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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

**ASSET DISPOSAL ENTRUSTMENT
IN RESPECT OF
CERTAIN FORMER SUBSIDIARIES**

TEDA HK through its wholly-owned subsidiaries is interested in certain former subsidiaries of the Group, which were acquired pursuant to the restructuring proposal for resumption of trading of Shares on GEM in 2009. On 27 September 2013, TEDA HK entered into the Asset Disposal Entrustment Agreement with BITCL under which TEDA HK engaged BITCL to dispose of assets comprising interest in 15 of such former subsidiaries of the Group. BITCL charges commission at 25.75% of the consideration for disposal of such assets.

As TEDA HK is the controlling shareholder of the Company holding approximately 58.41% of the total issued Shares, TEDA HK is a connected person of the Company under the GEM Listing Rules. The Asset Disposal Entrustment Agreement accordingly constitutes a connected transaction of the Company under Chapter 20 of the GEM Listing Rules. As the relevant percentage ratios calculated pursuant to Rule 19.07 of the GEM Listing Rules in respect of the Asset Disposal Entrustment Agreement are over 0.1% and less than 5%, the Asset Disposal Entrustment Agreement is only subject to the reporting and announcement requirements and are exempt from the independent shareholders' approval requirements under Chapter 20 of the GEM Listing Rules.

BACKGROUND

Reference is made to the Letter from the Board in the Restructuring Circular in which details of the Disposal Agreement were disclosed in the section headed "THE GROUP REORGANISATION". Pursuant to the Disposal Agreement, Tsinlien BVI acquired from Binhai Hong Kong the entire issued share capital of Topfair which through Nicetime (its wholly-owned subsidiary which entered into agreements to acquire equity interests in the Disposed Subsidiaries) obtained management control of

the Disposed Subsidiaries. The Disposed Subsidiaries have ceased to be consolidated in the financial statements of the Group since May 2009 upon completion of the Disposal Agreement. TEDA HK subsequently became the holding company of Topfair pursuant to the variation of an investment agreement.

TEDA HK proposes to dispose of 15 of the Disposed Subsidiaries which amounts to unfavorable assets, and has entered the Asset Disposal Entrustment Agreement to engage BITCL to carry out such disposals on its behalf.

THE ASSET DISPOSAL ENTRUSTMENT AGREEMENT

Date

27 September 2013

The parties

- (a) BITCL, a wholly-owned subsidiary of the Group
- (b) TEDA HK, the controlling shareholder of the Company

Major terms

TEDA HK engages BITCL to dispose of its indirect interest in 15 of the Disposed Subsidiaries on its behalf, such former subsidiaries of the Group of which are listed as follows:

Jinan Wah Sang Gas Co., Ltd.	(濟南市華燊燃氣有限公司)
Xintai Wah Sang Gas Co., Ltd.	(新泰華燊燃氣有限公司)
Dongying Wah Sang Gas Co., Ltd.	(東營華燊燃氣有限公司)
Shouguang Wah Sang Gas Development Co., Ltd.	(壽光華燊燃氣開發有限公司)
Boxing Wah Sang Gas Co. Ltd.	(博興華燊燃氣開發有限公司)
Ningyang Wah Sang Gas Co. Ltd.	(甯陽華燊燃氣有限公司)
Weishan Wah Sang Gas Co. Ltd.	(微山華燊燃氣有限公司)
Youxian Wah Sang Gas Co. Ltd.	(攸縣華燊燃氣有限公司)
Pizhou Wah Sang Gas Co. Ltd.	(邳州華燊燃氣有限公司)
Suqian Wah Sang Gas Co. Ltd.	(宿遷華燊燃氣有限公司)
Xuzhou Wah Sang Gas Co. Ltd.	(徐州華燊燃氣有限公司)
Taizhou Wah Sang Gas Co. Ltd.	(泰州華燊燃氣有限公司)
Peixian Wah Sang Gas Co. Ltd.	(沛縣華燊燃氣有限公司)
Jiangshan Wah Sang Gas Co. Ltd.	(江山華燊燃氣有限公司)
Huaining Wah Sang Gas Co. Ltd.	(懷甯華燊燃氣有限公司)

Under the Asset Disposal Entrustment Agreement, TEDA HK agrees to pay 25.75% of the total consideration for such disposal to BITCL as commission. Based on the confirmed aggregate consideration for disposal of such interest of RMB58,241,000, the total commission payable to BITCL will be RMB14,997,057.50. Such consideration shall be paid by TEDA HK to BITCL on 31 October 2013 by way of cash, fund transfer or account set-off between the parties.

The amount of the commission payable under the Asset Disposal Entrustment Agreement was arrived at after arm's length negotiations, taking into account the efforts and resources which the Group put into the former subsidiaries concerned with a view to provide a reasonable return to the Group.

Obligations of BITCL

BITCL is authorized under the Asset Disposal Entrustment Agreement to adopt all legal methods for disposal of the Assets, including but not limited to diversified sales, de-registration, winding-up, litigation and arbitration.

TEDA HK shall be entitled to request BITCL to report on the disposal of the Assets from time to time, and to request BITCL to complete the disposal within the agreed time. BITCL may design and implement the proposals for disposal of the Assets.

REASONS FOR AND BENEFITS OF THE ASSET DISPOSAL ENTRUSTMENT AGREEMENT

The interests in the relevant former subsidiaries of the Group comprised in the Assets are the gas business assets of TEDA HK, and those companies do not have decent prospects of development. The Group accepted the engagement by TEDA HK under the Asset Disposal Entrustment Agreement on the grounds that such companies were part of the gas business assets of the Group prior to disposal under the Disposal Agreement, and the Group is familiar with the condition of such assets. Accepting the appointment under the Asset Disposal Entrustment Agreement will also bring a certain amount of revenue to the Group.

The Directors consider that the Asset Disposal Entrustment Agreement are fair and reasonable and on normal commercial terms, and are in the interests of the Group and the Shareholders as a whole. None of the Directors have a material interest in the Asset Disposal Entrustment Agreement.

GEM LISTING RULES REQUIREMENTS

As TEDA HK is a substantial shareholder of the Company holding approximately 58.41% of the total issued Shares, TEDA HK is a connected person of the Company under the GEM Listing Rules. The Asset Disposal Entrustment Agreement accordingly constitute connected transactions of the Company under Chapter 20 of the GEM Listing Rules. As the relevant percentage ratios calculated pursuant to Rule 19.07 of the GEM Listing Rules in respect of the Asset Disposal Entrustment Agreement are more than 0.1% and less than 5%, such agreement is only subject to the reporting and announcement requirements and are exempt from the independent shareholders' approval requirements under Chapter 20 of the GEM Listing Rules.

INFORMATION ON THE GROUP AND THE CONNECTED PERSON

The Group is principally engaged in the construction of gas pipeline networks, provision of connection services, sale of LPG and piped gas, and property development.

TEDA HK is part of the TEDA Group which is principally engaged in the businesses of finance, infrastructure and construction, insurance, industrial, ocean development, real estate development, transportation, hotel and exhibition, and circular economy.

DEFINITIONS

“Assets”	interest of TEDA HK in 15 of the Disposed Subsidiaries (as more particularly set out in this announcement) indirectly held through its subsidiaries, which TEDA HK entrusts BITCL to dispose of pursuant to the Asset Disposal Entrustment Agreement
“Asset Disposal Entrustment Agreement”	the agreement entered into between TEDA HK and BITCL on 27 September 2013 under which TEDA HK engages BITCL to deal with the disposal of interest in 15 former subsidiaries of the Group which were previously acquired as part of the Disposed Subsidiaries
“Binhai Hong Kong”	Binhai Investment Hong Kong Limited, formerly known as Wah Sang Investment Group Limited, a company incorporated in Hong Kong with limited liability, a wholly-owned subsidiary of the Company
“BITCL”	濱海投資(天津)有限公司 (Binhai Investment (Tianjin) Company Limited*), formerly known as 華燊燃氣(中國)投資有限公司 (Wah Sang Gas (China) Investments Co., Ltd.*), a limited liability company established under the laws of the PRC, a wholly-owned subsidiary of Binhai Hong Kong and an indirect wholly-owned subsidiary of the Company
“Business Day”	a day (other than Saturday) on which the banks are open for business in Hong Kong
“Company”	Binhai Investment Company Limited, a company incorporated in Bermuda with limited liability, the Shares of which are listed on GEM
“connected person”	has the meaning ascribed to it by the GEM Listing Rules
“Director(s)”	the director(s) of the Company

“Disposal Agreement”	the agreement entered into between Binhai Hong Kong and Tsinlien BVI dated 28 May 2008 in respect of the disposal of the Disposed Subsidiaries, as amended and supplemented by a supplemental agreement dated 25 February 2009
“Disposed Subsidiaries”	30 companies established under the laws of the PRC which were disposed of by the Group pursuant to the Disposal Agreement
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Nicetime”	Nicetime Investment Limited, a company incorporated in Hong Kong with limited liability, a wholly-owned subsidiary of Topfair
“PRC”	the People’s Republic of China
“Restructuring Circular”	the circular of the Company dated 27 February 2009 in relation to the restructuring of the Group for resumption of trading of the Shares on GEM containing, among other things, details of the Disposal Agreement
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholders”	the holders of the Shares
“Shares”	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
“TEDA Group”	TEDA and its subsidiaries

“TEDA HK”	TEDA Hong Kong Property Company Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of TEDA
“Topfair”	Topfair International Limited, a company incorporated under the laws of British Virgin Islands
“Tsinlien BVI”	Cavalier Asia Limited, a company incorporated in the British Virgin Islands and a wholly-owned subsidiary of Tsinlien Group Company Limited, a company incorporated in Hong Kong with limited liability
“%”	per cent

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

Hong Kong, 27 September 2013

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules 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 in 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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* *for identification purposes only*