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濱海投資有限公司

BINHAI INVESTMENT COMPANY LIMITED

(Incorporated in Bermuda with limited liability)

(Stock code: 2886)

PROFIT ALERT

This announcement is made by Binhai Investment Company Limited pursuant to Part XIVA of the SFO and Rule 13.09(2)(a) of the Listing Rules.

The Board announces that based on preliminary review of the draft unaudited consolidated management accounts of the Group for the year ended 31 December 2013, (1) the revenue, gross profit and net profit of the Group for the year ended 31 December 2013 are expected to increase considerably as compared with the corresponding audited figures for the nine months ended 31 December 2012, and (2) the Group may record a significant jump in its net profit for the year ended 31 December 2013 from that for the 6 months ended 30 June 2013 and from that for the nine months ended 30 September 2013.

The Board also points out that due to the increase in the traded price of ordinary shares of the Company in the last two months, the valuation of the convertible bonds due 2016 issued by the Company in August 2013 is expected to pose a negative impact on the net profit of the Group for the year ended 31 December 2013. Such impact is to be confirmed after the valuation is finalized.

The information contained in this announcement is only based on information currently available to the Company and its preliminary review of the unaudited management accounts of the Group for the year ended 31 December 2013. The consolidated accounts of the Group for the year ended 31 December 2013 are subject to finalization and still being audited, and have not yet been reviewed by the audit committee of the Company.

Shareholders and potential investors of the Company are strongly advised to exercise caution when dealing in securities of the Company.

This announcement is made by Binhai Investment Company Limited (the “**Company**” and, together with its subsidiaries, the “**Group**”) pursuant to Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (“**SFO**”) and pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

The board of directors of the Company (the “**Board**”) announces that based on the preliminary review of the draft unaudited consolidated management accounts of the Group for the year ended 31 December 2013 by the management of the Company, it is expected that (1) the Group may record a considerable increase in its revenue, gross profit and net profit for the year ended 31 December 2013 as compared to the corresponding audited figures for the nine months ended 31 December 2012; and (2) the Group may record a significant jump in its net profit for the year ended 31 December 2013 from its unaudited net profit for the 6 months ended 30 June 2013 and from its unaudited net profit for the nine months ended 30 September 2013.

The Company is of the view that expected increases in the revenue, gross profit and net profit of the Group as referred to above are mainly due to the following:-

- (i) the financial results for the year ended 31 December 2013 being for a 12 month period as compared to the 9-month audited financial results for the nine months ended 31 December 2012;
- (ii) a significant increase in the gross profit from connection services from July to December 2013 (especially from October to December), attributable to improvements in the Group’s market development and progress of connection projects;
- (iii) the Group started work in July 2013 on promoting higher sale prices of piped gas to its customers as a result of upward adjustments in the price of sourcing gas, which began to produce results from October 2013, resulting in a considerable increase in the gross profit margin of the Group’s sales of piped gas for October to December as compared to that for July to September 2013.

At the same time, the Board would also like to point out that due to the increase in the traded price of ordinary shares of the Company in the last two months, the valuation of the convertible bonds due 2016 issued by the Company in August 2013 is expected to pose a negative impact on the net profit of the Group for the year ended 31 December 2013. The exact effect of such valuation on the net profit of the Group is subject to confirmation after finalization of the valuation by the professional valuer.

The information in this announcement is only based on the information currently available to the Company and the Company's preliminary review of the unaudited consolidated management accounts of the Group for the year ended 31 December 2013, and is not based on any figures or information audited or reviewed by the auditors of the Company or reviewed by the audit committee of the Company. The Company is still preparing and finalizing the consolidated accounts of the Group for the year ended 31 December 2013 which are still being audited by its auditors and have not yet been reviewed by the audit committee of the Company. The audited annual results of the Group for the year ended 31 December 2013 may be different from the information disclosed in this announcement.

Shareholders and potential investors of the Company are strongly advised to exercise caution when dealing in securities of the Company.

By order of the Board
BINHAI INVESTMENT COMPANY LIMITED
Gao Liang
Executive Director

Hong Kong, 24 February 2014

As at the date of this announcement, the Board comprises two executive Directors, namely, Mr. Zhang Bing Jun and Mr. Gao Liang, five non-executive Directors, namely, Mr. Shen Xiao Lin, Mr. Zhang Jun, Mr. Dai Yan, Mr. Wang Gang and Ms. Zhu Wen Fang, and four independent non-executive Directors, namely, Mr. Ip Shing Hing, J.P., Professor Japhet Sebastian Law, Mr. Tse Tak Yin and Mr. Lau Siu Ki, Kevin.