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)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2008

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 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 of the Stock Exchange ("GEM Listing Rules") for the purpose of giving information with regard to the Company. The Directors of the Company having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (1) the information contained in this announcement is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make the contents of this announcement misleading; and (3) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

This announcement will remain on the "Latest Company Announcements" page of the GEM website at www.hkgem.com for at least seven days from the date of its publication and on the website of the Company at www.tbtl.com.cn.

* *For identification purposes only*

HIGHLIGHTS

The following are the major events occurred for the six months ended 30 June 2008:

The Company's H shares were listed on GEM of the Stock Exchange on 30 April 2008.

Total income amounted to approximately RMB761,672,000 (corresponding period in 2007: RMB404,914,000), representing an increase of approximately 88.1% as compared with the corresponding period last year.

Gross profit was approximately RMB75,705,000 (corresponding period in 2007: RMB72,619,000), representing an increase of approximately 4.2% as compared with the same period last year.

Gross profit margin was approximately 9.9%, representing a decrease of approximately 8% as compared with 17.9% achieved in the corresponding period last year.

Profit attributable to shareholders amounted to RMB26,879,000 (corresponding period in 2007: RMB29,370,000), representing a decrease of approximately 8.5% as compared with the same period last year.

Earnings per share was RMB9.1 cents.

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Review

The turnover of the Company and its subsidiaries (collectively referred to as the "Group") increased by approximately 88.1% from RMB404,914,000 during the six months ended 30 June 2007 to RMB761,672,000 during the six months ended 30 June 2008. The substantial increase in the turnover of the Group was mainly attributable to the turnover of steel procurement services, being a new logistics product that the Group began to provide in late 2007 of approximately RMB237,584,000 (corresponding period in 2007: nil) and the increase in the turnover of logistics services and supply chain management by 29.4% to approximately RMB524,088,000 (corresponding period in 2007: RMB404,914,000). The significant growth in turnover of logistics services and supply chain management was mainly contributed by the increase in production volume of our major customer and the introduction of new major customers.

The overall gross profit margin of the Group decreased from 17.9% to 9.9% for the six months ended 30 June 2008 compared with the corresponding period in previous year. This was mainly due to the fact that the profit model of the newly introduced steel procurement business, different from that of common logistics business, is characterized by high turnover with lower gross profit margin and to a lesser extent, the adjustment of the geographical business of major customers in vehicle logistics, resulting in the decrease in gross profit of Tianjin Fengtian Logistics Company Limited ("Fengtian Logistics").

The administrative expenses of the Group increased from approximately RMB16,326,000 of the same period last year to RMB27,946,000, representing a significant increase of approximately 71.2%. The increase in the administrative expenses was mainly attributable to the proceeds from the listing on GEM denominated in Hong Kong Dollars, resulting from an exchange loss of RMB3,245,000 due to the appreciation of RMB. Besides, the increase in the administrative expenses was due to the expansion of the operation of the Group and the expenses incurred in the listing part of which has been taken place within the period under review.

The finance costs of the Group increased significantly from approximately RMB321,000 for the six months ended 30 June 2007 to approximately RMB1,090,000 for the six months ended 2008, representing an increase of approximately 239.6%. The increase in finance cost is mainly due to the interest expenses of RMB977,000 (the interest expenses of the subsidiaries of the Company decreased by RMB208,000 during the same period) of the loan newly raised by the Company in the amount of RMB40,000,000.

Profit attributable to the equity holders of the Company dropped by approximately 8.5% from approximately RMB29,370,000 for the six months ended 30 June 2007 to approximately RMB26,879,000 for the six months ended 2008. The decrease in profit was mainly attributable to the expenses incurred for the listing of the Company on GEM and the exchange loss arising from the appreciation of RMB as the proceeds from listing were denominated in Hong Kong Dollars. In addition, the steel trading markets and inter-enterprises electronic trading platform businesses that the Group commenced operation in late 2007 are still at the investment stage, and this led to a decrease in our profit. The above three factors are all short-term in nature and the Company expects that such factors would not persistently affect our future profitability.

Business Review

The Company's H shares were listed on GEM of the Stock Exchange on 30 April 2008. The aggregate number of H shares that were placed and converted was 97,460,000 Shares. On 28 May 2008, the Company over-allotted and converted a total of 783,200 H shares. By that time, the total share capital of the Company was changed to 354,312,000 Shares. The listing of H shares of the Company helped promote the Company's management standard and business development.

For the six months ended 30 June 2008, the logistics and supply chain solutions business and steel procurement business of the Company have achieved encouraging progress in terms of customer resources and exploration of new business. During the period under review, the logistics and supply chain solutions business recorded a total turnover of approximately RMB524,088,000 (corresponding period of last year: RMB404,914,000), representing an increase of 29.4% while turnover of the steel procurement business was approximately RMB237,584,000 (corresponding period in 2007: Nil).

During the period under review, the automobiles logistics business of the Company achieved significant growth which was in line with the increase in production volume of our major customer. Electronic components logistics business attained stable growth with the extension of the steady customer base.

The business of the Group showed a significant increase which continued to improve the revenue structure of the Group. The steel procurement business which was introduced in late 2007 has achieved rapid growth and has acquired banking facilities in the amount of RMB540,000,000. Working capital balance amounted to approximately RMB292,300,000. The Company has always adhered to its principle of selecting customers with high quality and strength and we have entered into contract with about ten steel procurement factories, including two leading steel factories in Huabei areas. Auxiliary businesses (including steel trading markets, warehousing, supervision and transportation) were on the track of robust growth after the stage in which intensive investment was required. In particular, Tianjin Binhai Yuan Sheng Steel Market Operation and Management Co., Ltd. ("Binhai Yuan Sheng") has commenced the steel products market business during the period under review, with the attendance of customers up to 38.

Prospects

In light of the robust development of China's logistics industry, the Company will endeavor to capitalize on its competitive strength in Tianjin Binhai New Area with a view to achieving turnover growth through the expansion of existing logistics and supply chain solutions business and steel procurement business, while at the same time furthering its effort in developing new logistics products.

The Company expects that the logistics and supply chain solutions business will develop steadily with the support of the business growth of our major customers. The Company expects that the automobile and components business and electronic components business will overcome difficulties including rising costs, and continue to achieve growth during the second half of 2008. The fact that the Company has relatively strong upward bargaining power and experience will help itself overcome the effects resulting from the macro-economy. The Company will also fully leverage on its expertise and technological edges to widen its customer base and develop new business source.

The working capital balance of the steel procurement business of the Company will further increase in the second half of 2008 due to the extension of bank facilities. Besides, it is expected that our auxiliary businesses will achieve high growth which could offset some of our preliminary investments. The Company will make good use of its operating experience in respect of the steel products market and explore the possibility of building other large-scale commodities trading platform encouraged under the policies of the Tianjin Binhai New Area in order to push forward the logistics business of the Group.

In respect of infrastructure, the construction work of the depot and warehousing facilities (with an area of 90,144 sqm ("Bei Gang Depot")) of the Company, which are located in Tianjian Port, is expected to complete in mid-2009. The storage and warehousing facilities (with an area of 52,183.62 sqm ("Yuan Da Warehouse")) owned by Tianjin Yuan Da Xian Dai Logistics Co., Ltd. ("Yuan Da Logistics") and located in TEDA are expected to commence operation in the first quarter of 2009 after reconstruction. The warehousing facilities constructed/renovated by Fengtian Logistics and Tianjin Alps Teda Logistics Company Limited ("Tianjin Alps Teda") will commence operation in the fourth quarter of 2008 and in the first half of 2009 respectively. The Company expects that it could achieve substantive growth in turnover after the abovementioned logistics infrastructures have commenced operation. In order to meet its needs for further business development, the Company will continue to acquire promising logistics assets in the area in the future.

The Company will continue to utilize its proceeds from listing in accordance with the manners as set out in the section of use of proceeds in the prospectus dated 24 April 2008 ("the Prospectus") and in line with our business development plans.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

The Company's working capital was generally financed by internally generated cash flow and borrowings from banks. As at 30 June 2008, total equity amounted to approximately RMB545,563,000. Current assets amounted to approximately RMB1,052,832,000, of which cash and bank balances was approximately RMB265,063,000. Non-current liabilities amounted to approximately RMB5,740,000 and current liabilities amounted to approximately 837,073,000, which is mainly attributable to payables and bank borrowings.

CHARGE ON ASSETS OF THE GROUP

During the period under review, there has been no charge on assets of the Group, other than the pledged bank deposits amounting to RMB58,310,000 for certain existing banking facilities.

DEBT RATIO

As at 30 June 2008, the Group's debt ratio measured by the total liabilities over the total assets was 60.7% (31 December 2007: approximately 48%).

FOREIGN CURRENCY RISK

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

The Company has no significant investments except those in the PRC, the Group, however, is exposed to foreign currency risk. The risk arises mainly from the proceeds from the listing of the Company's shares on GEM, which are denominated in Hong Kong Dollar, and thus the appreciation of Renminbi led to an exchange loss. In addition, as the listing proceeds of the Company have been applied in schedule based on the use of proceeds, the exchange rate fluctuations resulted in additional exchange loss. For the six months ended 30 June 2008, the Company had an aggregate exchange loss of RMB3,245,000 due to the appreciation of Renminbi. As at 30 June 2008, the foreign currency balance of the Company was HK$118,561,000.

SUBSTANTIAL ACQUISITIONS AND DISPOSALS

During the period under review, there has been no substantial acquisition or disposal by the Group.

CONTINGENT LIABILITIES

As at 30 June 2008, the Group had no material contingent liabilities.

EMPLOYEES

As at 30 June 2008, the Group employed 1,646 employees. During the period under review, the staff costs, including directors' remuneration, amounted to approximately RMB35,184,000 (the corresponding period in 2007: approximately RMB30,197,000). The Group's remuneration and bonus policies are basically determined by the performance of individual employee and the specific provisions under the framework of remuneration.

FINANCIAL RESULTS

The board of Directors (the "Board") of the Company is pleased to announce the consolidated results of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2008 together with the comparative figures for the same period of 2007, as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 June 2008

		Three months ended		Six months ended	
		30 June	30 June	**30 June**	30 June
		2008	2007	**2008**	2007
	Notes	**RMB'000**	RMB'000	**RMB'000**	RMB'000
		(unaudited)	(unaudited)	**(unaudited)**	(unaudited)
Turnover	4	**422,799**	216,159	**761,672**	404,914
Cost of sales		**(387,209)**	(179,212)	**(685,967)**	(332,295)
Gross profit		**35,590**	36,947	**75,705**	72,619
Other income	5	**850**	839	**1,369**	1,103
Administrative expenses		**(17,599)**	(9,536)	**(27,946)**	(16,326)
Share of result of associates		**2,036**	837	**2,369**	792
Finance costs	6	**(647)**	(185)	**(1,090)**	(321)
Profit before taxation	7	**20,230**	28,902	**50,407**	57,867
Taxation	8	**(4,809)**	(5,314)	**(10,568)**	(10,382)
Profit for the period		**15,421**	23,588	**39,839**	47,485
Attributable to:					
Equity holders of the Company		**10,215**	15,369	**26,879**	29,370
Minority interests		**5,206**	8,219	**12,960**	18,115
		15,421	23,588	**39,839**	47,485
Earnings per share					
– basic	10	**RMB0.03**	RMB0.06	**RMB0.09**	RMB0.11

CONDENSED CONSOLIDATED BALANCE SHEET

As at 30 June 2008

	Notes	30 June 2008 RMB'000 (unaudited)	31 December 2007 RMB'000 (audited)
Non-current assets			
Property, plant and equipment	11	207,847	194,364
Land use rights		113,281	64,689
Deposit paid for acquisition of property, plant and equipment		–	187
Deposit paid for acquisition of land use rights		–	11,829
Interests in associates		14,311	11,942
Goodwill		105	105
		335,544	283,116
Current assets			
Inventories		52,619	68,130
Trade and other receivables	12	672,875	214,823
Land use rights		2,465	1,449
Amount due from a related party		1,500	19
Pledged bank deposits		58,310	–
Bank balances and cash		265,063	179,671
		1,052,832	464,092
Current liabilities			
Trade and other payables	13	756,256	246,094
Amounts due to related parties		25	40,044
Amount due to a minority shareholder of a subsidiary		–	2,393
Dividend payable		27,455	28,119
Taxation payable		9,907	10,082
Bank borrowings	14	43,430	26,113
		837,073	352,845
Net current assets		215,759	111,247
Total assets less current liabilities		551,303	394,363
Capital and reserves			
Share capital	15	354,312	265,000
Reserves		122,209	40,086
Attributable to equity holders of the Company		476,521	305,086
Minority interests		69,042	83,537
		545,563	388,623
Non-current liabilities			
Deferred income		5,740	5,740
		551,303	394,363

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2008

	Attributable to equity holders of the Company							
	Share capital RMB'000	Share premium RMB'000	Other reserves RMB'000	Statutory reserves RMB'000	Retained profits RMB'000	Attributable to equity holder of parent RMB'000	Minority interests RMB'000	Total RMB'000
At 1 January 2007 (audited)	265,000	–	(73,258)	12,717	51,203	255,662	61,975	317,637
Profit for the period and total recognised income and expenses for the period	–	–	–	–	29,370	29,370	18,115	47,485
Transfer to statutory reserves by jointly controlled entities arising from appropriation	–	–	–	4,359	(4,359)	–	–	–
Transfer	–	–	–	7,087	(7,087)	–	–	–
Dividend	–	–	–	–	–	–	(19,103)	(19,103)
At 30 June 2007 (unaudited)	265,000	–	(73,258)	24,163	69,127	285,032	60,987	346,019
At 1 January 2008 (audited)	265,000	–	(73,258)	30,569	82,775	305,086	83,537	388,623
Profit for the period and total recognised income and expenses for the period	–	–	–	–	26,879	26,879	12,960	39,839
Transfer	–	–	–	16,618	(16,618)	–	–	–
Dividend	–	–	–	–	–	–	(27,455)	(27,455)
Issue of H shares	89,312	69,530	–	–	–	158,842	–	158,842
Share issue expenses	–	(14,286)	–	–	–	(14,286)	–	(14,286)
At 30 June 2008 (unaudited)	354,312	55,244	(73,258)	47,187	93,036	476,521	69,042	545,563

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the six months ended 30 June 2008

	Six months ended 30 June 2008 RMB'000 (unaudited)	2007 RMB'000 (unaudited)
Net cash generated from operating activities	**118,458**	60,851
Net cash used in investing activities		
Purchase of property, plant and equipment	**(26,282)**	(16,744)
Purchase of land use rights	**(38,644)**	(21,747)
Increase in pledged bank deposits	**(58,310)**	–
Other investing cash flows	**–**	40
	(123,236)	(38,451)
Net cash generated from (used in) financing activities		
New bank and other borrowings raised	**28,142**	13,098
Repayment of bank borrowings	**(10,825)**	(6,443)
Repayment to a related party	**(40,000)**	–
Dividends paid to shareholders	**(14,947)**	–
Dividends paid to minority shareholders	**(13,172)**	(9,600)
Proceeds from issue of H Shares	**158,842**	–
Payment of share issue expense	**(14,286)**	–
Other financing cash flows	**(3,584)**	(393)
	90,170	(3,338)
Net increase in cash and cash equivalents	**85,392**	19,062
Cash and cash equivalents at 1 January	**179,671**	89,487
Cash and cash equivalents at 30 June represented by bank balances and cash	**265,063**	108,549

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2008

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 Assets Company"), as a joint stock limited company on 26 June 2006. Pursuant to the group reorganisation (the "Reorganisation") in preparation of 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 procurement services.

2. Basis of preparation

The condensed consolidated financial statements have been prepared in accordance with the applicable disclosure requirements of Chapter 18 of the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the GEM Rules) and with International Accounting Standards 34 Interim Financial Announcementing.

3. Principal Accounting Policies

The interim financial information has been prepared on the historical cost basis.

The accounting policies used in the interim financial information are consistent with those followed in the preparation of the Group's consolidated financial statements for the three years ended 31 December 2007 included in the Prospectus of the Company dated 24 April 2008.

In the current interim period, the Group has applied, for the first time, the following new International Financial Announcementing Interpretations Committee (the "IFRIC") issued by International Accountants Standards Board ("IASB"), which are effective for the Group's financial year beginning on 1 January 2008.

IFRIC 11	IFRS 2: Group and treasury share transactions
IFRIC 12	Service concession arrangements
IFRIC 14	IAS 19 - The limit on a defined benefit asset, minimum funding requirements and their interaction

The adoption of these new IFRICs had no material effect on the results or financial position for the current or prior accounting periods. Accordingly, no prior period adjustment has been required.

The Group has not early applied the following new standards, amendment or interpretations that have been issued but are not yet effective at the date of the announcement.

IFRSs (Amendments)	Improvements to IFRSs[1]
IAS 1 (Revised)	Presentation of financial statements[2]
IAS 23 (Revised)	Borrowing costs[2]
IAS 27 (Revised)	Consolidated and separate financial statements[3]
IAS 32 & IAS 1	Puttable financial instruments and obligations (Amendments) arising on liquidation[2]
IAS 39 (Amendment)	Eligible Hedged Items[3]
IFRS 1 & IAS 27 (Amendments)	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate[2]
IFRS 2 (Amendment)	Vesting conditions and cancellations[2]
IFRS 3 (Revised)	Business combinations[3]
IFRS 8	Operating segments[2]
IFRIC 13	Customer loyalty programmes[4]
IFRIC 15	Agreements for the construction of real estate[2]
IFRIC 16	Hedges of a net investment in a foreign operation[5]

1 Effective for annual periods beginning on or after 1 January 2009 except the amendments to IFRS 5, effective for annual periods beginning on or after 1 July 2009.

2 Effective for annual periods beginning on or after 1 January 2009.

3 Effective for annual periods beginning on or after 1 July 2009.

4 Effective for annual periods beginning on or after 1 July 2008.

5 Effective for annual periods beginning on or after 1 October 2008.

The Directors anticipate that the application of these standards, amendments or interpretations will have no material impact on the results and the financial position of the Group except that the adoption of IFRS 3 (Revised) Business combinations and IAS 27 (Revised) Consolidation and separate financial statements. IFRS 3 (Revised) may affect the accounting for business combination for which the acquisition date is on or after the beginning of the first annual announcementing period beginning on or after 1 July 2009. IAS 27 (Revised) will affect the accounting treatment for changes in a parent's ownership interest in a subsidiary that do not result in a loss of control, which be accounted for as equity transactions.

4. Segment information

Business segments

During the six months ended 30 June 2007, the Group has only one segment of logistics and supply chain solutions.

During the six months ended 30 June 2008, for management purposes, the Group is mainly organised into two operating divisions – (i) logistics and supply chain solutions and (ii) steel procurement services.

Principal activities of the two segments are as follows:

Logistics and supply chain solutions – Render logistics services and supply chain management i.e. planning, storage and transportation management for automobile components, electronic production materials, finished goods and materials procurement logistics services i.e. purchase and sale of resins and electronic components as a value-added service to the Group's existing customers of logistics and supply chain management at the pre-production stage.

Steel procurement services – Sales of steel materials to customers comprised principally trading companies and provision of related services of transportation management, storage, warehouse supervising and management.

Segment information about the two segments for the three months ended 30 June 2008 and six months ended 30 June 2008 is as follows:

Six months ended 30 June 2008

	Logistics and supply chain solutions RMB'000 (unaudited)	Steel procurement services RMB'000 (unaudited)	Total RMB'000 (unaudited)
Revenue	524,088	237,584	761,672
Segment result	51,303	4,583	55,886
Unallocated other income			1,247
Unallocated corporate expenses			(8,005)
Share of results of associates			2,369
Finance costs			(1,090)
Profit before taxation			50,407
Taxation			(10,568)
Profit for the period			39,839

Three months ended 30 June 2008

	Logistics and supply chain solutions RMB'000 (unaudited)	Steel procurement services RMB'000 (unaudited)	Total RMB'000 (unaudited)
Revenue	263,209	159,590	422,799
Segment result	22,095	2,077	24,172
Unallocated other income			744
Unallocated corporate expenses			(6,075)
Share of results of associates			2,036
Finance costs			(647)
Profit before taxation			20,230
Taxation			(4,809)
Profit for the period			15,421

5. Other income

	Three months ended 30 June		Six months ended 30 June	
	2008	2007	**2008**	2007
	RMB'000	RMB'000	**RMB'000**	RMB'000
Interest Income	**744**	332	**1,247**	578
Others	**106**	507	**122**	525
	850	839	**1,369**	1,103

6. Finance costs

	Three months ended 30 June		Six months ended 30 June	
	2008	2007	**2008**	2007
	RMB'000	RMB'000	**RMB'000**	RMB'000
Interest on bank borrowings wholly repayable within five years	**647**	185	**1,090**	321

7. Profit before taxation

Profit before taxation has been arrived at after charging:

	Three months ended 30 June		Six months ended 30 June	
	2008	2007	**2008**	2007
	RMB'000	RMB'000	**RMB'000**	RMB'000
Depreciation of property, plant and equipment	**4,536**	4,917	**9,310**	8,464
Amortisation of prepaid lease payments	**503**	334	**865**	668
Exchange loss	**3,681**	238	**4,287**	388

8. Taxation

	Three months ended 30 June		Six months ended 30 June	
	2008	2007	**2008**	2007
	RMB'000	RMB'000	**RMB'000**	RMB'000
The charge comprises the PRC Enterprise income tax ("EIT")				
Current taxation				
– the Company and its subsidiaries	**3,344**	3,782	**7,525**	7,971
– jointly controlled entities	**1,465**	1,532	**3,043**	2,411
	4,809	5,314	**10,568**	10,382

The Group and the jointly controlled entities are, except for as stated below, subject to EIT levied at a rate of 25% (six months ended 30 June 2007: 33%) of taxable income determined in accordance with the relevant laws and regulations in the PRC during the six months ended 30 June 2008.

Name of subsidiary/jointly controlled entity	Six months and three months ended 30 June 2008 EIT rate	 2007 EIT rate
Tianjin Fengtian Logistics Co., Ltd.	**18%**	15%
Tianjin Alps Teda Logistics Company Limited*	**18%**	15%

* *Tianjin Alps Teda is a jointly controlled entity.*

Pursuant to the relevant approval by the tax authorities, both Fengtian Logistics and Tianjin Alps Teda, which recognised as manufactory foreign investment enterprises, entitled a preferential tax rate of 15% since 2005. Upon the implementation of the new PRC tax law, a five-year transitional period has been granted to the entity that previously enjoys the preferential tax rate of 15%. The applicable tax rate of these two entities is changed to 18% started from 2008. For the Company, other subsidiaries and jointly controlled entities, their applicable tax rate have been changed immediately to 25% from 2008.

9. Dividend

The directors do not recommend the payment of an interim dividend for the six months ended 30 June 2008 (six months ended 30 June 2007: Nil).

Dividend with an amount of RMB14,947,000 was paid to Company's shareholders during the period. No dividends were paid to Company's shareholders during six months ended 30 June 2007.

10. Earnings per share – basic

The calculating of basic earnings per share attributable to the ordinary equity holders of the Company is based on the following data:

	Three months ended 30 June		Six months ended 30 June	
	2008	2007	**2008**	2007
	RMB'000	RMB'000	**RMB'000**	RMB'000
Profit for the period attributable to equity holders of the Company and earnings for the purpose of basic earnings per share	**10,215**	15,369	**26,879**	29,370

	Number of shares			
	Three months ended 30 June		Six months ended 30 June	
	2008	2007	**2008**	2007
	'000	'000	**'000**	'000
Weighted average number of shares for the purpose of basic earnings per share	**324,657**	265,000	**294,829**	265,000

There are no diluted earnings per share presented for the periods as there are no potential ordinary shares outstanding during the periods.

11. Property, plant and equipment

During the period, the Group spent approximately RMB26,282,000 (six months ended 30 June 2007: RMB16,744,000) on acquisition of property, plant and equipment.

12. Trade and other receivables

	30 June 2008 RMB'000	31 December 2007 RMB'000
Trade receivables	**156,547**	147,235
Less: impairment loss recognised	**(776)**	(569)
	155,771	146,666
Bills receivables (note)	**172,593**	2,500
	328,364	149,166
Prepayments to suppliers	**325,918**	44,585
Other receivables	**18,853**	21,332
Less: impairment loss recognised	**(260)**	(260)
Total trade and other receivables	**672,875**	214,823

Note: The bills are non-interest bearing bank acceptance bills with a maximum maturity period of six months.

Bills receivable outstanding at the balance sheet date amounted to RMB172,593,000 (31 December 2007: nil) have been endorsed to certain creditors. The Group continues to present the endorsed bills as bills receivable until maturity, accordingly, such bills have not been applied to reduce the amounts of trade and other payables.

The following is an aged analysis of trade and bills receivables at the balance sheet date:

	30 June 2008 RMB'000	31 December 2007 RMB'000
0 – 90 days	**275,265**	148,379
91 – 180 days	**53,099**	508
181 – 365 days	**–**	205
1 – 2 years	**–**	74
	328,364	149,166

13. Trade and other payables

	30 June 2008 RMB'000	31 December 2007 RMB'000
Trade payables (note i)	**293,604**	97,739
Bills payables (note ii)	**292,300**	101,750
	585,904	199,489
Prepayment and deposits from customers	**152,409**	25,910
Other payables	**17,943**	20,695
Total trade and other payables	**756,256**	246,094

Notes:

(i) At the balance sheet date, the Group has endorsed bank acceptance bills to certain creditors amounted to RMB172,593,000 (31 December 2007: nil). The settlement of trade and other payables by such bills will only be derecognised when the relevant bills have been matured.

(ii) The bills are non-interest bearing and have a maximum maturity of six months.

The following is an aged analysis of trade and bills payables at the balance sheet date:

	30 June 2008 RMB'000	31 December 2007 RMB'000
0 – 90 days	**499,011**	178,226
91 – 180 days	**83,567**	18,697
181 – 365 days	**1,313**	1,418
1 – 2 years	**1,695**	707
Over 2 years	**318**	441
	585,904	199,489

14. Bank borrowings

During the period, the Group obtained new bank loans amounting to RMB28,142,000 (six months ended 30 June 2007: RMB13,098,000). The loans carry interest at market rates of 3.29% – 7.227% and will be matured within one year. The proceeds were used to finance the purchase of land use rights and acquisition of property, plant and equipment.

15. Share capital

	Number of shares		
	Domestic shares	H shares	Amount RMB'000
At 1 January 2008	265,000,000	–	265,000
Issue of H shares by placing (note a)	–	88,600,000	88,600
Issue of H shares under over-allotment option (note b)	–	712,000	712
Conversion from domestic shares to H shares (note c)	(8,931,200)	8,931,200	–
At 30 June 2008	256,068,800	98,243,200	354,312

Notes:

(a) On 30 April 2008, the Company issued 88,600,000 H shares with a nominal value of RMB 1 each, at a price of HK$1.98 per H share by way of placing to Hong Kong investors.

(b) On 28 May 2008, as a result of the exercise of the over-allotment option by the lead manager, the Company issued 712,000 H shares with a nominal value of RMB1 each, at a price of HK$1.98 per H share.

(c) In accordance with the relevant approval from State-owned Assets Supervision and Administration Commission of the State Council, 6,234,989 Domestic shares and 2,696,211 Domestic shares held by Teda Holding and TEDA Assets Company respectively were converted during the period, into equal number of H shares, and altogether transferred to the National Council for Social Security Fund of the PRC for retention upon the completion of the placing of the Company's shares.

16. Capital commitments

At the balance sheet date, the Group had the following commitments:

	30 June 2008 RMB'000	31 December 2007 RMB'000
Capital expenditure in respect of acquisition of property, plant and equipments contracted for but not provided in the condensed consolidated financial statements:		
The Company and subsidiaries	**36,958**	42,719
Jointly controlled entities	**–**	31
	36,958	42,750

17. Related party disclosures

(a) Transactions with TEDA Administrative Commission and companies under its control

(i) Transactions with Administrative Commission

During the six months ended 30 June 2007, the Group paid an aggregate amount of RMB11,287,000 to TEDA Administrative Commission for acquiring land use rights for a period of 50 years. Such consideration was determined based on the land purchase contract entered into with TEDA Land Administrative Bureau. In addition, the Group received government grant amounting to RMB5,740,000 from Administrative Commission in connection with the construction of buildings to be erected on such land use right.

As at 31 December 2007, the Group had outstanding interest-free advance from Administrative Commission amounting to RMB40,000,000. The advance was fully repaid during the six months ended 30 June 2008.

(ii) Transactions with TEDA Holding

During the six months ended 30 June 2007, TEDA Holding provided a non-fixed-amount guarantee to Tianjin Alps Teda Logistics for its liability arising on the air-freight logistics operation. The guarantee was replaced by another guarantee issued by the Company in October 2007 (see (b) below).

(b) Transaction with a jointly controlled entity

At the balance sheet date, the Group has outstanding guarantee provided to Tianjin Alps Teda Logistics, a jointly controlled entity, for its liabilities arising on air freight logistic operation for the period from 18 October 2007 to 18 October 2010 (see (a) (ii) above).

(c) *Transaction with associates*

	Three months ended 30 June		Six months ended 30 June	
	2008	2007	**2008**	2007
	RMB'000	RMB'000	**RMB'000**	RMB'000
Trade deposit paid to an associates*	**–**	–	**1,500**	–
Rental fee payable to an associate	**1,946**	–	**3,892**	–

* The amount is outstanding as at 30 June 2008 and included as amount due from related party in the balance sheet.

(d) *Transaction with other state-controlled entities in the PRC*

In the opinion of the directors of the Company, the Group operates in an economic environment current predominated by enterprises directly or indirectly owned or controlled by the PRC government (hereinafter collectively referred to as "State-Owned Enterprises").

For the purpose of this announcement, the Group has identified the nature and quantified the amounts of its material transactions with State-Owned Enterprises during the periods and material balances therewith at the respective balance sheet dates as follows:

(i) Material transactions

During the six months ended 30 June 2007, the Group paid an amount of RMB10,460,000 to a state-controlled entity for deposit for acquisition of land use right. Such purchase of land use right was then completed in the period during the six months ended 30 June 2008 with total consideration and incidental costs of RMB50,473,000.

(ii) Material balances

	30 June 2008	31 December 2007
	RMB'000	RMB'000
Bank balances	**106,345**	127,678
Trade and other receivables	**147,367**	786
Trade and other payables	**6,729**	43,963
Bank borrowings	**–**	1,000

In addition, the Group has entered into various fuel and utilities transactions with other state-controlled entities in the PRC in its ordinary course of business. In view of the nature of those transactions, the directors are of the opinion that separate disclosure would not be meaningful.

(e) *Compensation of key management personnel*

The short term benefits paid or payable by the Group to directors of the Company and other members of key management during the six months ended 30 June 2008 amounted to approximately RMB937,000 (six months ended 30 June 2007: RMB952,000).

COMPARISON BETWEEN THE BUSINESS OBJECTIVES AND THE ACTUAL OPERATION PROGRESS

The following is the comparison of the actual operation progress as at 30 June 2008 with the business objectives as stated in the Prospectus.

The business objectives stated in the Prospectus	Actual operation progress for the six months ended 30 June 2008
Business development	
To develop the procurement service in respect of steel materials and the ancillary services including freight forwarding and warehousing services	This operation has achieved significant development during the period under review, and recorded a segment profit of approximately RMB4,583,000 (this operation has not yet commenced in the corresponding period of last year).
To enlarge and diversify the customer base in respect of logistics and supply chain solutions in Huabei areas	The number of customers of automobiles and car components logistics, electronic component logistics and bonded warehousing businesses of the Company increased from 418 at the beginning of the period to 430 at the end of the period.
Sales and marketing	
To secure and improve existing procurement services	The turnover of steel procurement recorded approximately RMB237,584,000.
To develop the customer base of the steel procurement business covering Huabei areas	Contracts have been entered into with ten steel procurement factories including two leading steel factories in Huabei areas. The number of customers with long-term relationship in the procurement business is six (the procurement business has not yet commenced in the corresponding period of last year).

The business objectives stated in the Prospectus	Actual operation progress for the six months ended 30 June 2008
To enlarge and diversify the customer base in respect of logistics and supply chain solutions and procurement services to users of the electronic business-to-business platform to be operated by the Company's associated company	The work is still in progress.
Logistics infrastructure	
To commence the operation on Yuan Da Logistics' storage and warehousing facilities at TEDA	Since proceeds generated from listing is settled later than expected and this has resulted in the delay for the commencement of development work of the facilities, hence, the construction work has not yet commenced as at the end of the period under review.
To complete acquisition of a piece of land at Tianjin Port with a site area of approximately 90,144.00 sq. m. and commence the development of the container stacking yard and construction of warehousing facilities thereon	The acquisition has been completed. The yard and warehousing are currently under development. Since the progress of the construction is slower than expected, it is expected that such facilities would be delivered in the first half of 2009, which was about 5 months behind schedule.
To expand the warehousing facilities of Tianjin Fengtian Logistics with gross floor area of approximately 5,610.00 sq. m.	The development is in progress. The foundation and basic construction have been completed. It is expected that the whole development will be completed in the fourth quarter of 2008.
To develop the storage and warehousing facilities at Yuan Da Logistics's land at TEDA with a site area of approximately 52,183.62 sq.m.	Since proceeds generated from listing is settled later than expected and this has resulted in the delay for the commencement of work, hence, the construction work has not yet commenced. The Company intends to further invest approximately RMB10,000,000 to furnish the office and warehousing spaces. The reconstruction work will be completed in the first quarter of 2009.

Use of proceeds generated from listing on GEM

The Company raised net proceeds in a total amount of approximately HK$152.3 million through the placing of H shares on 30 April 2008 and the partial exercise of over-allotment option on 28 May 2008. From the date of listing on GEM to 30 June 2008, the proceeds of approximately RMB69,000,000 applied shall be as follows as set out in the prospectus:

- Approximately RMB20,000,000 is used to repay the bank facilities which were applied to finance the development of storage and warehousing facilities on a land situated at TEDA.

- Approximately RMB46,000,000 is used to acquire the land situated at Tianjin Port for the development of the container stacking yard and construction of warehousing facilities thereon.

- Approximately RMB2,000,000 is used for the development of information technology systems.

- Approximately RMB1,000,000 is used for the working capital of Binhai Logistics Group.

From the date of listing on GEM to 30 June 2008, the actual amount of proceeds used by the Company was approximately RMB38.5 million which was used to acquire the land situated at Tianjin Port.

Since the listing of the Company was 30 April 2008 and the proceeds generated from listing is settled later than expected, and this has resulted in the delay for the commencement of work. Hence, the remaining proceeds has not been applied. The Company expected that the above proceeds will be used in the second half of 2008. The Board of Directors of the Company considered that the delay in application of the above proceeds will not have material impact on the operation of the Company.

The Company will use the remaining unutilised net proceeds of approximately RMB95.5 million in accordance with the intended use as stated in the Prospectus. The Company will review the business strategies regularly to ensure that they are in the interests of shareholders.

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

As at 30 June 2008, none of the directors, supervisors and chief executive of the Company or their respective associates (with the meaning of the GEM Listing Rules) held interests or short positions in the shares, underlying shares or debentures of the Company or its associated corporations (with 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 the provisions of Divisions 7 and 8 of Part XV of the SFO (Chapter 571 of the Laws of Hong Kong) (including interests and short positions which they have taken or deemed to have under such provisions of 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 otherwise required to be notified to the Company and Stock Exchange pursuant to Rules 5.46 to 5.67.

INTERESTS OF SUBSTANTIAL SHAREHOLDERS

So far as is known to the directors, supervisors and chief executive of the Company, as at 30 June 2008, the following person (other than a Director or a Supervisor or chief executive of the Company) held or deemed to hold interests or short positions in the shares and underlying shares of the Company, which were required to be disclosed to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO, or were directly or indirectly interested in 10% or more of 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	Approximate percentage of shareholding in the same class of shares (Note 1)	Approximate percentage of shareholding in the Company's total issued share capital
Tianjin Teda Investment Holding Company Limited	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%
Guotai Junan Assets (Asia) Limited	Investment manager	9,700,000 (L) H shares	9.87%	2.74%
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%

Note:

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

Save as disclosed above, the Directors are not aware of any persons (other than a Director or a Supervisor or chief executive of the Company) who held, or deemed to hold interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or, which were recorded in the register required to be kept by the Company under Section 336 of the SFO or who were directly or indirectly interested in 10% or more of 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 as at the date of this announcement.

COMPETITION AND CONFLICT OF INTERESTS

None of the directors, management shareholders, substantial shareholders of the Company nor their respective associates have interests in business that compete or may compete with the business of the Group and any other conflicts of interests with the Group.

CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has complied with the Code on Corporate Governance Practices ("the CG Code") as set out in appendix 15 of the GEM Listing Rules throughout the period under review, except for the following deviations:

The code provision A 2.1 stipulates that the roles of the chairman of the Board ("Chairman") and the chief executive officer ("CEO") should be separate 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 30 June 2008, 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 of Directors considered that Mr. Zhang Jian understands the business operation of the Group well and could make decisions which are at the best interest of the shareholders as a whole in a timely manner. The Company considered that the combination of the roles of Chairman and CEO could effectively formulate and implement the strategies of the Group and reacted swiftly changes in market. The Board also considered that there is no imminent need to separate the roles into two individuals. However, the Board will continue to review the effectiveness of the Group's corporate governance structure to assess whether the separation of the position of Chairman and CEO is necessary.

AUDIT COMMITTEE

The Company has established an audit committee with terms of reference, which clearly defined the powers and duties of the committee. The primary duties of the audit committee are to review and supervise the financial announcementing 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. Liu Jing Fu, Mr. Zhang Limin and Mr. Luo Yongtai. Mr. Zhang Limin is the chairman of the audit committee. The audit committee has reviewed the Company's unaudited results for the period under review and respective recommendation and opinion have been made.

SECURITIES TRANSACTIONS BY DIRECTORS

The Company has not adopted the model code for securities transactions by directors. However, having made specific enquiry of all directors of the Company, the Company did not aware any directors' incompliance with the code of conduct regarding securities transactions by the directors as set out in rules 5.48 to5.67 of the GEM listing rules during the period under review.

PURCHASE, SALE OR REDEMPTION OF SECURITIES

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

INTEREST OF COMPLIANCE ADVISER

The Company has appointed Guotai Junan Capital Limited as its compliance adviser pursuant to Rule 6A.19 of the GEM Listing Rules. The term of the appointment commenced on the Listing Date and will be ended on the date on which the Company complies with Rule 18.03 of the GEM Listing Rules in respect of its financial results for the second full financial year after the Listing Date (i.e. the date of despatch of the annual announcement of the Company in respect of its results of the financial year ending 31 December 2010), subject to early termination.

As at 30 June 2008, as notified by Guotai Junan Capital Limited, none of Guotai Junan Capital Limited, its directors, its employees or associates had any interest in the Company's securities (including share options and the other rights to subscribe the Company's securities).

As at the date of this announcement, the Board of directors of the company comprises Mr. Zhang Jian and Mr. Sun Quan as Executive Directors; Mr. Zhang Jun and Mr. Ding Yi as Non-Executive directors; and Mr. Liu Jing Fu, Mr. Zhang Limin and Mr. Luo Yongtai as Independent Non-Executive directors.

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

Tianjin, 12 August 2008