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濱海投資有限公司

BINHAI INVESTMENT COMPANY LIMITED

(Incorporated in Bermuda with limited liability)

(Stock code: 8035)

**CONNECTED TRANSACTION
FOR PROVISION OF CONNECTION SERVICES TO
TIANJIN SAI-RUI MACHINERY EQUIPMENT COMPANY LIMITED**

On 22 February 2013, Bintai Energy (formerly known as Tianjin Wah Sang Energy Development Company Limited*), an indirect wholly-owned subsidiary of the Company, entered into the Construction Engagement Agreement with Sai Rui, pursuant to which Bintai Energy has been engaged to provide services for construction of gas connection facilities at Sai Rui's factory premises, at an consideration of RMB890,000.

TEDA is the ultimate controlling shareholder of the Company, holding 3,003,987,207 Shares through its wholly owned subsidiary, and is thus a connected person of the Company under the GEM Listing Rules. Sai Rui is a non-wholly owned subsidiary of Tianjin Pipe (Group) Corporation, which is directly owned as to 57% by TEDA. As an associate of TEDA, Sai Rui is also regarded as a connected person of the Company under the GEM Listing Rules. Therefore, the Construction Engagement Agreement constitutes a connected transaction of the Company under Chapter 20 of the GEM Listing Rules.

Bintai Energy previously entered into three agreements with Sai Rui on substantially the same terms as the Construction Engagement Agreement to provide similar services, at an aggregate consideration of RMB1,241,180. As one or more of the applicable percentage ratios for the Construction Engagement Agreement, when aggregated with the Previous Agreements, calculated under Rule 19.07 of the GEM Listing Rules are more than 0.1% but less than 5%, the Construction Engagement Agreement is subject to reporting and announcement requirements under GEM Listing Rules 20.45 to 20.47 but is exempt from the independent shareholders' approval requirement under Chapter 20 of the GEM Listing Rules.

* *for identification purposes only*

THE CONSTRUCTION ENGAGEMENT AGREEMENT

Date

22 February 2013

The parties

- (a) Sai Rui; and
- (b) Bintai Energy (formerly known as Tianjin Wah Sang Energy Development Company Limited* (天津華榮能源發展有限公司)), an indirect wholly-own subsidiary of the Company

Nature of the Transactions

Sai Rui has engaged Bintai Energy to provide services for the construction of gas connection facilities at Sai Rui's factory premises. Bintai Energy shall be responsible for subcontracting the design and construction work to qualified parties, the sourcing of parts, equipment and materials for the construction, and for the maintenance of the constructed facilities.

Consideration

RMB890,000

The consideration shall be payable by Sai Rui to Bintai Energy in the following manner:

- (a) RMB445,000 (50% of the total consideration) shall be paid within 7 days after the date of signing of the Construction Engagement Agreement; and
- (b) RMB445,000 (50% of the total consideration) shall be paid within 7 days after the completion of work by Bintai Energy.

The consideration was determined based on arm's length negotiations between the parties, and is inclusive of the fees and costs payable by Bintai Energy for sub-contracting the design and construction work, and for the purchasing of materials, instruments and equipment for the construction.

PREVIOUS AGREEMENTS

Bintai Energy previously also entered into agreements with Sai Rui, on terms substantially similar to those in the Construction Engagement Agreement, to provide similar services to Sai Rui with particulars as follows:

Date	24 October 2011	24 February 2012 (as amended by a supplemental agreement)	29 June 2012
Parties	Sai Rui and Bintai Energy (then under its former name)	Sai Rui and Bintai Energy (then under its former name)	Sai Rui and Bintai Energy
Nature of the transaction	Provision of services for the construction of gas connection facilities within Sai Rui's factory premises according to design drawings.		
Consideration	RMB200,000	RMB520,590	RMB520,590

REASONS FOR AND BENEFITS OF THE TRANSACTION

Sai Rui is a major machinery manufacturing enterprise in the Binhai New Area in Tianjin, the PRC, which is a key area for the market development of the Group. In light of the gas supply agreement entered into between the Group and Sai Rui on 24 June 2011, details of which were disclosed in the announcement of the Company the same date, the Construction Engagement Agreement can ensure the execution of the supply of gas to Sai Rui under the aforesaid gas supply agreement.

OPINION OF THE DIRECTORS

The Directors (including the independent non-executive Directors) are of the view that the Construction Engagement Agreement and the Previous Agreements were entered into on normal commercial terms, and that their terms are fair and reasonable and are in the interest of the Company and the Shareholders as a whole.

None of the Directors have any material interests in the Construction Engagement Agreement and the Previous Agreements.

GEM LISTING RULES REQUIREMENTS

TEDA is the ultimate controlling shareholder of the Company, holding 3,003,987,207 Shares through its wholly owned subsidiary, and is thus a connected person of the Company under the GEM Listing Rules. Sai Rui is a non-wholly owned subsidiary of Tianjin Pipe (Group) Corporation, which is directly owned as to 57% by TEDA. As an associate of TEDA, Sai Rui is also regarded as a connected person of the Company under the GEM Listing Rules. Therefore, the Construction Engagement Agreement and the Previous Agreements constitute connected transactions of the Company under Chapter 20 of the GEM Listing Rules.

As all the applicable percentage ratios for each of the Previous Agreements, when aggregated with the one before or the preceding ones, calculated under Rule 19.07 of the GEM Listing Rules were less than 0.1%, the Previous Agreement were exempt from reporting, announcement and independent shareholders' approval requirements under Chapter 20 of the GEM Listing Rules.

However, one or more of the applicable percentage ratios for the Construction Engagement Agreement, when aggregated with the Previous Agreements, calculated under Rule 19.07 of the GEM Listing Rules are more than 0.1% but less than 5%, the Construction Engagement Agreement is subject to reporting and announcement requirements under GEM Listing Rules 20.45 to 20.47, but is exempt from the independent shareholders' approval requirement under Chapter 20 of the GEM Listing Rules.

INFORMATION ON THE GROUP AND THE PARTIES TO THE AGREEMENTS

The Group (including Bintai Energy) is principally engaged in the construction of gas pipeline networks, provision of connection services, sale of LPG and piped gas.

Sai Rui is principally engaged in machinery manufacturing.

DEFINITIONS

“Board”	the board of Directors
“Bintai Energy”	天津濱泰能源發展有限公司(Tianjin Bintai Energy Development Company Limited*), a limited liability company established under the laws of the PRC, an indirect wholly-owned subsidiary of the Company, formerly known as 天津華榮能源發展有限公司(Tianjin Wah Sang Energy Development Company Limited*)
“Company”	Binhai Investment Company Limited, a company incorporated in Bermuda with limited liability, the ordinary shares of which are listed on GEM

“connected person”	has the meaning ascribed to it by the GEM Listing Rules
“Construction Engagement Agreement”	the agreement dated 22 February 2013 entered into between Sai Rui and Bintai Energy for the provision of services for the construction of gas connection facilities by Bintai Energy to Sai Rui
“Director(s)”	the director(s) of the Company
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange
“GEM”	the Growth Enterprise Market of the Stock Exchange
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of the Hong Kong Special Administrative Region of the PRC
“PRC”	the People’s Republic of China
“Previous Agreements”	the agreements dated 24 October 2011, 24 February 2012 and 29 June 2012 entered into between Sai Rui and Bintai Energy as further described in this announcement
“RMB”	Renminbi, the lawful currency of the PRC
“Sai Rui”	天津賽瑞機器設備有限公司(Tianjin Sai-rui Machinery Equipment Company Limited*), a limited liability company established under the laws of the PRC, a direct subsidiary of Tianjin Pipe (Group) Corporation (天津鋼管集團股份有限公司), which is owned as to 57% by TEDA
“Shareholders”	the holders of Shares
“Shares”	the ordinary shares of HK\$0.01 each in the capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“TEDA”

天津泰達投資控股有限公司(Tianjin TEDA Investment Holding Co., Ltd.*), a state-owned enterprise established in the PRC, the ultimate controlling shareholder of the Company holding approximately 50.13% of the total Shares in issue as at the date of this announcement

“%”

per cent

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

Hong Kong, 22 February 2013

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

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.

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