

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



濱海投資有限公司

BINHAI INVESTMENT COMPANY LIMITED

(Incorporated in Bermuda with limited liability)

(Stock code: 8035)

CONNECTED TRANSACTIONS

AGREEMENT FOR SALE OF GAS TO

TIANJIN STEEL PIPE MANUFACTURING CO., LTD.

On 11 December 2013, Tianjin Binda, a wholly-owned subsidiary of the Company, and Tianjin Steel Pipe entered into the Sale of Gas Agreement, for a term from execution up to and including 31 December 2013 for the supply of gas to Tianjin Steel Pipe. Under the Sale of Gas Agreement, the supply of gas to Tianjin Steel Pipe will on average be more than 400,000 m³ per day and the price for supply of gas is RMB3.15/m³. The price for the supply of gas will be, subject to adjustment according to guidance document of commodity pricing department of the PRC government during the term of the Sale of Gas Agreement. The maximum sales amount of gas to be supplied under the Sale of Gas Agreement shall be up to RMB34,450,000.

TEDA is the ultimate controlling shareholder of the Company, holding approximately 58.41% of the total Shares in issue through its wholly owned subsidiary, and is thus a connected person of the Company under the GEM Listing Rules. Tianjin Steel Pipe is a wholly-owned subsidiary of Tianjin Pipe Corporation which in turn is directly owned as to 57% by TEDA. Hence Tianjin Steel Pipe is also regarded as a connected person of the Company under the GEM Listing Rules. Therefore, the transactions contemplated under the Sale of Gas Agreement constitute connected transactions of the Company under Chapter 20 of the GEM Listing Rules.

As the applicable percentage ratios for the transactions contemplated under the Sale of Gas Agreement calculated under Rule 19.07 of the GEM Listing Rules are more than 0.1% but all applicable percentage ratios are less than 5%, the Sale of Gas Agreement and the transactions contemplated thereunder are subject to reporting and announcement requirements but are exempt from the independent shareholders' approval requirements under Chapter 20 of the GEM Listing Rules.

SALE OF GAS AGREEMENT

Date

11 December 2013

The parties

Supplier of gas : Tianjin Binda

(an indirect wholly-owned subsidiary of the Company)

Consumer of gas : Tianjin Steel Pipe

Nature of the transactions

Pursuant to the Sale of Gas Agreement, Tianjin Binda will supply natural gas to Tianjin Steel Pipe and such natural gas will be delivered via gas pipelines to the gas stations in the factory premises of Tianjin Steel Pipe.

The demand for gas from Tianjin Steel Pipe during the term (as set out below) of the Sale of Gas Agreement shall be up to 450,000 m³ per day.

Term

The Sale of Gas Agreement shall take effect upon execution and for a term up to and including 31 December 2013.

Consideration

Under the Sale of Gas Agreement, the supply of gas to Tianjin Steel Pipe will on average be more than 400,000 m³ per day and the price for supply of gas is RMB3.15/m³. The price for the supply of gas will be subject to adjustment according to the guidance document of commodity pricing department of the PRC government during the term of the Sale of Gas Agreement. The pricing under the Sale of Gas Agreement was arrived at after negotiations between the parties on an arm's length basis, and the Company considers that the supply of gas under the Sale of Gas Agreement is on terms no less favorable to the Group than terms for supply of gas to independent third parties.

The maximum sales amount of gas to be supplied under the Sale of Gas Agreement shall be up to RMB34,450,000.

The payment for gas supply shall be settled on a monthly basis by way of cheque, remittance or other form of bank transfer, according to the recorded amount of gas supplied.

Reasons for and benefits of entering into the Sale of Gas Agreement

Tianjin Steel Pipe is considered the base of energy steel pipes of Mainland China located in the Binhai New Area, and is the region where the Group's natural gas business places a lot of emphasis on. The supply of gas under the Sale of Gas Agreement will strengthen the competitiveness of our Group in such region, and will bring growth to our Group in terms of sales revenue and profit.

None of the Directors has a material interest in the Sale of Gas Agreement and the transactions contemplated thereunder and hence no Director was required to abstain from voting on the relevant board resolution.

The Directors (including all independent non-executive Directors) consider that the Sale of Gas Agreement is on commercial terms and in the ordinary and usual course of business of the Group and that its terms are fair and reasonable and in the interest of the Group and the Shareholders as a whole.

GEM LISTING RULES REQUIREMENTS

TEDA is the ultimate controlling shareholder of the Company, holding approximately 58.41% of the total Shares in issue through its wholly owned subsidiary, and is thus a connected person of the Company under the GEM Listing Rules. Tianjin Steel Pipe is a wholly-owned subsidiary of Tianjin Pipe Corporation, which in turn is directly owned as to 57% by TEDA. Hence Tianjin Steel Pipe is also regarded as a connected person of the Company under the GEM Listing Rules. Therefore, the transactions contemplated under the Sale of Gas Agreement constitute connected transactions of the Company under Chapter 20 of the GEM Listing Rules.

Reference is made to the announcement of the Company dated 28 February 2013 and the circular of the Company dated 14 March 2013 relating to the Master Gas Supply Agreement for supply of natural gas to TEDA and its associates. The Master Gas Supply Agreement and its annual caps were approved by the independent Shareholders on the special general meeting of the Company held on 2 April 2013. The Sale of Gas Agreement and the revenue to be received thereunder are separate from and do not fall within the framework of the Master Gas Supply Agreement nor its annual cap for the period from 1 April 2013 to 31 December 2013.

As the applicable percentage ratios for the transactions contemplated under the Sale of Gas Agreement calculated under Rule 19.07 of the GEM Listing Rules are more than 0.1% but all applicable percentage ratios are less than 5%, the Sale of Gas Agreement and the transactions contemplated thereunder are subject to reporting and announcement requirements but 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 and sale of liquefied petroleum gas and piped gas.

Tianjin Steel Pipe is principally engaged in the manufacture of professional pipe materials including petroleum casing pipes, oil pipes and pipelines.

DEFINITIONS

“associates”	has the meaning ascribed to it by the GEM Listing Rules
“Company”	Binhai Investment Company Limited, a company incorporated in Bermuda with limited liability, the ordinary shares of which are listed on GEM (Stock Code: 8035)
“connected person”	has the meaning ascribed to it by the GEM Listing Rules
“Director(s)”	the director(s) of the Company
“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
“Master Gas Supply Agreement”	the agreement dated 28 February 2013 entered into between TEDA and the Company, the details of which were disclosed in the announcement of the Company dated 28 February 2013 and the circular of the Company dated 14 March 2013
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of PRC
“Sale of Gas Agreement”	the agreement dated 11 December 2013 entered into between Tianjin Binda (as supplier) and Tianjin Steel Pipe (as user) for the sale of gas by Tianjin Binda to Tianjin Steel Pipe
“Shares”	ordinary shares of HK\$0.01 each in the capital of the Company

“Shareholders”	holders of the Shares
“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 which through its subsidiary holds approximately 58.41% of the total Shares in issue as at the date of this announcement
“Tianjin Binda”	Tianjin Binda Gas Enterprise Company Limited* (天津濱達燃氣實業有限公司), a wholly owned subsidiary of the Company
“Tianjin Steel Pipe”	Tianjin Steel Pipe Manufacturing Co., Ltd.* (天津鋼管製造有限公司), a limited liability company incorporated under the laws of the PRC and a wholly-owned subsidiary of Tianjin Pipe Corporation
“Tianjin Pipe Corporation”	Tianjin Steel Pipe Group Corporation* (天津鋼管集團股份有限公司), a limited liability company established under the laws of the PRC, directly owned as to 57% by TEDA
“%”	per cent

* *for identification purposes only*

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

Hong Kong, 11 December 2013

This announcement, for which the 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.

This announcement will remain on the GEM website at www.hkgem.com on the “Latest Company Announcement” page for at least 7 days from the date of this announcement.