

**TIANJIN BINHAI TEDA LOGISTICS (GROUP) CORPORATION LTD:
CHEW ON THIS, IF YOU CAN**

Now, here's a conundrum:

For what reason would a successful corporate entity, owned entirely by the Government of the People's Republic of China (PRC), demean itself by pitching an **I**nitial **P**ublic **O**ffering (IPO) on The Stock Exchange of Hongkong Ltd, all for the sake of garnering \$HK151 million?

And, here's another conundrum:

For what reason would a successful corporate entity, owned by the Government of the PRC, pitch an IPO on the very speculative **G**rowth **E**nterprise **M**arket (The GEM) of The Stock Exchange of Hongkong Ltd?

The corporate entity to which **TARGET** () is alluding is Tianjin Binhai Teda Logistics (Group) Corporation Ltd (), the latest offering to go public on The GEM, its share trading, having commenced for the first time, last Wednesday (April 30, 2008).

Tianjin Binhai Teda Logistics came to The GEM via the Placement of 88.60 million, one renminbi shares at the Placing Price of \$HK1.98 per Share.

There was little fanfare about this IPO although, on the day of the commencement of trading in its shares, there was a full page advertisement in a certain, English daily newspaper, published in South China.

The Placing Prospectus of Tianjin Binhai Teda Logistics was distributed on April 24, 2008, so that the Sole Global Coordinator, Bookrunner and Leader Manager, Guotai Junan Capital Ltd (), had to work pretty smartly in order to locate corporate investors to take up the 88.60 million Shares to be placed.

On April 29, 2008, it was announced that a total of 141 '*selected professional, institutional and other investors*' had been located and the number of shares to be offloaded '*were moderately over-subscribed.*'

Of the 88.60 million Shares on Offer, 30 million Shares had gone to Tianjin Port Development Holdings Ltd () (Code: 3382, Main Board, The Stock Exchange of Hongkong Ltd) (20 million Shares) and Topway Trading Company Ltd (10 million Shares).

Those 30 million Shares represented 33.90 percent of the total Placing Shares on Offer.

[Topway Trading Company Ltd does not appear to be domiciled in the HKSAR, according to the database of **TOLFIN** () (The Computerised, Online Financial Intelligence Service and Web-Based, Credit-Checking Provider)].

The 88.60 million Shares were Placed at the price of \$HK1.98 per Share, which was about 5.71 percent off from the top of the price range, mentioned in the Placing Prospectus: \$HK2.10 per Share.

The Placing Prospectus, at Pages 209 to 210, stated that the reason for the Placing of the Company's Shares '*will enhance Binhai Logistics Group's capital base and provide Binhai Logistic Group with additional working capital to implement the future plans ...*'.

This statement is a bit of a giggle, actually, as will become more evident as **TARGET** Subscribers read further into this analysis.

The Business of Tianjin Binhai Teda Logistics

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