



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)

THIRD QUARTERLY RESULTS ANNOUNCEMENT FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2017

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

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This announcement, for which the directors (the "Directors") of Tianjin Binhai Teda Logistics (Group) Corporation Limited (the "Company") collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM (the "GEM Listing Rules") of the Stock Exchange for the purpose of giving information with regard to the Company. The Directors having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make this announcement or any statement herein misleading.

* For identification purposes only

Highlights

The following are the financial highlights during the nine months ended 30 September 2017:

- Total turnover amounted to RMB1,499,670,000 (corresponding period in 2016: RMB2,056,174,000), representing a decrease of approximately 27.07% as compared with the corresponding period last year.
- Gross profit was approximately RMB65,406,000 (corresponding period in 2016: RMB58,012,000), representing an increase of approximately 12.75% as compared with the corresponding period last year.
- Gross profit margin was approximately 4.36%, representing an increase of approximately 1.54 percentage points as compared with 2.82% of the corresponding period last year.
- Profit attributable to shareholders was approximately RMB9,656,000 (corresponding period in 2016: RMB26,392,000), representing a decrease of approximately 63.41% as compared with the corresponding period last year.
- Earnings per share was RMB3 cents (corresponding period in 2016: RMB7 cents).

Unaudited Consolidated Third Quarterly Results of 2017

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 2017 together with the comparative unaudited figures for the corresponding period in 2016.

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income (Unaudited)

For the nine months ended 30 September 2017

		For the nine months ended 30 September	
		2017	2016
	Notes	RMB'000 (Unaudited)	RMB'000 (Unaudited)
Revenue	4	1,499,670	2,056,174
Cost of sales	5	(1,434,264)	(1,998,162)
Gross profit		65,406	58,012
Administrative expenses	5	(38,523)	(38,936)
Other income	6	2,917	5,218
Other gains/(losses) – net		(99)	573
Finance costs		29,701	24,867
Share of results of investments accounted for using the equity method		(12,418)	(5,565)
Profit before income tax		31,422	41,912
Income tax expense	7	(9,062)	(6,855)
Profit and total comprehensive income for the period		22,360	35,057
Attributable to:			
Owners of the Company		9,656	26,392
Non-controlling interests		12,704	8,665
Earnings per share	9		
– Basic and diluted (RMB cents)		3	7

Notes to the Condensed Consolidated Financial Information (Unaudited)

For the nine months ended 30 September 2017

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. Teda Holding and TEDA Asset Company are controlled by State-owned Assets Supervision and Administration Commission of Tianjin Municipal People's Government ("Tianjin SASAC") and Tianjin Economic and Technological Development Area Administrative Commission ("TEDA Administrative Commission"), respectively.

Pursuant to the group reorganisation in preparation of the listing of the Company's overseas listed foreign shares ("H shares") on the Growth Enterprises 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.

On 18 November 2011, Teda Holding entered into a share transfer agreement with Chia Tai Land Company Limited ("Chia Tai Company"), while TEDA Asset Company entered into a share transfer agreement with Chia Tai Pharmaceutical Investment (Beijing) Co., Ltd. ("Chia Tai Pharmaceutical Company"). Accordingly, Teda Holding and TEDA Asset Company agreed to transfer 28,344,960 (8% of ordinary shares) and 77,303,789 (21.82% of ordinary shares) domestic shares of the Company to Chia Tai Company and Chia Tai Pharmaceutical Company respectively. The above two domestic share transfers had been approved by the relevant state-owned assets supervision and administration authorities of the PRC. The registration procedures of the related transfers were completed on 7 June 2013.

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 condensed consolidated financial information has been prepared in accordance with the applicable disclosure requirements set out in Chapter 18 of the Rules Governing the Listing of Securities on the GEM of the Stock Exchange. The amounts included in this quarterly interim financial information are computed based on the recognition and measurement requirements in accordance with International Accounting Standard 34, Interim Financial Reporting ("IAS 34"). However, this quarterly interim financial information does not contain sufficient information to constitute an interim financial report as defined in the International Financial Reporting Standards.

3. Significant accounting policies

The accounting policies adopted for the preparation of the unaudited condensed consolidated quarterly financial statements for the nine months ended 30 September 2017 are consistent with those set out in the consolidated financial statements of the Group for the year ended 31 December 2016, and the new International Financial Reporting Standards which have become effective in this Period have no material impact on the accounting policies in the Group's unaudited condensed consolidated quarterly financial statements for the Period.

The Group has not applied the new International Financial Reporting Standards that have been issued but are not yet effective. The Group has already commenced an assessment of the impact of these new International Financial Reporting Standards, but is not yet in a position to state whether these new International Financial Reporting Standards would have a material impact on its results of operations and financial position.

4. Segment information

The operating segments of the Group are classified into two categories: the segments are independently managed by the responsible segment management bodies in line with the products and services offered and the distribution channels and customer profiles involved. Components of entities 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 costs and corporate expenses) responsibility who report directly to the Group's senior management who makes strategic decisions.

The major operations of the two reportable segments of the Group are as follows:

- Logistics and supply chain services for finished automobiles and components—provision of logistics services and supply chain management, i.e. planning, storage and transportation management for finished automobiles and components;
- Materials procurement and related logistics 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 nine months ended 30 September 2017				
	Logistics and supply chain services for finished automobiles and 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	655,672	809,323	1,464,995	45,281	1,510,276
Inter-segment revenue	–	(5,508)	(5,508)	(5,098)	(10,606)
Revenue from external customers	655,672	803,815	1,459,487	40,183	1,499,670
Segment results	29,374	(2,962)	26,412	3,259	29,671
Share of results of investments accounted for using the equity method					14,139
Unallocated other income					2,917
Unallocated corporate expenses					(2,887)
Finance costs					(12,418)
Profit before income tax					31,422
Income tax expense					(9,062)
Profit for the period					22,360
Other information:					
Depreciation and amortisation	(8,063)	(185)	(8,248)	(8,946)	(17,194)
Income tax expense	(8,999)	68	(8,931)	(131)	(9,062)

For the nine months ended 30 September 2016

	Logistics and supply chain services for finished automobiles and 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	639,915	1,323,499	1,963,414	112,269	2,075,683
Inter-segment revenue	–	(12,442)	(12,442)	(7,067)	(19,509)
Revenue from external customers	639,915	1,311,057	1,950,972	105,202	2,056,174
Segment results	22,700	(294)	22,406	2,896	25,302
Share of results of investments accounted for using the equity method					22,610
Unallocated other income					2,549
Unallocated corporate expenses					(2,984)
Finance costs					(5,565)
Profit before income tax					41,912
Income tax expense					(6,855)
Profit for the period					35,057
Other information:					
Depreciation and amortisation	(9,280)	(223)	(9,503)	(9,881)	(19,384)
Income tax expense	(5,796)	(925)	(6,721)	(134)	(6,855)

5. Expenses by nature

	For the nine months ended 30 September	
	2017 RMB'000 (Unaudited)	2016 RMB'000 (Unaudited)
Depreciation of property, plant and equipment	15,189	17,649
Amortisation of prepaid lease payments included in administrative expenses	528	502
Exchange gain	(347)	(499)

6. Other income

	For the nine months ended 30 September	
	2017	2016
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Interest income	2,917	2,549
Government grants	–	2,669
Total	2,917	5,218

7. Income tax expense

	For the nine months ended 30 September	
	2017	2016
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
The Company and its subsidiaries	(9,062)	(6,855)

8. Dividends

The Board does not recommend the payment of an interim dividend for the nine months ended 30 September 2017 (interim dividend for the nine months ended 30 September 2016: Nil).

9. Earnings per share

	For the nine months ended 30 September	
	2017	2016
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Profit for the period attributable to owners of the Company and earnings for the purpose of calculating basic and diluted earnings per share	9,656	26,392

	Number of shares For the nine months ended 30 September	
	2017	2016
	'000	'000
	(Unaudited)	(Unaudited)
Weighted average number of shares for the purpose of calculating basic and diluted earnings per share	354,312	354,312

10. Share capital and reserves

	Attributable to owners of the Company					Attributable to owners of the parent company	Non-controlling interests	Total
	Share capital	Share premium	Statutory reserves	Other reserves	Retained profits			
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at 1 January 2016 (audited)	354,312	55,244	79,461	(40,614)	357,916	806,319	84,857	891,176
Profit and total comprehensive income for the period	-	-	-	-	26,392	26,392	8,665	35,057
Dividends paid	-	-	-	-	(10,669)	(10,669)	(4,617)	(15,286)
Transfers	-	-	2,394	-	(2,394)	-	-	-
As at 30 September 2016 (unaudited)	354,312	55,244	81,855	(40,614)	371,245	822,042	88,905	910,947
As at 1 January 2017 (audited)	354,312	55,244	82,934	(40,614)	387,156	839,032	94,493	933,525
Profit and total comprehensive income for the period	-	-	-	-	9,656	9,656	12,704	22,360
Dividends paid	-	-	-	-	(10,584)	(10,584)	(12,432)	(23,016)
Transfers	-	-	2,655	-	(2,655)	-	-	-
As at 30 September 2017 (unaudited)	354,312	55,244	85,589	(40,614)	383,573	838,104	94,765	932,869

11. Financial guarantee liabilities

As at 30 September 2017, the Company has provided financial guarantee to Tedahang, a joint venture with 60% interest owned by the Company, for its bank borrowing facilities of approximately RMB350 million. The borrowings drawn down by the joint venture as at 30 September 2017 was approximately RMB101,818,000.

Management Discussion and Analysis

Financial Review

For the nine months ended 30 September 2017, the Group recorded a turnover of RMB1,499,670,000, representing a decrease of RMB556,504,000 or 27.07% as compared to RMB2,056,174,000 of the corresponding period last year. During the reporting period, operating results of materials procurement and related logistics services recorded a decrease as compared with the corresponding period last year, while operating results of logistics and supply chain services for finished automobiles and components services recorded an increase as compared with the corresponding period last year.

For the nine months ended 30 September 2017, overall gross profit margin for the Group was 4.36%, representing an increase of 1.54 percentage points as compared with 2.82% of the corresponding period last year, of which logistics and supply chain services for finished automobiles and components recorded a substantial increase in the gross profit as compared with the corresponding period last year, while materials procurement and related logistics services and bonded warehouse services recorded decreases in different extents as compared to the corresponding period last year.

For the nine months ended 30 September 2017, the Group's share of results of associates amounted to RMB14,139,000, representing a decrease of RMB8,471,000 or 37.47% as compared to RMB22,610,000 of the corresponding period last year. The decrease in the share of results of associates was mainly attributable to the substantial decrease in the operating results of Tianjin Alps Teda Logistics Co., Ltd. and Dalian Alps Teda Logistics Co., Ltd. as compared with the corresponding period last year and the increase in losses in the operating results of Tedahang Cold Chain Logistics Co., Ltd. as compared with the corresponding period last year.

For the nine months ended 30 September 2017, net profit attributable to the equity holders of the Group amounted to RMB9,656,000, representing a decrease of RMB16,736,000 or 63.41% as compared with RMB26,392,000 of the corresponding period last year. The main reasons for the decrease in the net profit attributable to the equity holders of the Group are: 1. the impact of the exchange rate fluctuations and increased operating costs and expenses, the operating results of Tianjin Alps Teda Logistics Co., Ltd. and Dalian Alps Teda Logistics Co., Ltd. (both joint ventures of the Company) declined; meanwhile, due to the decrease in the amount of meat inspection, there was an increase in losses in the operating results of Tedahang Cold Chain Logistics Co., Ltd. compared to last year, resulting in the decrease in the Company's investment income as compared with the corresponding period last year; 2. the sales amount and operating profits from the materials procurement business recorded varying degrees of decrease as compared with the corresponding period last year; 3. the operating results of the bonded warehouse, transportation and supervision business decreased as compared with the corresponding period last year; and 4. the branch company in Changshu City, which is still at its initial stage, also contributed to the decrease in profit of the Group for the period.

Business Review

The principal business of the Group includes logistics and supply chain services for finished automobiles and components, supply chain and logistics services for electronic components, materials procurement and related logistics services, cold chain logistics services and other services such as bonded warehouse, supervision and agency services. During the reporting period, due to the further implementation of adjustment of industrial structure by the government, increased efforts in pushing forward the deleverage policy on the financial sector, tightening of monetary and fiscal policies and the sharp fluctuations in the RMB exchange rate, the overall operating results of the Group for the third quarter of the year were affected in some measure and recorded a decrease as compared with the corresponding period last year.

In view of the adjustment of industrial structure and the policy which addresses overcapacity in China, the Group, in accordance with its annual strategic guidance, continued to adjust the business structure of materials procurement and related logistics services business to scale down its business. This resulted in a periodic slump in both the operating income and operating profits from the materials procurement and related logistics services business in the reporting period. The operating results of the bonded warehouse, transportation and supervision business decreased as compared with the corresponding period last year. The branch company in Changshu City still recorded losses in the near term as it had just started its operation not long ago. Meanwhile, the logistics services for finished automobiles and components maintained steady momentum of development during the reporting period, hence there is a substantial increase in its operating results as compared with the corresponding period last year. Driven by the exchange rate fluctuations and increased operating costs and expenses, the electronic components logistics business of Tianjin Alps Teda Logistics Co., Ltd. and Dalian Alps Teda Logistics Co., Ltd. (both associated companies of the Group) recorded a decrease in the operating results during the reporting period as compared with the corresponding period last year, and the cold chain logistics business recorded a decrease in turnover during the reporting period as compared with the corresponding period last year due to the decrease in the amount of inspection, resulting in the decrease in the investment income as compared with the corresponding period last year. Driven by the combined effect of the above factors, the Group recorded decrease in operating results for the first three quarters as compared with the corresponding period last year.

Logistics and supply chain services for finished automobiles and components

During the reporting period, the throughput of the logistics services for domestic finished automobiles was 436,434 sets, increased by 13,335 sets or 3.15% as compared to last year. During the reporting period, the throughput of logistics services for the imported automobiles was 24,058 sets, increased by 3,680 sets or 18.06% as compared with the corresponding period last year. Turnover recorded for the reporting period amounted to RMB655,672,000, representing an increase of RMB15,757,000 or 2.46% as compared with the corresponding period last year.

Materials procurement and related logistics services

Turnover recorded for the reporting period amounted to RMB803,815,000, representing a decrease of RMB507,242,000 or 38.69% as compared with the corresponding period last year.

Other logistics services

Turnover recorded for the reporting period amounted to RMB40,183,000, representing a decrease of RMB65,019,000 or 61.80% as compared with the corresponding period last year.

Logistics and supply chain services for electronic components (conducted through investments in joint ventures)

Turnover recorded for the reporting period amounted to RMB606,287,000, representing an increase of RMB37,334,000 or 6.56% as compared with the corresponding period last year.

Outlook and Prospects

For the first three quarters of 2017, the global environment remained complicated and ever-changing, while the Chinese economy was still going through a transitional period of structural shifts, with the foundation for development yet to be consolidated. New progress was achieved in the supply-side structural reform, and efforts have been stepped up to push forward the de-capacity, deleverage and cost reduction measures. The deleverage policy on the financial sector gradually took effect, with certain impact on the financing channels and funding costs of the enterprises. In respect of global logistics industry, the logistics industry remained at the trough. The further implementation of regulation measures on overloading transportation and environmental protection by the PRC government has triggered and will continue to trigger profound changes in the logistics sector, imposing significant impact on certain areas such as transportation resources, transportation costs and means of transportation, the logistics industry is still in the process of undergoing consolidation while exploring. Under this circumstance, the operating results of the materials procurement business and other traditional logistics businesses of the Group were affected in some measure and recorded a significant year-on-year decrease, while the logistics services for finished automobiles and components maintained a stable growth as compared to the corresponding period last year. However, from an overall perspective, the operating result of the Group for the first three quarters recorded a relatively sharp decrease as compared to the corresponding period last year.

Looking forward to the fourth quarter, the logistics industry will also continue to intensify its reform. Along with the promotion of new measures and the implementation of industry reform by the PRC in this new era, the Group will continue to develop its integrated logistics services business and adjust its resource allocation, to seek for new partners to innovate its business modes. Furthermore, the Group will continue to promote the establishment of the integrated transportation network which involves maritime, waterway, railway and road transportation, so as to comply with the requirements of the new rules. While focusing on business adjustment and development, the Group will also continue to improve its internal management and enhance its internal control, in order to pave the way for business transformation in the future. Meanwhile, given the historic “low-to-high” trend in the operating results of the Group, it is expected that the operating results of the Company for the fourth quarter of the year will improve, and the Group remains confident of its future business development.

Interests and/or Short Positions of Directors, Supervisors and Chief Executives in the Shares, Underlying Shares and Debentures of the Company or any of its associated corporations

As at 30 September 2017, none of the Directors, supervisors and chief executives 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 any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (“SFO”)), which were required to be notified to the Company and the Stock Exchange under Divisions 7 and 8 of Part XV of the SFO (Chapter 571) (including interests or short positions which they have taken or deemed to have taken under the SFO), or which were recorded in the register required to be kept by the Company under section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules.

Rights of Directors, Supervisors and Chief Executives to Acquire Shares or Debentures of the Company

So far as is known to the Directors, as at 30 September 2017, none of the Directors, 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.

Substantial Shareholders and Persons Holding Interests and Short Positions in the Shares and Underlying Shares of the Company

So far as is known to the Directors, supervisors and chief executives of the Company, as at 30 September 2017, the following persons (other than the Directors, supervisors and chief executives of the Company) held or were 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 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 were directly or indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group:

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	150,420,051 (L) Domestic shares	58.74%	42.45%
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%
Chia Tai Land Company Limited 正大置地有限公司	Beneficial owner	28,344,960 (L) Domestic shares	11.07%	8%
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 7 June 2013, Tianjin Teda Investment Holding Co., Ltd. and Tianjin Economic and Technological Development Area State Asset Operation Company transferred 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 and completed the transfer of the shares. So far as is known to the Directors, chief executives and supervisors of the Company, as at 30 September 2017, 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 a substantial shareholder	28,344,960(L) Domestic shares	11.07%	8%
Charoen Pokphand Group (BVI) Holdings Limited 正大集團(BVI)控股有限公司	Interest of corporation controlled by a substantial shareholder	28,344,960(L) Domestic shares	11.07%	8%
CPG Overseas Company Limited	Interest of corporation controlled by a substantial shareholder	28,344,960(L) Domestic shares	11.07%	8%
Charoen Pokphand Group Co., Ltd.	Interest of corporation controlled by a 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 a substantial shareholder	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, supervisors and chief executives of the Company, as at 30 September 2017, no any other persons (other than Directors, supervisors and chief executives 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 5% 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 of the Company in accordance with section 336 of the SFO.

Competition and Conflict of Interests

None of the Directors, management shareholders and substantial shareholders of the Company or their respective associates are engaged in business that competes or may compete with the business of the Group, nor do they have any other conflicts of interests with the Group.

Corporate Governance Code

The Company has complied with the principles and code provisions in the Corporate Governance Code and Corporate Governance Report as set out in Appendix 15 of the GEM Listing Rules throughout the period under review, except for the following deviations: 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 2017, Mr. Zhang Jian was both the Chairman and CEO of the Company who is responsible for managing the Board and the Group's business. The Board considers that Mr. Zhang Jian has an in-depth understanding of the business operation of the Group 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 react swiftly to changes in the market. The Board also considers that there is no immediate need to separate the roles of 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 positions of Chairman and CEO is necessary.

Audit Committee

The Company has established an audit committee with terms of reference, which clearly defines 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. Zhou Zisheng, Mr. Cheng Xinsheng and Mr. Japhet Sebastian Law. Mr. Zhou Zisheng 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 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.

Purchase, Sale or Redemption of Listed Securities of the Company

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

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

Tianjin, the PRC
13 November 2017

As at the date of this announcement, the executive director is Mr. Zhang Jian; the non-executive directors are Mr. Cui Xuesong, Mr. Zhang Wang, Miss Tse, Theresa Y Y and Mr. Yang Xiaoping; and the independent non-executive directors are Mr. Cheng Xinsheng, Mr. Chia Pun Kok, Mr. Japhet Sebastian Law and Mr. Zhou Zisheng.

This announcement will remain on the "Latest Company Announcements" page of the GEM website at www.hkgem.com for at least 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