January 2010	55,244	(73,258)	52,907	34,893
Transfer from retained earnings	–	–	13,955	13,955
Balance at 31 December 2010	55,244	(73,258)	66,862	48,848
Transfer from retained earnings	–	–	6,864	6,864
Balance at 31 December 2011	55,244	(73,258)	73,726	55,712

13. Trade and other payables

The Group	**2011 RMB'000**	2010 RMB'000
Trade payables	**112,496**	361,849
Bills payables (note (a))	**337,480**	443,943
	449,976	805,792
Deposits from customers	**44,773**	256,996
Other payables	**77,637**	39,849
	572,386	1,102,637

Notes:

(a) 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. Management of the Group monitors the repayment of all payables and ensures compliance with credit timeframe.

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

	The Group	
	2011 RMB'000	2010 RMB'000
0 – 90 days	**226,699**	500,683
91 – 180 days	**219,082**	293,737
181 – 365 days	**2,245**	4,210
Over 1 year	**1,950**	7,162
	449,976	805,792

(c) Except for approximately RMB15 million of trade and other payables are denominated in US dollar, the balance of the Group's trade and other payables are denominated in Renminbi.

CHAIRMAN'S STATEMENT

On behalf of the Board of Directors of the Company (the "Board"), I am pleased to present the audited consolidated financial results of the Group for the year ended 31 December 2011 to all shareholders.

Results of the Year

For the year ended 31 December 2011 (the "Year"), turnover of the Group amounted to approximately RMB2,288,319,000 (2010: RMB2,863,018,000), representing a decrease of approximately 20% from last year. Profit attributable to the shareholders was approximately RMB80,521,000 (2010: RMB80,861,000) and the basic earnings per share was approximately RMB0.23 (2010: RMB0.23).

As at 31 December 2011, the total assets and current assets of the Group were approximately RMB1,616,743,000 (2010: RMB1,968,914,000) and approximately RMB971,843,000 (2010: RMB1,464,247,000), respectively, representing decreases of RMB352,171,000 and RMB492,404,000 from 31 December 2010, respectively. Our net assets and net assets per share at the end of the period were approximately RMB689,248,000 (2010: RMB615,813,000) and approximately RMB1.95 (2010: RMB1.74), respectively, representing increases of 12% and 12% from 31 December 2010.

Review for the Year

With slow global economic recovery and continuously deteriorating debt crisis in the United States of America and Europe, the year 2011 experienced volatility and fluctuation in equity markets, foreign exchange markets and prices of bulk commodities worldwide, as well as widespread political instability and frequent wars and natural disasters. Particularly, the Company's businesses were affected by Japan earthquake and the tightening monetary policy adopted by China, with the logistics and supply chain services for transportation of finished automobile and components, logistics and supply chain services for electronic components, materials procurement and related logistics services, and traditional logistics services such as stacking yard, supervision and agency being affected to different extents. Even so, the Company's overall operating results basically remained stable.

Actively Promoting the Transfer of Listing of the Company and Facilitating the Optimization of Shareholding Structure

During the reporting period, in order to optimize the shareholding structure of the Company and further enhance the influential power of the Company as well as to improve the performance of our Shares, the Company was committed to promoting the transfer of listing and facilitating the optimization of shareholding structure. The Company actively proceeded with the transfer of listing from GEM to the Main Board of the Stock Exchange and the relevant information has been submitted to the China Securities Regulatory Commission and the Stock Exchange of Hong Kong. Meanwhile, the Company actively facilitated the optimization of shareholding structure by promoting equity reorganization to reinforce the international influential power of the Company.

Rapid Development of Logistics Facilities and Continuous Increase of Operating Area

During the reporting period, the main body of Phase I of the Cold Chain Logistics Centre at Tianjin Port has been topped off and the construction of the exterior protective structure has practically completed. The project is expected to become the inspection base of frozen products at Tianjin Port. The Customs Import and Export Container Clearance Centre Project in Tianjin Economic-Technological Development Area has been inspected and accepted by Tianjin Customs. Meanwhile, the overall operating area and the number of operating sites of the Company have been increasing constantly, with the operating area increased from 1,451,000 sq.m. to 1,493,000 sq.m. and the number of operating sites increased from 54 to 56.

On-going Optimization of Investment Structure and Constant Expansion of Business Scope

During the reporting period, the Company sold their equity interests in Tianjin Teda Sidier Electronic Trading Market Operation and Management Co., Ltd. and the Company's subsidiary withdrew all of its investment in Tianjin Binhai Yuan Sheng Steel Market Operation and Management Co., Ltd.. The Company incorporated a company in Hong Kong under the name of "He Guang Trade and Business Co., Ltd." to lay a foundation for conduct of import and export trade business by further leveraging on the advantages of Hong Kong. In addition, "Tedahang Cold Chain Logistics Co., Ltd." was incorporated in Tianjin, which was established to carry out the construction, preparation and operation of the Cold Chain Logistics Centre at Tianjin Port. The Company has further optimized its investment structure and expanded its business scope through a variety of ways such as disposal of equity interests and establishment of new companies.

Continuous Strengthening of Internal Management and Constant Improvement of Operation Profitability

During the reporting period, the Company continued to strengthen its internal management framework, improve management systems and optimize management process. The Company improved various work processes such as meeting management and foreign affairs reception, meanwhile the Company also promoted the construction of information systems such as office systems and business information systems, so as to enhance process control, improve operation efficiency, and reduce operating costs. The Company has modified and perfected our regulations on safety management in all aspects and reinforced supervision and monitoring over accident potentials, leading to significant decline in safety accidents during the year. All the entities under the Company also actively promoted enhancement of management and improvement of work process according to their specific condition, so as to enhance their operation profitability.

Awards

During the reporting period, the industry position and influential power of the Company continued to enhance. The Company was rated as one of the "Top 100 Enterprises in Tianjin Economic-Technological Development Area" for the second consecutive year and was accredited "5A Comprehensive Logistics Providers" by the China Federation of Logistics & Purchasing, and also became the vice-chairman unit of the China Federation of Logistics & Purchasing. Tianjin Fengtian Logistics Co., Ltd., a subsidiary of the Company, was awarded "Second Grade Award of Technology Advancement" by the China Federation of Logistics & Purchasing and was recognized as "Municipal Enterprise Technology Centre" of Tianjin

City, being one of the first batch of logistics enterprises which owned the qualification of municipal enterprise technology centre in Tianjin City. As of the end of the reporting period, three subsidiaries of the Company, namely TEDA General Bonded Warehouse Co., Ltd., Tianjin Port International Automobile Logistics Co., Ltd. and Tianjin Fengtian Logistics Co., Ltd., have obtained the qualification of High and New Technological Corporation. These reflected that the influential power of the Company in the industry was well recognized in our industry and provided critical support for the Company in identifying its new customers, expanding its business and enhancing its financing capability.

Prospects and Outlook

The world economic recovery has slowed down obviously in 2011, and the economic outlook was increasingly uncertain. In 2012, the domestic and overseas economic environment will become more complicated and challenging, and the economic growth will continue to show a modestly-slowdown-to-stabilizing trend. Although China's economic growth rate is expected to remain within a reasonable range, the domestic economy will also face various challenges as a result of the fluctuant goods price and various political and economic uncertainties in China. Under the influence of domestic and overseas political and economic environments, logistics industry will face many challenges such as weak market demand, rising costs, rising fuel price and intensifying competition while enjoying supporting policies. On one hand, the Company will face various challenges arising from the industry itself; on the other hand, each business segment of the Company will be affected by the business climate of respective industries, especially the automobile industry, electronic component industry and steel industry. Under such circumstances, the Company will implement the following effective measures during this year:

– further optimize the shareholding structure and improve corporate governance systems, enhancing the governance standard of the Company;

– actively develop operation concepts and strengthen operation management to enhance operation standard of the Company and effectively control all kinds of risks;

– optimize business structure, innovate business models, explore new business areas and continuously expand business scope;

– speed up the construction of the Cold Chain Logistics Centre at Tianjin Port to prepare for operation and actively exploit new businesses in the cold chain logistics field;

– strengthen communication and cooperation between the Company and its subsidiaries or among its subsidiaries, pool and share respective resources within the Group and continuously enhance the overall utilization effectiveness of resources of the Group;

– actively search for business partners in order to increase our general logistics capacity through a variety of ways.

In 2012, the domestic and overseas economic situation remains challenging and extremely uncertain, but the Company is firmly confident in the long-term development in the future. With outstanding innovation spirit and untiring efforts, the Company is determined to overcome any new challenge to strive for growth while maintaining stability and to achieve stable growth in operating results, so as to create values for every sector of the society.

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

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

The principal businesses of the Group are logistics and supply chain services for transportation of finished automobiles and their components, logistics and supply chain services for electronic components, materials procurement and related logistics services, and other services such as bonded warehouse, container yard, supervision, agency and transportation services. The major customers of the Group included Tong Fang Global (Tianjin) Logistics Co., Ltd. (同方環球（天津）物流有限公司), Tianjin Haoan Minerals Co., Ltd. (天津浩安礦產有限公司), Tangshan Fengnan East China Steel Co., Ltd. (唐山市豐南區東華鋼鐵有限公司), Toyota Tsusho (Tianjin) Co., Ltd. (豐田通商（天津）有限公司) and Hebei Taigang Steel Roll Co., Ltd. (河北泰鋼鋼鐵軋製有限公司).

During the reporting period, affected by various factors such as Japan earthquake, the increase of fuel price and other operating costs due to the inflation in China, the rise in labour costs and the increase in operating costs resulting from improvement of service quality, the operating result of logistics and supply chain services for transportation of finished automobile and components decreased significantly compared to the corresponding period last year; logistics and supply chain services for electronic components recorded a stable performance, with its operating income and profits substantially the same as compared to the corresponding period last year; affected by the tightening monetary policy adopted by China and the Company's further enhancement of business risk control, materials procurement declined compared to the corresponding period last year, with its principal operating income and operating profits both decreased by different levels; other services such as bonded warehouse, container yard, supervision, agency and transportation services maintained a good development momentum with further expansion of business scale.

The Group's logistics infrastructure construction and operation made smooth progress, with the Customs container clearance centre of Tianjin TEDA Bonded Warehouse Co., Ltd. (天津泰達保稅倉公司), a wholly-owned subsidiary of the Group, inspected and accepted by Tianjin Customs. The refrigeration storage project (Phase 1) of Tedahang Cold Chain Logistics Co., Ltd (泰達行（天津）冷鏈物流公司), a wholly-owned subsidiary of the Group, proceeded steadily as scheduled and will start operation within 2012.

In consolidating the traditional logistics businesses, the Group has actively expanded new areas of the logistics businesses, made use of synergy of its internal resources and acquired quality infrastructure logistics resources to achieve steady but yet rapid growth.

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

During the reporting period, the operating income was RMB984,864,000, substantially the same as compared to last year. However, affected by various factors such as the increase of fuel price and other operating costs due to the inflation in China, the rise in labour costs and the increase in operating costs resulting from improvement of service quality, as well as change in income structure, the net profit decreased significantly by approximately 40%.

Logistics and Supply Chain Services for Electronic Components

During the reporting period, with efforts to explore market and overcome the negative impact of various challenges, the electronic components logistics service recorded a stable performance and realized an operating income of RMB532,574,000, substantially the same as compared to last year.

Materials Procurement and Related Logistics Services

During the reporting period, affected by the tightening monetary policy adopted by China and the Company's further enhancement of business risk control, the materials procurement business declined compared to last year, with a principal operating income of RMB996,363,000, representing a decrease of RMB613,648,000 or 38% compared to last year.

Ware house, Supervision, Agency and Other Incomes

During the reporting period, other services such as bonded warehouse, container yard, supervision, agency and transportation services maintained a good development momentum with further expansion of business scale. This segment recorded an operating income of RMB40,804,000, representing an increase of RMB4,015,000 or 11% compared to the corresponding period last year.

Financial Review

Turnover

For the year ended 31 December 2011, turnover of the Group was RMB2.288 billion, representing a decrease of RMB575 million or 20% as compared to RMB2.863 billion last year. The decrease in turnover is mainly attributable to the tightening monetary policy adopted by China and the Company's further enhancement of business risk control, which resulted in a decline in materials procurement compared to last year.

Cost of sales and gross profit

For the year ended 31 December 2011, the cost of sales of the Group was RMB2.173 billion, representing a decrease of RMB536 million or 20% as compared to RMB2.709 billion of the corresponding period last year, which was in line with the decrease trend of turnover for the year.

For the year ended 31 December 2011, gross profit margin of the Group was 5.05%, representing a decrease of 0.32% as compared to 5.37% of last year. One of the main reasons for the overall decrease in the gross profit margin of the Group is the decrease in the gross profit margin of logistics and supply chain services for transportation of finished automobile and components as a result of the increase of fuel price and other operating costs due to the inflation in China, the rise in labour costs and the increase in operating costs resulting from improvement of service quality.

Administrative expenses

The administrative expenses of the Group amounted to RMB62,816,000 in 2011, representing an increase of RMB5,858,000 or 10% as compared to RMB56,958,000 in 2010. The reason for the increase in administrative expenses was that management cost comprising labour cost increased as the Group further expanded its business scope. The Group will further strengthen its control of certain parts of its administrative expenses.

Finance costs

The Group's finance costs in 2011 increased by RMB2,320,000 from RMB4,894,000 last year to RMB7,214,000. The main reason for the increase was that the Group increased certain short-term bank borrowings to finance its liquidity during the reporting period.

Taxation expenses

The taxation expenses of the Group for 2011 were RMB7,282,000, representing a decrease of RMB14,825,000 or 67% as compared to RMB22,107,000 last year. The significant decrease in taxation expenses was mainly attributable to the significant decrease in the operating profit of logistics and supply chain services for transportation of finished automobile and components of Tianjin Fengtian Logistics Co., Ltd., a subsidiary of the Group, as compared to the corresponding period last year, which led to a significant decrease in the enterprise income tax.

Share of results of associates

The share of results of associates of the Group for 2011 was RMB33,112,000, representing an increase of RMB1,589,000 or 5% as compared to last year. The increase in share of results of associates was mainly due to the investment gain of RMB2,573,000 of the Group in proportion to its shareholding in Tianjin Tianxin Automobile Inspection Services Co, Ltd. (天津天鑫機動車檢測服務公司), a subsidiary of the Group, which recorded good performance this year.

Earnings attributable to the equity holders of the Company

For the year ended 31 December 2011, earnings attributable to the equity holders of the Company was RMB80,521,000, compared to RMB80,861,000 last year. The earnings attributable to the equity holders of the Company this year was substantially the same as compared to last year.

Dividend

The Board proposed to pay final dividend of RMB0.02 per share (corresponding period 2010: Nil). This proposed payment is subject to the approval by the Company at the 2011 annual general meeting. Details about the date of annual general meeting and the arrangement of closure of register will be announced in due course.

Liquidity and financial resources

For the year ended 31 December 2011, the Group maintained a sound financial position. As at 31 December 2011, the cash and bank deposit of the Group was RMB296,419,000 (31 December 2010: RMB311,248,000). As at 31 December 2011, the total assets of the Group was RMB1,616,743,000 (31 December 2010: RMB1,968,914,000). Capital was sourced from current liabilities of RMB830,651,000 (31 December 2010: RMB1,255,379,000), non-current liabilities of RMB10,063,000 (31 December 2010: RMB5,289,000), shareholder's equity attributable to the shareholders of the Group was RMB689,248,000 (31 December 2010: RMB615,813,000) and non-controlling interests of RMB86,781,000 (31 December 2010: RMB92,433,000).

Capital structure

During the year ended 31 December 2011, there was no change in the capital structure of the Company. The share capital of the Company comprised only ordinary shares.

Loans and borrowings

As at 31 December 2011, the balance of bank loans of the Group was RMB252,520,000 (31 December 2010: RMB142,649,000).

Gearing ratio

As at 31 December 2011, the ratio of total liabilities to total assets of the Group was 52% (31 December 2010: 64%).

Charge on assets

As at 31 December 2011, there was no charge on assets of the Group.

Foreign currency risks

All the operating revenues and expenses of the Group are principally denominated in Renminbi.

The Group has no significant investments outside mainland China. The Group, however, may be exposed to certain extent of foreign currency risks mainly as the holding subsidiaries of the Group, Tianjin Alps Teda Logistics Co., Ltd., Dalian Alps Teda Logistics Co., Ltd. and Tianjin Fengtian Logistics Co., Ltd., have foreign currency business for the United States Dollar, the Japanese Yen and the Euro. For the twelve months ended 31 December 2011, the Group had an exchange loss of RMB1,342,000 due to the appreciation of Renminbi.

Contingent liabilities

As at 31 December 2011, the Group had no material contingent liabilities.

Capital commitments

As at 31 December 2011, the Group had the following capital commitments:

	2011
	RMB'000
Property, plant and equipments	
Contracted for but not provided	147,979

Major Acquisition or Disposal of Subsidiaries and Associated Companies

In March 2011, Tianjin Yuan Da Xian Dai Logistics Co., Ltd. ("Yuan Da Logistics"), a wholly-owned subsidiary of the Company, withdrew all of its investment in Tianjin Binhai Yuan Sheng Steel Market Operation and Management Co., Ltd. ("Yuan Sheng") which amounted to RMB6,000,000, representing 45% of the total registered capital of Yuan Sheng. Therefore, Yuan Da Logistics ceased to hold any equity interest in Yuan Sheng.

In September 2011, the Company and other independent third parties entered into an agreement, whereby the Company transferred its equity interests in Tianjin Teda Sidier Electronic Trading Market Operation and Management Co., Ltd. ("Sidier") which represented 35% of Sidier's total equity to the independent third parties. Therefore, the Company ceased to hold any equity interest in Sidier.

Such transactions with a low trading amount, which did not constitute a discloseable transaction under Chapter 19 of the GEM Listing Rules of the Stock Exchange, was exempted from the requirements thereunder. Save as disclosed above, during the reporting period, there was no major acquisition or disposal of subsidiaries and associated companies by the Group.

Employees

As at 31 December 2011, the Company employed 2,172 employees (31 December 2010:1,934).

	As at 31 December 2011	**As at 31 December 2010**
Administration	**179**	146
Finance	**62**	52
Information Technology	**47**	17
Sales and Operation	**1,884**	1,719
Total	**2,172**	1,934

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 as a reward for the contributions made by the employees to the Company. Other staff benefits include pension insurance, unemployment insurance, labour injury insurance, medical insurance, maternity insurance and housing fund, etc.

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 competes 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 2011, 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 the directors and supervisors 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 2011, 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 or proposed to be acquired or disposed of or leased since 1 January 2011.

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 2011, 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 Co., Ltd.	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%
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%

On 18 November 2011, Tianjin Teda Investment Holding Co., Ltd entered into a share transfer agreement with Chia Tai Land Company Limited, while Tianjin Economic and Technological Development Area State Asset Operation Company entered into a share transfer agreement with Chia Tai Pharmaceutical Investment (Beijing) Co., Ltd.. Accordingly, Tianjin Teda Investment Holding Co., Ltd. and Tianjin Economic and Technological Development Area State Asset Operation Company agreed to transfer 28,344,960 and 77,303,789 domestic shares of the Company held by them to Chia Tai Land Company Limited and Chia Tai Pharmaceutical Investment (Beijing) Co., Ltd., respectively. In accordance with the relevant requirements and regulations for state-owned assets administration of the PRC, the two aforementioned domestic share transfers are pending for approval by the relevant state-owned assets supervision and administration authorities of the PRC. So far as is known to the directors, chief executives and supervisors of the Company, as at 31 December 2011, the deemed interests of Chia Tai Land Company Limited, Chia Tai Pharmaceutical Investment (Beijing) Co., Ltd. and their associates under Part XV of the SFO are as follows.

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
Chia Tai Land Company Limited 正大置地有限公司	Beneficial owner	28,344,960(L) Domestic shares	11.07%	8%
Fortune (Shanghai) Limited 富泰(上海)有限公司	Interest of corporation controlled by the substantial shareholder	28,344,960(L) Domestic shares	11.07%	8%
Charoen Pokphand Group Co., Ltd.	Interest of corporation controlled by the substantial shareholder	28,344,960(L) Domestic shares	11.07%	8%
Chia Tai Pharmaceutical Investment (Beijing) Co. Ltd. 正大製藥投資(北京)有限公司	Beneficial owner	77,303,789(L) Domestic shares	30.19%	21.82%
Sino Biopharmaceutical Limited 中國生物製藥有限公司	Interest of corporation controlled by the substantial shareholder	77,303,789(L) Domestic shares	30.19%	21.82%
Tse Ping	Interest of corporation controlled by the substantial shareholder	77,303,789(L) Domestic shares	30.19%	21.82%
Cheng Cheung Ling	Interest of a substantial shareholder's child under 18 or spouse	77,303,789(L) Domestic shares	30.19%	21.82%

Note:

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

Save as disclosed in this announcement, so far as is known to the directors and chief executives of the Company, as at 31 December 2011, 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 the Company and/or any subsidiary of the Company 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 credibility 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" pursuant to the requirements of the GEM Listing Rules. Save as disclosed below, 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 throughout the reporting year.

The Group has adopted a code of dealing in securities by the Directors of the Group, which was formulated in accordance with Rules 5.48 to 5.67 of the GEM Listing Rules for the purpose of setting out its own required standards for assessment of the conduct of the Directors in dealings in the securities of the Group. Upon enquiries made to each Director by the Company, all Directors confirmed that they have complied with the code of dealing in securities by the Directors.

The following summarizes details of the corporate governance of the Company.

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 2011, 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 separated 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 2011, the roles of the Chairman and the CEO of the Company have been performed by Mr. Zhang Jian and he has been 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. Zhang Limin, Mr. Liu Jingfu, 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 2011.

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 was 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 2011.

Purchase, Sale or Redemption of securities

During the year ended 31 December 2011, neither the Company nor any of its subsidiaries has purchased, redeemed or sold or cancelled any listed securities of the Company.

Preliminary Announcement of the Results

The figures in respect of the preliminary announcement of the Group's results for the year ended 31 December 2011 have been agreed by the Group's auditors, PricewaterhouseCoopers, to the amounts set out in the Group's draft consolidated financial statements for the year. The work performed by PricewaterhouseCoopers 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 on the preliminary announcement.

As at the date of this announcement, the executive Director is (1) Mr. Zhang Jian; the non-executive Directors are (2) Mr. Hu Jun, (3) Mr. Zhang Jun, (4) Mr. Wang Jincai and (5) Mr. Chen Fang; and the independent non-executive Directors are (6) Mr. Zhang Limin, (7) Mr. Liu Jingfu and (8) Mr. Luo Yongtai.

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

Tianjin, 20 March 2012

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.

* *For identification purposes only*