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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)

**ANNOUNCEMENT
CONNECTED TRANSACTIONS WITH TIANJIN URBAN RAIL**

On 9 December 2022, Tianjin Clean Energy (a wholly-owned subsidiary of the Company) entered into the Gas Pipelines Compensation Agreement with Tianjin Urban Rail (a non-wholly owned subsidiary of TEDA) in relation to the Construction Works to be carried out by Tianjin Clean Energy. The Construction Works is incidental to the works to be carried out by Tianjin Urban Rail for the Binhai New Area Rail Line Z4 Phase I Project in Tianjin, the PRC at the bridgeway between Binhai General Hospital Station and Yingcheng Street Station in the east side of Dafeng Road. Under the Gas Pipelines Compensation Agreement, Tianjin Urban Rail will pay a compensation amount of RMB8,039,714 to Tianjin Clean Energy as consideration for the Construction Works.

TEDA is the controlling shareholder of the Company indirectly interested in 534,113,305 Shares (representing approximately 39.50% of the total number of Shares in issue), and is thus a connected person of the Company under the Listing Rules. Since Tianjin Urban Rail is a non-wholly-owned subsidiary of TEDA and thus its associate, it is also regarded as a connected person of the Company. Therefore, the Gas Pipelines Compensation Agreement and the transactions contemplated thereunder constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

As all the applicable percentage ratios in respect of the Gas Pipelines Compensation Agreement and the transactions contemplated thereunder are more than 0.1% but less than 5%, the Gas Pipelines Compensation Agreement and the transactions contemplated thereunder are only subject to the reporting and announcement requirements, but are exempt from the circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

INTRODUCTION

On 9 December 2022, Tianjin Clean Energy (a wholly-owned subsidiary of the Company) entered into the Gas Pipelines Compensation Agreement with Tianjin Urban Rail (a non-wholly owned subsidiary of TEDA) in relation to the Construction Works for change and diversion of certain gas pipelines to be carried out by Tianjin Clean Energy.

The principal terms of the Gas Pipelines Compensation Agreement are set out below.

Date

9 December 2022

The parties

- (a) Tianjin Clean Energy
- (b) Tianjin Urban Rail

Nature of the transaction

Tianjin Clean Energy will carry out the Construction Works on its sub-high pressure pipelines in the east side of Dafeng Road in Tianjin Binhai New Area in Tianjin, the PRC. For the Construction Works required due to the Binhai New Area Rail Line Z4 Phase I Project at the bridgeway between Binhai General Hospital Station and Yingcheng Street Station, Tianjin Urban Rail shall pay a compensation amount to Tianjin Clean Energy as consideration.

Consideration

The consideration for the Construction Works is fixed at RMB8,039,714, which was determined based on arm's length negotiations and with reference to (i) the amount of construction work to be carried out, which includes design, construction and supervision and the basis price for fee estimates for construction works in Tianjin Municipality of the PRC, and (ii) value added taxes payable.

Payment Terms

Tianjin Urban Rail shall pay the consideration in full to Tianjin Clean Energy within 20 working days of the date of the Gas Pipelines Compensation Agreement.

Construction Period

Tianjin Clean Energy shall complete the Construction Works within 45 days from the date on which it enters into the construction site, subject to extensions due to the site not yet suitable for carrying out such construction or other reasons not caused by Tianjin Clean Energy.

Reasons for and benefits of entering into the Gas Pipelines Compensation Agreement

Tianjin Urban Rail is responsible for the construction of the Binhai New Area Rail Line Z4 Phase I Project. To facilitate the works to be carried out by Tianjin Urban Rail at the bridgeway between Binhai General Hospital Station and Yingcheng Street Station, it is necessary to modify the sub-high pressure pipelines in the east side of Dafeng Road which are owned by Tianjin Clean Energy. Considering the basis of determination of the consideration, and the carrying out of the Construction Works pursuant to the Gas Pipelines Compensation Agreement will increase the revenue and profits of the Group, the Directors consider that such agreement is in the interests of the Company and the Shareholders as a whole.

OPINION OF THE DIRECTORS

The Board (including the independent non-executive Directors) are of the view that the Gas Pipelines Compensation Agreement is entered into in the ordinary and usual course of business of the Group, and on normal commercial terms or better, and the terms are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

No Director has a material interest in the Gas Pipelines Compensation Agreement and the transactions contemplated thereunder.

LISTING RULES IMPLICATIONS

TEDA is the controlling shareholder of the Company indirectly interested in 534,113,305 Shares (representing approximately 39.50% of the total number of Shares in issue), and is thus a connected person of the Company under the Listing Rules. Since Tianjin Urban Rail being a non-wholly-owned subsidiary of TEDA and thus its associate, it is also regarded as a connected person of the Company. Therefore, the Gas Pipelines Compensation Agreement and the transactions contemplated thereunder constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

As all the applicable percentage ratios in respect of the Gas Pipelines Compensation Agreement and the transactions contemplated thereunder are more than 0.1% but less than 5%, the Gas Pipelines Compensation Agreement and the transactions contemplated thereunder are only subject to the reporting and announcement requirements, but are exempt from the circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

INFORMATION ON THE PARTIES

The Company is an investment holding company. The Group is principally engaged in the sales of piped natural gas, construction and gas pipeline installation service, gas passing through service and sales of bottled natural gas.

Tianjin Clean Energy is principally engaged in the investment, construction and operation of urban gas pipeline network in Tianjin region, provision of natural gas connection services, supply and sale of natural gas.

Tianjin Urban Rail is principally engaged in the businesses of investment, construction, operation and resources development for Rail Line Z4 in Tianjin and the shares are ultimately owned as to approximately 75.73% by TEDA, 14.27% by China Railway Electrification Engineering Group Co., Ltd.* (中鐵電氣化局集團有限公司) and 10% by Tianjin Binhai New Area Land Development Co., Ltd.* (天津市濱海新區土地開發有限責任公司).

TEDA is a state-owned enterprise established in the PRC and a controlling shareholder of the Company. The principal business areas of TEDA are regional development, public utilities, finance and modern services.

China Railway Electrification Engineering Group Co., Ltd.* is principally engaged in the businesses of design, construction and maintenance management for various professional engineering works such as railway electrification catenary system, electric power, electrical substation, communication, signal, housing construction, civil engineering, urban subway and light rail. It is wholly-owned by China Railway Group Limited (中國中鐵股份有限公司), a company listed on the Stock Exchange and the Shenzhen Stock Exchange and, together with its subsidiaries, provides a full range of construction-related services, including infrastructure construction, survey, design and consulting services and engineering equipment and component manufacturing, and also expands to other businesses such as property development and mineral resource development.

Tianjin Binhai New Area Land Development Co., Ltd.* is principally engaged in land development and consolidation, industrial, agricultural, infrastructure and real estate businesses, the equity interest of which is majority owned by Tianjin Binhai New Area Land Development Center (Tianjin Binhai New Area Natural Resources Ecological Restoration Center)* (天津市濱海新區土地發展中心(天津市濱海新區自然資源生態修復整治中心)), a PRC governmental department.

DEFINITIONS

Unless the context requires otherwise, the terms below have the following meanings in this announcement:

“associate”	has the meaning ascribed to it by the Listing Rules;
“Board”	the board of Directors;
“Company”	Binhai Investment Company Limited, a company incorporated in Bermuda with limited liability, the Shares of which are listed on the main board of the Stock Exchange (Stock Code: 2886);
“connected person”	has the meaning ascribed to it by the Listing Rules;
“Construction Works”	modification and related works in respect of the sub-high pressure pipelines owned by Tianjin Clean Energy;
“Director(s)”	the director(s) of the Company;
“Gas Pipelines Compensation Agreement”	the agreement dated 9 December 2022 entered into between Tianjin Clean Energy and Tianjin Urban Rail in relation to the carrying out of the Construction Works by Tianjin Clean Energy;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of the Hong Kong Special Administrative Region of the PRC;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“PRC”	the People’s Republic of China;
“RMB”	Renminbi, the lawful currency of the PRC;
“Shareholder(s)”	the holder(s) of Shares;
“Share(s)”	the ordinary share(s) of HK\$0.10 each in the capital of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;

“Tianjin Urban Rail”	天津泰達城市軌道投資發展有限公司(Tianjin TEDA Urban Rail Investment Development Company Limited*), a company incorporated in the PRC with limited liability and a non-wholly owned subsidiary of TEDA;
“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 controlling shareholder of the Company indirectly interested in approximately 39.50% of the total Shares in issue as at the date of this announcement;
“Tianjin Clean Energy”	天津泰達濱海清潔能源集團有限公司 (Tianjin TEDA Binhai Clean Energy Group Company Limited*), a company incorporated in the PRC with limited liability and a wholly-owned subsidiary of the Company;
“%”	per cent

By Order of the Board
Bin Hai Investment Company Limited
Gao Liang
Executive Director

Hong Kong, 9 December 2022

As at the date of this announcement, the Board comprises three executive Directors, namely, Mr. Wang Zhiyong, Mr. Zuo Zhi Min and Mr. Gao Liang, three non-executive Directors, namely, Mr. Wang Gang, Mr. Shen Hong Liang and Mr. Yu Ke Xiang, and three independent non-executive Directors, namely, Mr. Ip Shing Hing, J.P., Mr. Lau Siu Ki, Kevin and Professor Japhet Sebastian Law.

* *For identification purposes only*