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**天津濱海泰達物流集團股份有限公司**

**Tianjin Binhai Teda Logistics (Group) Corporation Limited\***

*(a joint stock limited company incorporated in the People's Republic of China with limited liability)*

**(Stock code: 8348)**

**(1) DISCLOSEABLE AND CONNECTED TRANSACTION**

**(2) PROPOSED AMENDMENT TO THE ARTICLES OF THE COMPANY**

**(1) DISCLOSEABLE AND CONNECTED TRANSACTION**

The Board is pleased to announce that, after trading hours on 21 March 2012, a subsidiary of the Company, Teda Hang, with the Company, Toyota Tsusho (China) and Kamigumi entered into the Capital Increase Agreement, pursuant to which the registered capital of Teda Hang will be increased from RMB120,000,000 to RMB200,000,000. Such increase of RMB80,000,000 will be contributed as to RMB50,000,000 by Toyota Tsusho (China) and RMB30,000,000 by Kamigumi. Before the Capital Increase, the registered capital of Teda Hang was RMB120,000,000, being held as to 100% by the Company. Immediately after the Capital Increase, the registered capital of Teda Hang will be held as to 60% by the Company, 25% by Toyota Tsusho (China) and 15% by Kamigumi.

In addition, the Company, Toyota Tsusho (China) and Kamigumi entered into the Joint Venture Agreement on 21 March 2012 to govern their relationship in Teda Hang.

Toyota Tsusho, which holds approximately 36.2% equity interest in Tianjin Fengtian Logistics, a non-wholly owned subsidiary of the Company, is a substantial shareholder of Tianjin Fengtian Logistics and is therefore a connected person of the Company. As Toyota Tsusho (China) is a wholly-owned subsidiary of Toyota Tsusho, it is an associate of Toyota Tsusho and therefore a connected person of the Company under the GEM Listing Rules.

The Capital Increase reduces the equity interest of the Company in Teda Hang from 100% to 60%, which constitutes a Deemed Disposal. As the applicable ratios under the GEM Listing Rules are more than 5% but less than 25%, the Capital Increase Agreement, the Joint Venture Agreement and the related transaction(s) constitute a discloseable transaction of the Company. The Capital Increase Agreement, the Joint Venture Agreement and the related transaction(s) also constitute connected transactions of the Company under Chapter 20 of the GEM Listing Rules as Toyota Tsusho (China) is an associate of Toyota Tsusho and therefore a connected person of the Company. Accordingly, the Capital Increase Agreement, the Joint Venture Agreement and the related transaction(s) would be subject to the reporting, announcement and shareholders' approval requirements under the GEM Listing Rules.

## **(2) PROPOSED AMENDMENT TO THE ARTICLES OF THE COMPANY**

The Company proposes to delete “customs declaration” and “commodity inspection” from the scope of business stated in the Articles of the Company. Meanwhile, “re-export” and “wholesale, retail, import and export of chemical fertilizers” are proposed to be listed within the business scope in the Articles of the Company. The Board proposes to amend the provisions in the Articles of the Company regarding business scope.

## **(1) CONNECTED AND DISCLOSEABLE TRANSACTION**

### **Background**

The Board is pleased to announce that, after trading hours on 21 March 2012, a subsidiary of the Company, Teda Hang, with the Company, Toyota Tsusho (China) and Kamigumi entered into the Capital Increase Agreement, pursuant to which the registered capital of Teda Hang will be increased from RMB120,000,000 to RMB200,000,000. Such increase of RMB80,000,000 will be contributed as to RMB50,000,000 by Toyota Tsusho (China) and RMB30,000,000 by Kamigumi. Before the Capital Increase, the registered capital of Teda Hang was RMB120,000,000, being held as to 100% by the Company. Immediately after the Capital Increase, the registered capital of Teda Hang will be held as to 60% by the Company, 25% by Toyota Tsusho (China) and 15% by Kamigumi.

In addition, the Company, Toyota Tsusho (China) and Kamigumi entered into the Joint Venture Agreement on 21 March 2012 to govern their relationship in Teda Hang.

## **The Capital Increase Agreement**

### **Date**

21 March 2012

### **Parties**

- (1) Teda Hang
- (2) The Company
- (3) Toyota Tsusho (China)
- (4) Kamigumi

### **Capital Increase**

Pursuant to the Capital Increase Agreement, the paid-up capital of Teda Hang will be increased from RMB120,000,000 to RMB200,000,000. Immediately after the Capital Increase, the paid-up capital of Teda Hang will be held as to 60% by the Company, 25% by Toyota Tsusho (China) and 15% by Kamigumi. The amount of the Capital Increase was arrived at after arm's length negotiation between the parties.

### **Conditions precedent**

The implementation and completion of the Capital Increase is conditional upon the fulfillment of the following conditions precedent:

1. The investors have conducted due diligence review on the business, financial information, and legal affairs of the Company and are satisfied with the results thereof;
2. The legal documents relating to the Capital Increase have been signed and approved by the competent authorities;
3. The Company and the Teda Logistics Group have not breached any obligation, undertaking and guarantee under the Capital Increase Agreement; and
4. The passing by the independent Shareholders of a resolution to approve the Capital Increase Agreement and the transactions contemplated thereunder at the general meeting.

## **Guarantee**

Teda Hang and the Company guarantee to Toyota Tsusho (China) and Kamigumi, the following matters:

- (1) There is no such matter that would cause Teda Hang to fail to pass the annual inspection of 2011.
- (2) In respect of land use rights of certain state-owned land in Tianjian under the name of Teda Hang (the “Land Use Rights of the State-Owned Land”), and the construction project under construction with an area of 33971.24 sq.m. under the name of Teda Hang (the “Project under Construction”), the following shall be undertaken and guaranteed:
  - The Land Use Rights of the State-Owned Land that are proposed to be contributed into the registered capital of Teda Hang are legally obtained by the Company
  - No charges or encumbrances or other third party rights are created upon the Land Use Rights of the State-Owned Land and the Project under Construction.
  - There is no need to obtain the construction permit under the Construction Law of the People’s Republic of China in respect of the Project under Construction. The construction may commence upon obtaining the Certificate of Filing Regarding the Commencement of Port Projects in Tianjin.
- (3) In respect of the construction and operation of the cold storage under the Land Use Rights of the State-Owned Land (including but not limited to the construction and the operation of the Project under Construction and the phase II construction project with an area of 2647.58 sq.m. under the name of Teda Hang, as there is no need to obtain permits for usage of sea areas and coastlines, permits for construction over or under the water and approval for navigation safety, Teda Hang is not required to produce any of such approvals.
- (4) Pursuant to the scope of business set out in its business license, Teda Hang shall legally obtain all of the certificates and licenses relating to its operations.
- (5) Teda Hang shall go through the relevant approval and filling procedures according to laws.
- (6) Upon completion of the Project under Construction, Teda Hang shall legally and properly go through the inspection and acceptance procedures relating to planning, fire control, green facilities and completion of construction, and shall properly go through the registration procedures of the Property Ownership Certificate.

- (7) Teda Hang shall ensure its status as the legal owner of the Land Use Rights of the State-Owned Land, and shall renew a Real Estate Certificate before 15 March 2013, and obtain a Certificate of Real Estate Ownership with the same valid period (up to 14 January 2060) in connection with the Land Use Rights of the State-Owned Land.
- (8) In respect of the phase II construction project with an area of 2647.58 sq.m. under the name of Teda Hang, Teda Hang shall properly go through the commencement and completion formalities within the time frame set out in the land grant contract relating to the Land Use Rights of the State-Owned Land, and shall properly go through the registration procedures of the Property Ownership Certificate afterward. In addition, Teda Hang shall legally and properly go through the inspection and acceptance procedures relating to planning, fire control, green facilities and completion of construction upon completion of the Project under Construction.
- (9) Teda Hang shall complete the Project under Construction before September 2012.

## **The Joint Venture Agreement**

### **Parties**

- (1) The Company
- (2) Toyota Tsusho (China)
- (3) Kamigumi

### **Scope of business**

The scope of business of Teda Hang is as follows:

Cold storage and general warehousing services (except hazardous chemicals); customs inspections; domestic freight forwarding; international freight forwarding (sea, land and air); venue rental service; freight station (field) and container yard business, and logistics management services. (the services mentioned above that are regulated under the administrative permit system shall only be operated after obtaining relevant permits and within the period of permits, while those regulated by the state under special franchise systems shall be operated in compliance with applicable regulations.)

### **Capital Increase**

Pursuant to the Capital Increase Agreement entered into on 21 March 2012 by the Company and other parties to the Joint Venture Agreement, the parties agreed that Toyota Tsusho (China) and Kamigumi will contribute capital into Teda Hang to the extent that upon completion of the Capital Increase, Teda Hang will become a Sino-foreign joint venture.

## **Board composition**

The board of directors of Teda Hang is composed of one chairman, one vice chairman, and three other directors. Each of the chairman, vice chairman and other directors has a term of service of three years, and can serve for another term if the parties to the Joint Venture Agreement agree on the reappointment. The Company will appoint three directors. Toyota Tsusho (China) and Kamigumi will appoint one director respectively. The chairman will be appointed by the Company, while the vice chairman will be appointed by Toyota Tsusho (China).

## **Profit Distribution**

Teda Hang shall pay tax and retain partial revenue for its reserve fund, corporate expansion fund and employee bonus and benefit fund according to applicable laws and regulations of the PRC. Profit is distributed on a pro rata basis among contributing parties within four months subsequent to the end of each financial year according to the profit distribution plan approved by the board of directors. Profit of the joint venture may not be distributed until the accumulated loss of the previous year is cleared. Also, undistributed profit carried forward from the previous year is distributable in the current year.

## **Termination**

If the legal documents of the Capital Increase are not approved by competent authorities by 31 December 2012, Toyota Tsusho (China) and Kamigumi have the right to terminate the Joint Venture Agreement unilaterally without incurring any liability.

## **Obligations of the parties under the Joint Venture Agreement**

Pursuant to the Joint Venture Agreement, the obligations of the parties are as follows:

The Company:

- (1) is responsible for assisting Teda Hang with the related procedures in relation to the construction and delivery of the infrastructure;
- (2) is responsible for supervising and managing the construction of the infrastructure of Teda Hang to ensure the progress and quality of construction;
- (3) is responsible for the selection of Chinese officers, technicians, workers and any other personnel required for the joint venture from the Company;
- (4) is required to ensure the correctness of the information relating to relevant real estate stated in the Joint Venture Agreement.

Toyota Tsusho (China):

- (1) is required to assist Teda Hang in building a management system, standardizing management skills, and formulating service standards by capitalizing on its advanced management experience and expertise;
- (2) is responsible for arranging trainings and on-site visits for the related Chinese staff from Teda Hang, as well as providing information of international market relating to the business operation of Teda Hang;
- (3) is required to fully perform its obligation of contributing capital under the Joint Venture Agreement.

Kamigumi:

- (1) is required to assist the Teda Hang in expansion of business, and to facilitate the operation of Teda Hang with Kamigumi's advantage;
- (2) is required to fully perform its obligation of contributing capital under the Joint Venture Agreement;
- (3) is responsible for providing the staff of Teda Hang with training on management skills and assisting Teda Hang in the effective implementation of management system and standards.

### **Termination**

The valid period of the Joint Venture Agreement is 30 years from the issuance date of the business license of Teda Hang.

### **Information on Teda Hang**

Before the Capital Increase, Teda Hang is a wholly-owned subsidiary of the Company and under the GEM Listing Rules was accounted for as subsidiary in the consolidated financial statement of the Company. Its principal business includes the provision of cold supply chain logistics services. Upon completion of the Capital increase, it will be established as a Sino-foreign joint venture in the PRC established by the Company, Toyota Tsusho (China) and Kamigumi, and will be a non-wholly-owned subsidiary of the Company.

Teda Hang was established on 15 July 2011. As at 31 December 2011, the book value of the net asset is approximately RMB119.8472 million, with an appraised value of approximately RMB119.9998 million. The net profits of Teda Hang for the financial year of 2011 before and after taxation and extraordinary items are approximately RMB-152,800 and RMB-152,800 respectively.

As at the date of the Joint Venture Agreement, Teda Hang owned the land use rights of state-owned land with an area of 76792.5 sq.m., and cold storage facilities and related administrative premises with a planned gross floor area of 33,971.24 sq.m.. The area of relevant property and premises may be expanded in line with the business development.

The respective contribution of the parties to the Joint Venture Agreement is set out as follows:

Upon the completion of the Capital Increase, the Company will have contributed RMB120 million, representing 60% of the registered capital; among which RMB83.0777 million is contributed in the form of land use rights and projects under construction, while RMB36.9223 million is in cash. Toyota Tsusho (China) will have contributed RMB50 million, accounting for 25% of the registered capital. Kamigumi will have contributed RMB30 million, accounting for 15% of the registered capital.

The aforesaid capital contribution will be applied in asset acquisition, facilities renovation and working capital of the Joint Venture.

### **Information on Toyota Tsusho (China)**

Toyota Tsusho (China), a company incorporated in the PRC with limited liability, is a wholly-owned subsidiary of Toyota Tsusho. Toyota Tsusho and its associates are members of Toyota Group. Toyota Group is one of the leading manufacturers in the automobiles and car components industry. It has established numerous trade operations, joint ventures and affiliates which engage in the manufacture and trading automobiles and car components in the PRC. Toyota Tsusho (China) has well established transportation network in Shanghai and Guangzhou.

### **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.

### **Implications under the GEM Listing Rules**

Toyota Tsusho, which holds approximately 36.2% equity interest in Tianjin Fengtian Logistics, a non-wholly owned subsidiary of the Company, is a substantial shareholder of Tianjin Fengtian Logistics and is therefore a connected person of the Company. As Toyota Tsusho (China) is a wholly-owned subsidiary of Toyota Tsusho, it is an associate of Toyota Tsusho and therefore a connected person of the Company under the GEM Listing Rules.



The Capital Increase reduces the equity interest of the Company in Teda Hang from 100% to 60%, which constitutes a Deemed Disposal. As the applicable ratios under the GEM Listing Rules are more than 5% but less than 25%, the Capital Increase Agreement, the Joint Venture Agreement and the related transaction(s) constitute a discloseable transaction of the Company. The Capital Increase Agreement, the Joint Venture Agreement and the related transactions also constitute connected transactions of the Company under Chapter 20 of the GEM Listing Rules as Toyota Tsusho (China) is an associate of Toyota Tsusho and therefore a connected person of the Company. Accordingly, the Capital Increase Agreement, the Joint Venture Agreement and the related transaction(s) would be subject to the reporting, and announcement and shareholders' approval requirements under the GEM Listing Rules.

To the best of the Director's knowledge, information and belief and having made all reasonable requires, neither any Director nor any Shareholder has a material interest in the resolutions proposed at the General Meeting, and neither any Director nor any Shareholder is required to abstain from voting on any of the resolutions at the General Meeting in accordance with the GEM Listing Rules.

The Independent Board Committee (comprising all the independent non-executive Directors) will be established to advise the independent Shareholders with respect to the Capital Increase Agreement and Joint Venture Agreement. The Company will appoint an independent financial adviser to advise the Independent Board Committee and the independent Shareholders in the same respect.

A circular containing, among other things, further details of the Capital Increase Agreement and Joint Venture Agreement, the recommendation from the Independent Board Committee in relation to the Capital Increase Agreement and Joint Venture Agreement, the opinion from the independent financial adviser and a notice of the General Meeting is expected to be dispatched to the Shareholders on or before 13 April 2012.

### **Reasons and benefits of the Capital Increase and joint venture**

The Group is principally engaged in the provision of comprehensive logistics services, mainly in the areas of supply chain solutions and materials procurement businesses and related services.

This Capital Increase is beneficial to maintain a long-term, positive and equal cooperative relationship between the Company Toyota Tsusho (China) and Kamigumi, which facilitates the smooth business development in the future.

The Directors consider that the terms of the Capital Increase Agreement and the Joint Venture Agreement be fair and reasonable and are in the best interest of the Company and the Shareholders as a whole.

## (2) PROPOSED AMENDMENTS TO THE ARTICLES

According to the Regulations of the General Administration of Customs of the People's Republic of China on the Management of Agent Declaration Enterprises (《中華人民共和國海關對代理報關企業的管理規定》) and Provisions on The Administration of Entry-exit Inspection And Quarantine Report by Proxy (《出入境檢驗檢疫代理報檢管理規定》), the operations of “customs declaration” and “commodity inspection”, which are currently included in the Articles of the Company, shall not be conducted without prior approval. However, the Company has not obtained any such license, nor is qualified to apply for such licenses. In order to stay in line with the relevant regulations, the Company intends to delete “customs declaration” and “commodity inspection” from the scope of business stated in the Articles of the Company. In the meantime, with reference to the information gathered by the Business Development Division (業務拓展部) during business discussion, the Company proposes to add “re-export” and “wholesale, retail, import and export of chemical fertilizers” to the business scope. Neither of these two businesses requires any prior approval for operation. As the Company has not commenced operation of the aforementioned businesses, therefore such deletion and addition made to the business scope in the Articles of the Company shall have no impact on the Company. The Board proposes to amend the Articles of the Company regarding business scope by deleting the whole Section 17 (第十七條) and replacing it with the following text:

The scope of business of the Company is in pursuant to those approved by the registration authorities.

The scope of business of the Company includes: domestic freight forwarding; general warehousing services (excluding hazardous materials); transportation, warehousing and logistics, and storehouse and venue rental services; operation and management of commodity market, and operation of port equipment and high-tech equipment; international delivery agent for import and export of goods, international exhibits, private orders and goods in transit from sea, land and air, including cargo canvassing, shipping, booking, warehousing, transiting, LCL service, charges clearing, inspection application, international multimodal transport, and bulk cargo business; wholesale, retail, import and export of metals, building materials, new chemical materials, hardware, machinery and electrical equipment, aviation, aerospace and maritime transport equipment, auto parts, hardware, software and peripherals for computer, electronic products, instruments, general merchandise, coke and by-products, coal and coal products, minerals (excluding iron ore, alumina and aluminum soil), chemical raw materials and products, petroleum products (excluding crude oil and refined oil), textile raw materials, and chemical fertilizers; re-export; inventory control management, logistics consultation, technology services and related information consultation (businesses regarding commodities which are subject to quota license and special franchise administration shall be operated in compliance with applicable regulations).

## DEFINITIONS

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

“Articles”	the articles of the Company, as amended from time to time;
“Board”	the board of Directors;
“Capital Increase”	pursuant to the Capital Increase Agreement, the proposed increase to the registered share capital of Teda Hang of RMB80,000,000 by Toyota Tsusho (China) and Kamigumi, of which RMB50,000,000 will be contributed by Toyota Tsusho (China) and RMB30,000,000 will be contributed by Kamigumi;
“Capital Increase Agreement”	the Capital Increase Agreement dated 21 March 2012, entered into among Teda Hang, the Company, Toyota Tsusho (China) and Kamigumi;
“Company”	Tianjin Binhai Teda Logistics (Group) Corporation Limited* (Stock code: 8348), a joint stock limited company incorporated in the PRC with limited liability;
“connected persons”	has the meaning given to under the GEM Listing Rules;
“Deemed Disposal”	a deemed disposal of the Company’s 40% equity interests in Teda Hang resulting from the Capital Increase;
“Director(s)”	the director(s) of the Company;
“GEM”	the Growth Enterprise Market of the Stock Exchange;
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the GEM;
“General Meeting”	the general meeting to be convened and held to consider and approve the Capital Increase Agreement, the Joint Venture Agreement, and the amendments to the Articles;
“Group”	the Company together with its subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;

“Independent Board Committee”	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;
“Joint Venture Agreement”	the joint venture agreement dated 21 March 2012 entered into by the Company, Toyota Tsusho (China) and Kamigumi in relation to the formation of Teda Hang;
“Kamigumi”	Kamigumi (Hong Kong) Company Limited (上組(香港)有限公司), a company incorporated in Hong Kong with limited liability and is a wholly-owned subsidiary of Kamigumi Company Limited (日本株式會社上組);
“PRC”	the People’s Republic of China, which for the purpose of this announcement, does not include, Hong Kong, the Macau Special Administrative Region and Taiwan;
“RMB”	Renminbi, the lawful currency of the PRC;
“Shareholder(s)”	the shareholder(s) of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Teda Hang”	Teda Hang Cold Chain Logistic Company Limited (泰達行(天津)冷鏈物流有限公司), a company invested by the Company and established in Dongjiang Company Bonded Free Port, Tianjin, PRC with limited liability, and upon completion of the Capital Increase Agreement, will be owned by as to 60% by the Company, 25% by Toyota Tsusho (China) and 15% by Kamigumi;
“Tianjin Fengtian Logistics”	Tianjin Fengtian Logistics Co., Ltd. (天津豐田物流有限公司), a sino-foreign equity joint venture incorporated in the PRC on 19 July 1996, which is owned as to 52% by the Company, 36.2% by Toyota Tsusho (日本豐田通商株式會社), 7.3% by Kamigumi Company Limited (日本株式會社上組) and 4.5% by Toyota Transportation Corporation (日本豐田輸送株式會社); Tianjin Fengtian Logistics is a subsidiary of the Company under the GEM Listing Rules;
“Toyota Group”	means Toyota Motor Corporation and its subsidiaries and associated companies (including Toyota Tsusho and Toyota Tsusho (China)), but for the purpose of this announcement, excluding the members of Binhai Logistics Group) from time to time, being one of the principal group of customers of Binhai Logistics Group which are principally engaged in the manufacturing and sales of automobiles;

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

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

Tianjin, the PRC  
21 March 2012

*As at the date of this announcement, the executive Director is Mr. Zhang Jian; the non-executive Directors are Mr. Hu Jun, Mr. Zhang Jun, Mr. Wang Jingcai and Mr. Chen Fang; and the independent non-executive Directors are Mr. Zhang Limin, Mr. Luo Yongtai and 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 of The Stock Exchange of Hong Kong Limited 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 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.tbt.cn](http://www.tbt.cn).*

\* For identification proposes only