天津濱海泰達物流集團股份有限公司

Tianjin Binhai Teda Logistics (Group) Corporation Limited*

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

(Stock code: 8348)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2010

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

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

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

FINANCIAL HIGHLIGHTS

- Revenue increased by approximately 7% to RMB2,863,018,000
- Gross profit margin was 5.37%
- Profit attributable to shareholders increased by 58% to RMB80,861,000
- Earnings per share achieved RMB0.23

ANNUAL RESULTS

The board of directors (the "Board") of Tianjin Binhai Teda Logistics (Group) Corporation Limited (the "Company") is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively the "Group") for the year ended 31 December 2010 and the comparative figures for the corresponding period of 2009 as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2010

	Note	**2010** **RMB'000**	2009 RMB'000
Revenue	3	**2,863,018**	2,671,206
Cost of sales	10	**(2,709,269)**	(2,570,037)
Gross profit		**153,749**	101,169
Other income	4	**7,353**	15,457
Other gains and losses	5	**(6,736)**	(933)
Administrative expenses	10	**(56,958)**	(49,781)
		97,408	65,912
Finance costs	6	**(4,894)**	(2,413)
Share of results of associates		**31,523**	12,159
Profit before income tax		**124,037**	75,658
Income tax expense	7	**(22,107)**	(13,135)
Profit/total comprehensive income for the year		**101,930**	62,523
Profit/total comprehensive income attributable to:			
Owners of the parent		**80,861**	51,049
Non-controlling interests		**21,069**	11,474
		101,930	62,523
Earnings per share (RMB cents)	9		
– Basic		**23**	14
– Diluted		**23**	14
Dividends	8	**–**	14,172

CONSOLIDATED BALANCE SHEET

As at 31 December 2010

	Note	**2010** **RMB'000**	2009 RMB'000
ASSETS			
Non-current assets			
Land use rights		**121,021**	115,765
Property, plant and equipment		**226,569**	213,736
Investment properties		**97,228**	90,550
Deposit paid for acquisition of land use rights		**–**	7,820
Interests in associates		**59,744**	45,040
Goodwill		**105**	105
		504,667	473,016
Current assets			
Inventories		**113,337**	101,036
Trade and other receivables	11	**947,160**	968,387
Amounts due from an associate		**3,658**	5,088
Pledged bank deposits		**88,844**	78,015
Cash and cash equivalents		**311,248**	246,560
		1,464,247	1,399,086
Total assets		**1,968,914**	1,872,102
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent			
Share capital		**354,312**	354,312
Other reserves	12	**48,848**	34,893
Retained earnings			
– Proposed dividend		**–**	14,172
– Others		**212,653**	145,747
		212,653	159,919
		615,813	549,124
Non-controlling interests		**92,433**	85,069
Total equity		**708,246**	634,193

CONSOLIDATED BALANCE SHEET (Continued)

As at 31 December 2010

	Note	**2010** RMB'000	2009 RMB'000
LIABILITIES			
Non-current liabilities			
Deferred income		**5,289**	5,514
Current liabilities			
Trade and other payables	13	**1,102,637**	1,134,164
Amounts due to an associate		**330**	437
Taxation payable		**9,763**	13,380
Borrowings		**142,649**	84,414
		1,255,379	1,232,395
Total liabilities		**1,260,668**	1,237,909
Total equity and liabilities		**1,968,914**	1,872,102
Net current assets		**208,868**	166,691
Total assets less current liabilities		**713,535**	639,707

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2010

	Attributable to owners of the parent					
	Share capital	**Reserves**	**Retained earnings**	**Total**	**Non-controlling interests**	**Total**
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1 January 2009	354,312	29,241	114,522	498,075	72,947	571,022
Comprehensive income						
Profit/total comprehensive income for the year	–	–	51,049	51,049	11,474	62,523
Transactions with owners						
Transfer from retained earnings	–	5,652	(5,652)	–	–	–
Deemed disposal of a subsidiary	–	–	–	–	648	648
Total transactions with owners	–	5,652	(5,652)	–	648	648
Balance at 31 December 2009	**354,312**	**34,893**	**159,919**	**549,124**	**85,069**	**634,193**
Comprehensive income						
Profit/total comprehensive income for the year	**–**	**–**	**80,861**	**80,861**	**21,069**	**101,930**
Transactions with owners						
Transfer from retained earnings	**–**	**13,955**	**(13,955)**	**–**	**–**	**–**
Dividend paid	**–**	**–**	**(14,172)**	**(14,172)**	**(13,705)**	**(27,877)**
Total transactions with owners	**–**	**13,955**	**(28,127)**	**(14,172)**	**(13,705)**	**(27,877)**
Balance at 31 December 2010	**354,312**	**48,848**	**212,653**	**615,813**	**92,433**	**708,246**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2010

1. General information

The Company was established as an investment holding company in the People's Republic of China (the "PRC") by its promoters, Tianjin Teda Investment Holding Co., Ltd. (天津泰達投資控股有限公司) ("TEDA Holding") and Tianjin Economic and Technological Development Area State Asset Operation Company (天津經濟技術開發區國有資產經營公司) ("TEDA Asset Company") as a joint stock limited company on 26 June 2006. Both TEDA Holding and TEDA Asset Company are controlled by Tianjin Economic and Technological Development Area Administrative Commission ("TEDA Administrative Commission").

Pursuant to the group reorganisation (the "Reorganisation") in preparation 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 trading and related logistics services.

The Group's principal operations are conducted in the PRC. The consolidated financial statements have been presented in Renminbi ("RMB"), which is the functional currency of the Company.

2. Basis of preparation and accounting policies

The consolidated financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS). The consolidated financial statements have been prepared under the historical cost convention. These policies have been consistently applied to all the years presented, unless otherwise stated.

Changes in accounting policy and disclosures

Following are amendments and interpretations ("new IFRSs") issued by the International Accounting Standards Board (the "IASB") and the International Financial Reporting Interpretations Committee (the "IFRIC") of the IASB (hereinafter collectively referred to as "IFRSs"), which are effective in the current year but not currently relevant to the Group (although they may affect the accounting for future transactions and events):

- IFRS 3 (revised), "Business combinations", and consequential amendments to IAS 27, "Consolidated and separate financial statements", IAS 28, "Investments in associates", and IAS 31, "Interests in joint ventures"
- IAS 17 (amendment), "Leases"
- IFRIC17, "Distribution of non-cash assets to owners"
- IFRIC18, "Transfers of assets from customers"
- IFRIC 9, "Reassessment of embedded derivatives" and IAS 39, "Financial instruments: Recognition and measurement"
- IFRIC16, "Hedges of a net investment in a foreign operation"
- IAS1 (amendment), "Presentation of financial statements"
- IAS 36 (amendment), "Impairment of assets"
- IFRS 2 (amendments), "Group cash-settled share-based payment"
- IFRS 5 (amendment), "Non-current assets held for sale and discontinued operations"

Amendments to accounting standards published and relevant to the Group's but are not effective for the financial year ended 31 December 2010 and have not been early adopted by the Group:

- IFRS 9, "Financial instruments"
- "Classification of rights issues" (amendment to IAS 32)
- IFRIC – Int 19, "Extinguishing financial liabilities with equity instruments"
- "Prepayments of a minimum funding requirement" (amendments to IFRIC – Int 14)

The Group is in the process of assessing the impact of these new standards, interpretations and amendments but is not yet in a position to state whether they would have a significant impact on its results and financial position.

3. Segment information

The Group reports three operating segments; these are managed independently by the responsible segment management bodies in line with the products and services offered and the distribution channels and customer profiles involved. Components of entity are defined as segments on the basis of the existence of segment managers with revenue and segment results (profit before tax less interest income, finance cost and corporate expenses) responsibility who report directly to the Group's senior management who make strategic decisions.

Principal activities of the three reportable segments are as follows:

Logistics and supply chain service for finished automobiles and components – Provision of logistics services and supply chain management, i.e. planning, storage and transportation management for finished automobile and components;

Logistics and supply chain service for electronic components – Provision of logistics services, supply chain management and agency service for electronics components;

Materials procurement services – Sales of raw materials to customers comprising principally trading companies and provision of related services of transportation management, storage, warehouse supervising and management.

	For the year ended 31 December 2010					
	Logistics and supply chain service for finished automobiles and components RMB'000	Logistics and supply chain service for electronic components RMB'000	Materials procurement and related logistics services RMB'000	Reportable segments subtotal RMB'000	All other segments RMB'000	Total RMB'000
Revenue	**948,914**	**533,259**	**1,610,011**	**3,092,184**	**39,033**	**3,131,217**
Inter-segment revenue	**–**	**(14,300)**	**–**	**(14,300)**	**(2,244)**	**(16,544)**
Revenue from external customers	**948,914**	**518,959**	**1,610,011**	**3,077,884**	**36,789**	**3,114,673**
Segment results	**56,296**	**48,142**	**15,467**	**119,905**	**634**	**120,539**
Depreciation and amortisation	**(12,592)**	**(6,911)**	**(626)**	**(20,129)**	**(12,176)**	**(32,305)**
Share of results of associates	**–**	**–**	**–**	**–**	**31,523**	**31,523**
Income tax expense	**(12,879)**	**(10,202)**	**(3,747)**	**(26,828)**	**(206)**	**(27,034)**

3. **Segment information (Continued)**

	For the year ended 31 December 2009					
	Logistics and supply chain service for finished automobiles and components RMB'000	Logistics and supply chain service for electronic components RMB'000	Materials procurement and related logistics services RMB'000	Reportable segments subtotal RMB'000	All other segments RMB'000	Total RMB'000
Revenue	743,840	387,820	1,707,241	2,838,901	28,736	2,867,637
Inter-segment revenue	–	(10,028)	–	(10,028)	(3,224)	(13,252)
Revenue from external customers	743,840	377,792	1,707,241	2,828,873	25,512	2,854,385
Segment results	31,567	29,420	18,951	79,938	250	80,188
Depreciation and amortisation	(13,360)	(6,272)	(1,984)	(21,616)	(7,260)	(28,876)
Share of results of associates	–	–	–	–	12,159	12,159
Income tax expense	(7,438)	(7,494)	(1,043)	(15,975)	(776)	(16,751)

Sales between segments are carried out based on mutually agreed price. The revenue from external parties reported to the senior management is measured in a manner consistent with that in the statement of comprehensive income.

A reconciliation of segment revenue and results to profit for the year is provided as follows:

	2010 RMB'000	2009 RMB'000
Revenue for reportable segments	**3,077,884**	2,828,873
Revenue attributable to joint venture partners	**(251,655)**	(183,179)
Other segments	**36,789**	25,512
Revenue of the Group	**2,863,018**	2,671,206
Segment results for reportable segments	**119,905**	79,938
Segment results attributable to joint venture partners	**(23,202)**	(14,324)
	96,703	65,614
Other segments	**634**	250
Total segments	**97,337**	65,864
Share of results of associates	**31,523**	12,159
Unallocated other income	**3,299**	3,593
Unallocated corporate expenses	**(3,228)**	(3,545)
Finance costs	**(4,894)**	(2,413)
Profit before income tax	**124,037**	75,658
Income tax expense	**(22,107)**	(13,135)
Profit for the year	**101,930**	62,523

Total segment assets and liabilities are not disclosed as they are not regularly provided to and reviewed by the Group's senior management.

4. Other income

	2010 RMB'000	2009 RMB'000
Interest income from bank deposits	**3,299**	3,593
Subsidy income (note)	**2,548**	11,864
Others	**1,506**	–
	7,353	15,457

Note: Subsidy income represents subsidies and awards from local government authorities for the Group's contribution to the development of the local economies. Included in the subsidy income is a government grant of RMB2.2million (2009: RMB9.2 million) according to "Provisional Regulations on Modern Services and Development of Tianjin Economic and Technological Development Area" (Guan Wei Hui Ling No. 114) ("天津經濟技術開發促進現代服務與發展的暫行規定") (管委會令No. 114).

5. Other gains and losses

	2010 RMB'000	2009 RMB'000
Gain on deemed disposal of a subsidiary	**–**	1,473
Loss on deemed disposal of interest in a jointly controlled entity	**(71)**	–
Loss on disposal of property, plant and equipment	**(3,775)**	(739)
Net foreign exchange losses	**(1,261)**	(375)
Others	**(1,629)**	(1,292)
	(6,736)	(933)

6. Finance costs

	2010 RMB'000	2009 RMB'000
Interest on bank borrowings	**4,894**	2,413

7. Income tax expense

	2010	2009
	RMB'000	RMB'000
Current income tax		
– the Company and subsidiaries	**16,830**	12,670
– jointly controlled entities	**5,277**	3,878
	22,107	16,548
Deferred tax		
– the Company	**–**	(3,413)
	22,107	13,135

Under the prevailing tax law in the PRC, the Enterprise Income Tax rate of the Company, the subsidiaries and the jointly controlled entities, other than those stated below, is 25%.

Pursuant to the relevant approval by the tax authorities, both Tianjin Fengtian Logistics Co., Ltd., a subsidiary of the Group, and Tianjin Alps Teda Logistics Co., Ltd. ("Tianjin Alps"), a jointly wholly entity of the Group, which are recognised as manufactory foreign investment enterprises, have been entitled to a preferential tax rate of 15% since 2005. Upon the implementation of the Law of the PRC on Enterprise Income Tax in 2009, a five-year transitional period has been granted to entities that previously enjoyed the preferential tax rate of 15%, over which the tax rate will gradually be increased to the standard rate of 25%. The applicable tax rate for both entities is 22% for 2010 (2009: 20%).

Pursuant to the relevant approval by the tax authorities, TEDA General Bonded Warehouse Co., Ltd, a subsidiary of the Group, is recognised as a new high-tech enterprise, entitled a preferential tax rate of 15% for 2010 (2009: 15%). The preferential tax treatment is subject to review by the relevant tax authority on an annual basis.

8. Dividends

No dividend was proposed in respect of the year ended 31 December 2010.

On 23 November 2009, the Company announced that an interim dividend of RMB0.04 per share was proposed to be paid to shareholders whose names appear on the register of members of the Company on 8 January 2010. The proposed dividend was approved at an extraordinary general meeting held on 8 January 2010 and paid in February 2010.

9. Earnings per share

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

	2010	2009
	RMB'000	RMB'000
Earnings		
Profit attributable to equity holders of the Company	**80,861**	51,049
Number of shares (thousands)		
Weighted average number of ordinary shares for calculating basic and diluted earnings per share	**354,312**	354,312

There are no diluted earnings per share presented as there are no potential dilutive ordinary shares outstanding for both 2009 and 2010.

10. Expenses by nature

Profit before income tax is arrived at after charging:

	2010	2009
	RMB'000	RMB'000
Auditor's remuneration	**1,150**	1,100
Depreciation	**26,182**	23,062
Amortisation	**2,782**	2,780
Operating lease charges	**8,724**	6,057
Employee benefits expenses	**123,712**	95,427
Cost of materials purchased	**1,629,571**	1,711,398
Subcontracting charges	**828,083**	649,862
Business tax	**17,664**	12,950
Transportation	**13,555**	20,518
Fuel	**19,173**	15,415
Others	**95,631**	81,249
	2,766,227	2,619,818

11. Trade and other receivables

The Group	2010 RMB'000	2009 RMB'000
Trade receivables	**155,937**	176,741
Less: impairment recognised	**(7)**	(46)
	155,930	176,695
Bills receivables (note (c))	**212,980**	447,778
	368,910	624,473
Prepayment to suppliers	**560,188**	327,306
Other receivables	**18,305**	17,124
Less: impairment recognised	**(243)**	(516)
	947,160	968,387

(a) The Group's trade receivables are principally denominated in Renminbi.

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

(c) Bills receivable outstanding at the balance sheet date amounting to RMB213 million (2009: RMB438 million) have been endorsed to the Group's trade creditors.

The Group continues to recognise the endorsed bills as receivables. Such endorsed bills have not been applied to reduce the amounts of related trade creditors.

(d) The Group allows an average credit period ranging from 30 to 90 days to its trade customers. Bills receivables have a maturity of 180 days.

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

The Group	2010 RMB'000	2009 RMB'000
0 – 90 days	**298,071**	339,925
91 – 180 days	**69,923**	282,984
181 – 365 days	**137**	722
1 – 2 years	**779**	842
	368,910	624,473

12. Other reserves

The Group	Share premium RMB'000	Other reserves RMB'000	Statutory reserves RMB'000	Total RMB'000
Balance at 1 January 2009	55,244	(73,258)	47,255	29,241
Transfer from retained earnings	–	–	5,652	5,652
Balance at 31 December 2009	**55,244**	**(73,258)**	**52,907**	**34,893**
Transfer from retained earnings	**–**	**–**	**13,955**	**13,955**
Balance at 31 December 2010	**55,244**	**(73,258)**	**66,862**	**48,848**

13. Trade and other payables

The Group	**2010** RMB'000	2009 RMB'000
Trade payables (note (i))	**361,849**	546,935
Bills payables (note (ii))	**443,943**	390,075
	805,792	937,010
Deposits from customers	**256,996**	160,398
Other payables	**39,849**	36,756
	1,102,637	1,134,164

Notes:

(i) At the balance sheet date, the Group has endorsed bank acceptance bills to certain creditors amounted to RMB213 million. The Group has not applied these endorsed bank acceptance bills to reduce the amounts of related trade creditors (note 11(c)).

(ii) The bills are non-interest bearing and have a maximum maturity of six months. The credit period granted by the suppliers to the Group ranged from 30 to 90 days. Management of the Group monitors the repayment of all payables and ensures compliance with credit timeframe.

13. **Trade and other payables (Continued)**

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

	The Group	
	2010	2009
	RMB'000	RMB'000
0 – 90 days	**500,683**	817,357
91 – 180 days	**293,737**	118,803
181 – 365 days	**4,210**	158
1 – 2 years	**7,162**	364
Over 2 years	**–**	328
	805,792	937,010

The Group's trade payable is principally denominated in Renminbi.

CHAIRMAN'S STATEMENT

On behalf of the Board of Directors of the Company (the "Board"), I am pleased to present the audited consolidated financial results of the Group for the year ended 31 December 2010 to all shareholders.

Results for the year

For the year ended 31 December 2010 (the "Year"), turnover of the Group amounted to approximately RMB2,863,018,000 (2009: RMB2,671,206,000), representing an increase of approximately 7% from last year. Profit attributable to the shareholders was approximately RMB80,861,000 (2009: RMB51,049,000) and the basic earnings per share was approximately RMB0.23 (2009: RMB0.14).

As at 31 December 2010, the total assets and current assets of the Group were approximately RMB1,968,914,000 (2009: RMB1,872,102,000) and approximately RMB1,464,247,000 (2009: RMB1,399,086,000), respectively, representing increases of RMB96,812,000 and RMB65,161,000 from 31 December 2009, respectively. Our net assets and net assets per share at the end of the period were approximately RMB615,813,000 (2009: RMB549,124,000) and RMB1.74 (2009: RMB1.55), respectively, representing increases of 12% and 12% from 31 December 2009.

Review for the year

The Group raised a total net proceeds of approximately HK$162,300,000 from placing on 30 April 2008 and over-allotment on 28 May 2008. As at 31 December 2010, the proceeds were fully applied by the Company in accordance with the provisions contained in the prospectus.

During the reporting period, the Group's businesses were under positive development with the recovery of macro-economy. We have seen growth in the logistics and supply chain services for transportation of finished automobile and components, logistics and supply chain services for electronic components, materials procurement and related logistics services, and traditional logistics services such as stacking yard, supervision and agency, albeit to different extents. Both revenue and profits were the best since the listing of the Company.

The Company continued to optimize its business structure during the reporting period through re-positioning its business focus and customer base and improving capital utilization efficiency in respect of materials procurement and related logistics services, and accordingly set the basic focus, structure and development strategy of the Company's businesses. The operation model of materials procurement and related logistics services have matured. The proportion of the Company's income and profits in the overall operating results increased steadily, which has helped to realize the diversification of the Group's business structure. Together with the rationalization of the overall business structure and improvement of comprehensive management capability, our ability to resist risks has increased significantly.

During the year, the Company has actively allocated existing resources to explore new businesses. TEDA General Bonded Warehouse Co., Ltd. conducted redevelopment and construction on part of its old stacking yard, which shall become the customs import and export container clearance centre designated by the Tianjin Economic and Technological Development Area after completion. As to the stacking land with an area of 77,000 square meters at Tianjin Port which was acquired last year (Phase 2 of Tianjin Port Operation Centre), the preliminary land preparation work has been completed substantially. The land will be used as frozen food warehouses and location for related inspection. Meanwhile, to diversify our products and services in the area of imported automobiles logistics, the Company invested in projects regarding automobile inspection and related services linked to the import of automobiles, leveraging on the partners' advantages in terms of resources, capital, technologies and operation management and our well-established relationship. The construction of related infrastructures and investments in the above projects have laid solid foundation for the Company to further expand its businesses, explore new logistics areas and improve its technical skills and expertise.

During the reporting period, the influential power of the Company continued to enhance. The Company was one of the "Top 100 Enterprises in the Development Area of 2009" and was awarded "Outstanding China Logistics Enterprise of 2010" by the China Federation of Logistics & Purchasing. The logistics case precedent of the Company "Supply chain finance provides a better development platform for SMEs" was awarded "Excellent Case of China Logistics Management" jointly by the China Society of Logistics and the China Federation of Logistics & Purchasing. TEDA General Bonded Warehouse Co., Ltd. is actively proceeding with the accreditation of the non-ferrous metal futures delivery warehouse by the Shanghai Futures Exchange. In this year, Tianjin Fengtian Logistics Co., Ltd. was also recognized as a "High and New Technological Corporation" following the same recognition gained by TEDA General Bonded Warehouse Co., Ltd. and Tianjin Port International Automobile Logistics Co., Ltd. These reflected that our business and innovation models and comprehensive strength are well recognized in our industry and provided critical support for the Company in identifying its new customers, expanding its business and enhancing its financing capability.

Prospectus and Outlook

The global economy in 2010 is gradually leaving behind the influences of the global financial crisis, but fundamental of recovery is still not solid. The global economy in 2011 will continue its recovery at a slow pace. Overall, the external environment for China's economic development is slightly better than that for last year, but it still faces complicated international and domestic situation. The logistics industry is also facing both opportunities and challenges. On the one hand, the implementation of state planning will accelerate the development of emerging industries and bring new opportunities to the logistics industry, but on the other hand, factors such as regional political unrest, rising protectionism in trade, changes in monetary policy, increasing inflationary pressures and exchange rate fluctuations may have significant and negative impacts on industry climate. Particularly, numerous factors such as the surge in crude oil price, new measures for traffic problems and fast rise of labor costs will bring relatively high uncertainty and operating risks to our automobile logistics business. In the coming year, the Company will continue to:

- optimize the shareholding structure, further enhancing the governance standard of the Company;

- actively innovate the business models, explore logistics services and continuously expand business scope;

– vigorously promote the construction of frozen food warehouse facilities at the stacking yard at Tianjin Port, laying solid foundation for the Company to enter into cold chain logistics;

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

The Group will continue to follow its core values of "integrity, reputation and responsibility", "resource, efficiency and value" and "cooperation, innovation and proactiveness", with the development concept of "resources integration, operation and acquisition" and with a steady and effective work style, so as to actively develop management concepts, reinforce every aspect of the management, regulate every operation and create higher values for every sector of society.

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

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

The principal businesses of the Group are logistics and supply chain services for automobiles and their components, logistics and supply chain services for electronic components, materials procurement and related logistics services, and other services such as bonded warehouse, container yard, supervision and agency services. The major customers of the Group included Tong Fang Global (Tianjin) Logistics Co., Ltd. (同方環球(天津)物流有限公司), Tianjin Haoan Minerals Co., Ltd. (天津浩安礦產有限公司), Tangshan Fengnan East China Steel Co., Ltd. (唐山市豐南區東華鋼鐵有限公司), Shanghai Longna Logistics and Trading Co., Ltd. (上海龍納物貿有限公司), TEWOO Metals International Trade Co., Ltd. (天津物產金屬國際貿易有限公司), Tianjin Jiapulong Commercial & Trading Co., Ltd. (天津市嘉普龍商貿有限公司), Tianjin Kunfeng Industrial & Trading Co., Ltd. (天津坤峰工貿有限公司), Toyota Tsusho (Tianjin) Co., Ltd. (豐田通商(天津)有限公司).

In 2009, because of the global financial crisis and the economic downturn of the PRC, the Group's logistics and supply chain services for automobiles and their components, logistics and supply chain services for electronic components all decreased by different extents. During the reporting period, growth resumed in the above two businesses with a significant growth in principal operating income and operating profits compared to the corresponding period last year. Materials procurement and related logistics services maintained a good development momentum, with further expansion of business scale and increased product variety. The container yard at Tianjin Port commenced operation, while the Group signed a long-term leasing contract with a major customer, which contributed to the steady growth of the operating results. The results of Tianjin Port International Automobile Logistics Co., Ltd., a subsidiary of the Company, improved significantly. For the year ended 31 December 2010, the Group achieved an operating income of RMB2.863 billion, representing an increase of RMB192 million, or 7%, as compared to the corresponding period last year, while combined net profit was RMB80,861,000, representing an increase of RMB29,812,000 or 58%, as compared to the corresponding period last year, which recorded the highest level since the establishment of the Group.

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

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

During the reporting period, the operating income generated from the logistics and supply chain services regarding transportation of finished automobile and automobile components was RMB948,914,000, representing an increase of RMB205,074,000 or 28% as compared to the corresponding period last year.

Logistics and Supply Chain Services for Electronic Components

During the reporting period, the electronic components logistics service realized an operating income of RMB518,959,000, representing an increase of RMB141,167,000 or 37% as compared to the corresponding period last year.

Materials Procurement and Related Services

During the reporting period, the Group's materials procurement and related logistics services have steadily improved with significant increase in operating profits. We have generated an operating income of RMB1,610,011,000, substantially the same as compared with last year, and gross profits of approximately RMB33,117,000, representing an increase of 58% as compared to the corresponding period of last year. The increase in operating profits was the main income driver of the Company in 2010.

Warehouse, Supervision, Agency and Other Incomes

During the reporting period, this segment generated an operating income of RMB36,789,000, representing an increase of RMB11,277,000 or 44% as compared to the corresponding period last year.

Financial Review

Turnover

For the year ended 31 December 2010, turnover of the Group was RMB2.863 billion, representing a leap of RMB192 million or 7% as compared to RMB2.671 billion last year. The increase in turnover is mainly attributable to the recovery of growth in logistics and supply chain services for automobiles and their components and logistics and supply chain services for electronic components of the Group during the reporting period.

Cost of sales and gross profit

For the year ended 31 December 2010, the cost of sales of the Group was RMB2.709 billion, up RMB139 million or 5% as compared with RMB2.570 billion of the corresponding period last year and is in line with the growth trend of turnover for the year.

For the year ended 31 December 2010, gross profit margin of the Group was 5.37%, up 1.58% as compared to 3.79% of last year. One of the main reasons for the overall increase in the gross profit margin of the Group is the recovery of growth in logistics and supply chain services for electronic components, which resulted in the different extents of increase in turnover and gross profit margin. In addition, the notable increase in operating results of the materials procurement and related logistics businesses has led to a relatively great improvement in gross profit margin.

Administrative expenses

The administrative expenses of the Group amounted to RMB56,958,000 in 2010, representing an increase of RMB7,177,000, or 14% as compared to RMB49,781,000 in 2009. The reason for the increase in administrative expenses was that management cost comprising labour cost increased as the Group further expanded its operating scale. The Group will further strengthen its control of certain parts of its administrative expenses.

Finance costs

The Group's finance costs in 2010 increased by RMB2,481,000, from RMB2,413,000 last year to RMB4,894,000. The main reason for the increase was that the Group increased certain short-term bank borrowings to finance its liquidity during the reporting period.

Taxation expenses

The taxation expenses of the Group for 2010 were RMB22,107,000, representing an increase of RMB8,972,000, or 68% as compared to RMB13,135,000 for the last year. The increase in taxation expenses was mainly due to the increase in overall operating results of the Group as compared to last year.

Share of results of associates

The share of results of associates of the Group for 2010 was RMB31,523,000, representing an increase of RMB19,364,000, or 159%, as compared to last year. The increase in share of results of associates was mainly due to the significant increase in the operating results of Tianjin Port International Automobile Logistics Co., Ltd., a subsidiary of the Group, which handled 303,202 imported automobiles during the year (with an increase of 136% year-on-year), as compared to last year.

Earnings attributable to the equity holders of the Company

For the year ended 31 December 2010, earnings attributable to the equity holders of the Company was RMB80,861,000, representing an increase of RMB29,812,000, or 58%, as compared to RMB51,049,000 of last year.

Dividend

No dividend was proposed in respect of the year ended 31 December 2010.

Liquidity and financial resources

For the year ended 31 December 2010, the Group maintained a sound financial position. As at 31 December 2010, the cash and bank deposit of the Group was RMB311,248,000 (31 December 2009: RMB246,560,000). As at 31 December 2010, the total assets of the Group was RMB1,968,914,000 (31

December 2009: RMB1,872,102,000). Capital was sourced from current liabilities of RMB1,255,379,000 (31 December 2009: RMB1,232,395,000), non-current liabilities of RMB5,289,000 (31 December 2009: RMB5,514,000), shareholder's equity attributable to the shareholders of the Group was RMB615,813,000 (31 December 2009: RMB549,124,000) and minority interests of RMB92,433,000 (31 December 2009: RMB85,069,000).

Capital structure

During the year ended 31 December 2010, there was no change in the capital structure of the Company. The capital of the Company comprises only ordinary shares.

Loans and borrowings

As at 31 December 2010, the balance of bank loans of the Group was RMB142,649,000 (31 December 2009: RMB84,414,000).

Gearing ratio

As at 31 December 2010, the ratio of total liabilities to total assets of the Group was 64% (31 December 2009: 66%) and the Group's gearing ratio (a ratio of short-term bank loans to shareholder's equity) was 20% (31 December 2009: 13%).

Charge on assets

As at 31 December 2010, there was no charge on assets of the Group.

Foreign currency risks

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

The Group has no significant investments except those in the PRC. The Group, however, may be exposed to certain extent of foreign currency risks mainly as (i) The holding subsidiaries of the Group, Tianjin Alps Teda Logistics Co., Ltd., Dalian Alps Teda Logistics Co., Ltd. and Tianjin Fengtian Logistics Co., Ltd., have foreign currency business for both the United States Dollar or the Japanese Yen; (ii) the proceeds from the issue of H shares by the Group was denominated in the Hong Kong Dollar and was placed in a Hong Kong Dollar account with commercial banks in the PRC pursuant to the regulations of the relevant foreign exchange administrative authority of the PRC and will be used in batches based on its stated use, thus it may be exposed to certain extent of exchange rate risks. With the raised funds denominated in the Hong Kong Dollar being fully utilized, the exchange rate risk against the Hong Kong Dollar no longer exists. For the twelve months ended 31 December 2010, the Group had an exchange loss of RMB1,261,000 due to the appreciation of Renminbi.

Contingent liabilities

As at 31 December 2010, the Group had no material contingent liabilities.

Capital commitments

As at 31 December 2010, the Group had the following capital commitments:

	2010
	RMB'000
Property, plant and equipments	
Contracted for but not provided	10,689
Approved but not contracted	–
Total	10,689

Major Acquisition or Disposal of Subsidiaries and Associated Companies

On 2 July 2010, the Company published an announcement in relation to the entering into a capital injection agreement for capital injection by Alps Logistics Co., Ltd. (the shareholder of Tianjin Alps Teda Logistics Co., Ltd. ("Tianjin Alps Teda Logistics")) to Tianjin Alps Teda logistics, whereby Tianjin Alps Teda Logistics would cease to be a non-wholly owned subsidiary of the Company under the GEM Listing Rules of the Stock Exchange. Such transaction, which constituted a connected transaction, obtained the independent shareholders' approval on 18 January 2011.

On 1 September 2010, the Company and other independent third parties jointly invested in the establishment of Tianjin Tianwu Automobile Inspection Services Co., Ltd. (天津天物機動車檢測服務有限公司) in Tianjin, the PRC, which principally engages in the provision of automobile inspection services. Such transaction with a low trading amount, which did not constitute a discloseable transaction under Chapter 19 of the GEM Listing Rules of the Stock Exchange, was exempted from the requirements thereunder.

Save as disclosed above, during the reporting period, there was no major acquisition or disposal of any subsidiaries and associated companies by the Group.

Employees

As at 31 December 2010, the Company employed 1,934 employees (31 December 2009: 1,688).

	As at 31 December 2010	As At 31 December 2009
Administration	**146**	126
Finance	**52**	45
Information Technology	**17**	10
Sales and Operation	**1,719**	1,507
Total	**1,934**	1,688

Remuneration Policy

The remunerations of the employees of the Company shall be determined by reference to the market rate, and the performance, qualification and experience of the relevant staff. Also, a discretionary bonus based on individual performance during the year will be distributed a reward for the contributions made by the employees to the Company. Other staff benefits include pension insurance, unemployment insurance, labour injury insurance, medical insurance, maternity insurance and housing fund, etc.

COMPARISON BETWEEN BUSINESS OBJECTIVES AND ACTUAL OPERATION PROGRESS

Business objectives for the twelve months ended 31 December 2010 set out in the Prospectus of the Company	Actual business progress for the twelve months ended 31 December 2010
Business development	
To develop efficient integrated freight forwarding logistics services by sea, highway and railways spanning across Eastern and Northern Asia.	During the reporting period, such project has achieved steady progress with the accumulation of a certain amount of customer base.
To reinforce the procurement services for resins, electronic production materials and steel and to explore the possibility to diversify the services mix.	During the reporting period, great efforts were made to develop this type of business and substantial progress has been achieved.
Sales and marketing	
To secure and improve the existing services of provision of logistics and supply chain solutions and procurement services.	During the reporting period, the Company has maintained robust growth with increasing product variety and recorded gross profits of approximately RMB33,117,000 (RMB20,915,000 for the corresponding period last year), representing an increase of RMB12,202,000, or 58%, as compared to last year.
Logistics infrastructure	
To strengthen the logistics infrastructure (including road and sea freight forwarding facilities and operational equipment) of Binhai Logistics Group outside Binhai New Area.	Achieved steady progress as scheduled.

The comparison between business objectives and actual operation progress for the six months ended 30 June 2010 was set out in the interim report of 2010.

OTHER CORPORATE INFORMATION

Competition and Conflict of Interests

Competing Interests

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

Directors', Chief Executive's and Supervisors' Interests in the Company and its Associated Corporations

As at 31 December 2010, none of the directors, chief executives or supervisors of the Company had any interest or short positions in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO), which were (a) required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO); or (b) recorded in the register required to be kept pursuant to Section 352 of the SFO; or (c) otherwise required to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules.

As at 31 December 2010, none of the directors, chief executives or supervisors of the Company hold any beneficial interests in the equity interests of any member of the Group, or had any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for any securities in any member of the Group, or had any interest, directly or indirectly, in any assets acquired or disposed of or leased by or to any member of the Group or proposed to be acquired or disposed of or leased by or to any member of the Group since 31 December 2009.

Substantial Shareholders and Persons holding Interests and Short Position in the Shares and Underlying Shares of the Company

So far as is known to the directors, chief executives and supervisors of the Company, as at 31 December 2010, the following person (other than the directors, chief executives and supervisors of the Company) had interests or short positions in the shares and underlying shares of the Company, which were required to be disclosed to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO, or were directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company, or which were required to be recorded in the register referred to in Section 336 of the SFO:

Long position in Shares

Name	Capacity	Number and class of shares	Approximate percentage of shareholding in the same class of shares	Approximate percentage of shareholding to the Company's total issued share capital
Tianjin Teda Investment Holding Co., Ltd.	Beneficial owner	178,765,011 (L) Domestic shares	69.81%	50.45%
Tianjin Economic and Technological Development Area State Asset Operation Company	Beneficial owner	77,303,789 (L) Domestic shares	30.19%	21.82%
Tianjin Port Development Holdings Limited	Beneficial owner	20,000,000 (L) H shares	20.36%	5.64%
Hongkong Topway Trading Co., Limited	Beneficial owner	10,000,000 (L) H shares	10.18%	2.82%
The National Council for Social Security Fund of the People's Republic of China	Beneficial owner	8,931,200 (L) H shares	9.09%	2.52%

Note:

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

Save as disclosed in this announcement, so far as is known to the directors and chief executives of the Company, as at 31 December 2010, no any other persons (other than directors or chief executives or supervisors of the Company) had interests or short positions which would fall to be disclosed to the Company under provisions of Divisions 2 and 3 of Part XV of the SFO or, who were directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group or, which were required to be recorded in the register referred to in Section 336 of the SFO.

Corporate governance report

The Company believes that stringent corporate governance practices could enhance credibility and transparency and are in the interests of the shareholders of the Company. The Company has established a complete set of code on corporate governance practices – "Handbook of Corporate Governance Practices" pursuant to the requirements of the GEM Listing Rules. Save as disclosed below, the Company has complied with the requirements of the Code on Corporate Governance Practices set out in Appendix 15 of the GEM Listing Rules throughout the reporting year.

Code on Corporate Governance Practices

The Company has complied with the Code on Corporate Governance Practices ("the Code") as set out in appendix 15 of the GEM Listing Rules throughout the year ended 31 December 2010, except for the following deviations:

The code provision A 2.1 stipulates that the roles of the chairman of the Board (the "Chairman") and the chief executive officer (the "CEO") should be 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 31 December 2010, the roles of the Chairman and the CEO of the Company have been performed by Mr. Zhang Jian and he has been responsible for the management of the Board and the operation of the Group. The Board considered that Mr. Zhang Jian has thorough understanding and expertise regarding the business operations of the Group and thus enabling him to make appropriate decisions which are in the interests of the shareholders as a whole on a timely and effectively basis. The Company believes that the combination of the roles of the Chairman and the CEO helps effectively formulating and implementing the Group's strategies as well as quickly responding to the ever-changing markets. The Board also considers that, at this moment, it is not necessary to separate the roles of the Chairman and the CEO. However, the Board will continue to review the effectiveness of the corporate governance structure of the Group in order to decide whether the roles of the Chairman and the CEO should be separated.

Audit Committee

The Company has established an audit committee with terms of reference, which clearly defined the powers and duties of the committee. The primary duties of the audit committee are to review and supervise the financial reporting process and internal control systems of the Company, as well as providing opinion and recommendation to the Directors of the Company.

The audit committee comprises three Independent Non-Executive Directors, namely Mr. 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 annual results for the year ended 31 December 2010.

Securities Transaction by Directors

The Company has not adopted the model code for securities transactions by directors. However, having made specific enquiry of all Directors of the Company, the Company did not aware any directors' non-compliance with the code of conduct regarding securities transactions by the directors as set out in rules 5.48 to 5.67 of the GEM listing rules during the year ended 31 December 2010.

Purchase, Sale or Redemption of securities

During the year ended 31 December 2010, neither the Company nor any of its subsidiaries has purchased, redeemed or sold any listed securities of the Company.

Interest of Compliance Advisor

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

As at 31 December 2010, 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 other rights to subscribe for the Company's securities).

Preliminary Announcement of the Results

The figures in respect of the preliminary announcement of the Group's results for the year ended 31 December 2010 have been agreed by the Group's auditors, PricewaterhouseCoopers Hong Kong, to the amounts set out in the Group's draft consolidated financial statements for the year. The work performed by PricewaterhouseCoopers Hong Kong in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by PricewaterhouseCoopers Hong Kong on the preliminary announcement.

As at the date of this announcement, the Board of directors of the company comprises Mr. Zhang Jian and Mr. Wang Wei as Executive Directors; Mr. Zhang Jun, Mr. Ding Yi, Mr. Hu Jun and Mr. Zhang Jinming as Non-Executive directors; and Mr. Liu Jingfu, 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, 11 March 2011

This announcement will remain on the "Latest Company Announcements" page of the GEM website at www.hkgem.com for 7 days from the date of its posting. This announcement will also be posted on the Company's website at www.tbtl.cn.

* *For identification purposes only*