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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)

INSIDE INFORMATION FRAMEWORK AGREEMENT ON FURTHER SUPPORTING THE IMPROVEMENT OF THE INDUSTRIAL CHAIN OF THE COMPANY

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

Reference is made to the announcement of the Company dated 8 June 2022 on the entering into of the “Framework Agreement on Further Promoting High-quality Development of the Company” (the “**Framework Agreement**”) between Tianjin TEDA Investment Holding Company Limited* (天津泰達投資控股有限公司) (“**Tianjin TEDA**”) and Sinopec Natural Gas Co., Ltd.* (中國石化天然氣有限責任公司) (“**Sinopec Natural Gas**”), and the announcement of the Company dated 5 October 2022 on the establishment of a wholly-owned subsidiary (“**Southern Group**”) by the Company to hold subsidiaries of the Group operating in the southern region of mainland China.

The board of directors (the “**Board**”) of the Company has been informed and is pleased to announce that, on 29 May 2023, Tianjin TEDA entered into the “Framework Agreement on Further Supporting the Improvement of the Industrial Chain of the Company” (the “**Agreement**”) with Sinopec Natural Gas.

Tianjin TEDA is the largest controlling shareholder (as defined in the Listing Rules) of the Company indirectly interested in 539,113,305 ordinary shares (representing approximately 39.87% of the total issued ordinary shares of the Company). China Petroleum & Chemical Corporation (中國石油化工股份有限公司), the parent company of Sinopec Natural Gas, is the second largest shareholder of the Company indirectly interested in 405,472,337 ordinary shares (representing approximately 29.99% of the total issued ordinary shares of the Company).

Purposes of the Agreement

Since entering into the Framework Agreement, Tianjin TEDA and Sinopec Natural Gas (the “**Signing Parties**”) have been leveraging on their respective advantages on the provision of opportunities for projects, funding support, the implementation of the “Double Hundred Policy”, provision of gas sources and building peak-shaving guarantee capability, which have provided effective support for the Company’s sustainable and healthy development over a year and achieved better than anticipated operating results.

The Signing Parties entered into the Agreement in order to further support the improvement of the Group’s industrial chain and accelerate the Group’s development into a natural gas and clean energy strategic cooperation platform for the Signing Parties.

Subject matters of the Agreement

(1) The establishment of Southern Group and the introduction of strategic investors

The Signing Parties recognize the good asset quality and profitability of Southern Group. Regarding the Group’s intention to introduce strategic investors to Southern Group, Tianjin TEDA supports Sinopec Natural Gas to further explore ways to participate through equity participation and gas source support.

(2) Peak-shaving guarantee capability building and gas resource trading

Sinopec Natural Gas supports the Group’s acquisition of the part of the equity interest of the natural gas storage and transportation facilities held by Sinopec Natural Gas through, including but not limited to, equity transfer through legally compliant procedures, in order to help the Group with completing the requisite peak-shaving guarantee capability building and the corresponding window period for obtaining equity right. Sinopec Natural Gas also agrees to support the Group to lower the purchase cost of natural gas and form the profit model for the trading business through its own upstream resource advantages, in order to enhance the Group’s cost control capability and profitability on gas source. Tianjin TEDA agrees to support the Group to achieve the above goals by using its own channel advantages.

(3) Gas sources support

Sinopec Natural Gas supports the Group to fully leverage its important role in the field of terminal distribution by further providing competitive support for gas volume, gas price and target exchange to the Company’s subsidiaries as far as its own situation permits. Tianjin TEDA strongly supports strengthening the Group’s role as a terminal synergistic sales platform for Sinopec Natural Gas.

(4) *Regional market integration*

The Signing Parties agree to fully leverage their respective advantages in relationship with the government, upstream resources and market expansion, jointly support the Group in integrating the gas market in and around Binhai New Area, Tianjin, so as to enhance the market influence of the Signing Parties and the Group in the above region.

Impacts on the Group

The Board believes that the signing of the Agreement by the Signing Parties is a major progress made in deepening cooperation between the Signing Parties on the basis of good returns from the Framework Agreement, as well as strategic support for strategies and goals in the Group's "14th five-year Plan" strategic plan, such as industrial chain integration, expanding the scale of the terminal market and capability in controlling the purchase cost of natural gas. The signing of the Agreement will facilitate the Group to enhance its capability to implement its function as the clean energy strategic platform of the Signing Parties, and will provide significant impetus and support for the Group to become larger, stronger and better.

However, the Agreement is a letter of intent in nature, and the proposed transactions and projects mentioned can only be implemented and carried out after the parties concerned have negotiated the details, signed specific substantive agreements and obtained the necessary approval.

In relation to the Agreement and substantive agreements reached regarding the aforementioned agreements and transactions, the Company will perform the necessary approval procedures and information disclosure obligations in accordance with applicable laws, regulations and rules.

Shareholders and/or potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

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

Hong Kong, 29 May 2023

As at the date of this announcement, the Board comprises three executive Directors, namely, Mr. HU Hao, 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 four independent non-executive Directors, namely, Mr. IP Shing Hing, B.B.S., J.P., Mr. LAU Siu Ki, Kevin, Professor Japhet Sebastian LAW and Dr. TANG Lai Wah.

** For identification purposes only*