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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

CONTINUING CONNECTED TRANSACTIONS

OFFICE SUPPLIES FRAMEWORK AGREEMENT WITH TIANJIN TEDA SUPPLY CHAIN MANAGEMENT COMPANY LIMITED

On 26 April 2024, BHI Tianjin has entered into the Office Supplies Agreement with TEDA Supply Chain for a term from 26 April 2024 to 31 December 2024, under which TEDA Supply Chain will provide office supplies to BHI Tianjin Group pursuant to the individual agreements or purchase orders to be entered into from time to time.

TEDA is the controlling shareholder of the Company indirectly interested in 545,471,305 Shares (representing approximately 40.32% of the total number of Shares in issue), and is thus a connected person of the Company under the Listing Rules. Since TEDA Supply Chain is an associate of TEDA, it is also regarded as a connected person of the Company. Therefore, the Transactions will constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As one of the applicable percentage ratios in respect of the Office Supplies Agreement and the Transactions is more than 0.1% but less than 5%, the Office Supplies Agreement and the Transactions are only subject to the reporting, announcement and annual review requirements, but are exempt from the circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

INTRODUCTION

On 26 April 2024, BHI Tianjin entered into the Office Supplies Agreement with TEDA Supply Chain in relation to the provision of office supplies by TEDA Supply Chain to BHI Tianjin Group. The principal terms of the Office Supplies Agreement are set out below.

Date

26 April 2024

The parties

- (a) BHI Tianjin
- (b) TEDA Supply Chain

Nature of the transactions

TEDA Supply Chain will provide office supplies to BHI Tianjin Group through an e-commerce system that it has established and operates pursuant to the individual agreements or purchase orders to be entered into from time to time.

Term

From 26 April 2024 to 31 December 2024

Consideration

The consideration will be determined in accordance with the manner set out in the section headed “Basis of consideration” below.

The settlement and payment method shall be agreed and elaborated in the individual agreements or purchase orders to be entered into between BHI Tianjin Group and TEDA Supply Chain after arm’s length negotiations and on a normal commercial basis, provided that, in each case, the relevant settlement and payment method shall be no less favourable than those that can be obtained by BHI Tianjin Group from independent third parties.

Basis of consideration

The consideration will be determined after arm’s length negotiations between the parties with reference to, among others, the unit price of the office supplies to be offered by TEDA Supply Chain, and the current market price for the same type of products that can be obtained by BHI Tianjin Group from independent third parties.

In any event, the individual agreements and purchase orders for the provision of office supplies to be entered into by BHI Tianjin Group with TEDA Supply Chain shall be on normal commercial terms that are fair and reasonable, and will be on terms no less favourable to BHI Tianjin Group than those that can be obtained by BHI Tianjin Group from independent third parties.

Annual Cap

The Annual Cap for the year ending 31 December 2024 is RMB4,500,000.

Basis of the Annual Cap

The Annual Cap was determined after taking into account the following:

- (1) the types and quantities of office supplies purchased by BHI Tianjin Group in the past, and the types and quantities of office supplies expected to be purchased by BHI Tianjin Group from TEDA Supply Chain during the term of the Office Supplies Agreement; and
- (2) current market prices of the relevant office supplies.

Reasons for and benefits of entering into the Office Supplies Agreement

The office supplies to be provided by TEDA Supply Chain under the Office Supplies Agreement include office stationeries and consumables, computers and related accessories, digital communication equipment and daily administrative office necessities. BHI Tianjin Group can not only benefit from the better market prices that TEDA Supply Chain can obtain by relying on TEDA's background as a large state-owned enterprise, thereby reducing BHI Tianjin Group's procurement cost; but can also improve the efficiency of procuring office supplies through the e-commerce system provided by TEDA Supply Chain, which facilitates its daily operational management. The Company considers that the entering into of the Office Supplies Agreement with TEDA Supply Chain is beneficial to BHI Tianjin Group to meet their needs for office administration in the PRC.

The Directors (including the independent non-executive Directors) consider that the Office Supplies Agreement and the Transactions (including the Annual Cap) are in the ordinary and usual course of business of the Group and on normal commercial terms or better, and that the terms of the Office Supplies Agreement and the Transactions (including the Annual Cap) 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 Office Supplies Agreement and Transactions.

Internal control

To ensure that the Transactions will be on normal commercial terms that are fair and reasonable and will be on terms no less favourable to BHI Tianjin Group than those available to BHI Tianjin Group for the purchase of office supplies from independent third parties, the Company has adopted the following internal control measures:

- (i) The Board's office of the Group is responsible for regulating the review and approval of connected transactions to be entered into in the ordinary and usual course of the business of the Group. Pursuant to the "Administrative Measures for Connected Transactions"* (《關連交易管

理辦法》) of the Company, each department and subsidiary of the Group shall submit an information sheet for each connected transaction, setting out its terms and conditions and the pricing mechanism, as well as comparison with terms and conditions offered and prices charged by at least other two suppliers in the market for office supplies of identical or similar standard, specifications and quantities that are independent third parties to the Group, to the functional department, the finance department, the Board's office of the Company and the secretary to the Board for review and approval. The procedures for the approval and signing of the agreement for the connected transaction shall only commence after approval of the information sheet has been granted.

- (ii) In making comparison of the price(s) offered by TEDA Supply Chain and those offered by independent third-party suppliers, the Group will ensure that the price(s) of the Transactions to be entered into will be fair and reasonable and comparable to or no less favourable than those offered by independent third-party suppliers.
- (iii) The Board's office of the Company monitors the carrying out of the connected transactions entered into by the Group in the ordinary and usual course of the business of the Group to ensure compliance with the Listing Rules, and is responsible for reporting to the Audit Committee of the Company (which comprises all independent non-executive Directors) on an annual basis.
- (iv) Through reviewing the information gathered from the finance department of the Company, the external auditor of the Company will report to the Board annually on the continuing connected transactions of the Group in relation to the pricing policy and annual cap pursuant to the Listing Rules.

The Directors are of the view that the internal control measures above can ensure that the Transactions will be on normal commercial terms and that the terms of such transactions are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

TEDA is the controlling shareholder of the Company indirectly interested in 545,471,305 Shares (representing approximately 40.32% of the total number of Shares in issue), and is thus a connected person of the Company under the Listing Rules. Since TEDA Supply Chain is an associate of TEDA, it is also regarded as a connected person of the Company. Therefore, the Transactions will constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As one of the applicable percentage ratios in respect of the Office Supplies Agreement and the Transactions is more than 0.1% but less than 5%, the Office Supplies Agreement and the Transactions are only subject to the reporting, announcement and annual review 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 and gas passing through service.

BHI Tianjin is principally engaged in investment and reinvestment in industries such as gas processing and stove production and areas where foreign investment is permitted by the PRC, investment in areas that support the transmission and distribution of urban gas pipeline networks, assisting or acting on behalf of the investee companies for purchase of domestic products and those from abroad, as well as domestic and overseas sale of products produced by the investee companies, and providing after-sales services; investment in consultancy services and technology research and development; operation and sales of liquified natural gas for domestic users.

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.

TEDA Supply Chain is a state-owned enterprise established in the PRC and a wholly-owned subsidiary of TEDA. It is principally engaged in supply chain management services, and providing various types of materials to enterprises, including but not limited to office supplies, industrial spare parts and other materials.

DEFINITIONS

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

“Annual Cap”	the annual cap for the Transactions for the year ending 31 December 2024;
“associate”	has the meaning ascribed to it by the Listing Rules;
“BHI Tianjin”	Binhai Investment (Tianjin) Company Limited* (濱海投資(天津)有限公司), a company incorporated in the PRC with limited liability and a wholly-owned subsidiary of the Company;
“BHI Tianjin Group”	BHI Tianjin and its subsidiaries;
“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;
“controlling shareholder”	has the meaning ascribed to it by the Listing Rules;
“Director(s)”	the director(s) of the Company;
“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;
“Office Supplies Agreement”	the framework agreement dated 26 April 2024 entered into between BHI Tianjin and TEDA Supply Chain in relation to the provision of office supplies by TEDA Supply Chain to BHI Tianjin Group;
“PRC”	the People’s Republic of China;
“RMB”	Renminbi, the lawful currency of the PRC;
“Share(s)”	the ordinary share(s) of HK\$0.10 each in the capital of the Company;
“Shareholder(s)”	the holder(s) of Shares;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“TEDA”	Tianjin TEDA Investment Holding Co., Ltd.* (天津泰達投資控股有限公司), a state-owned enterprise established in the PRC, the controlling shareholder of the Company indirectly interested in approximately 40.32% of the total Shares in issue as at the date of this announcement;
“TEDA Supply Chain”	Tianjin TEDA Supply Chain Management Company Limited* (天津泰達供應鏈管理有限公司), a state-owned enterprise established in the PRC and a wholly-owned subsidiary of TEDA;

“Transactions” the transactions contemplated under the Office Supplies Agreement;
and

“%” per cent.

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

Hong Kong, 26 April 2024

As at the date of this announcement, the Board comprises three executive Directors, namely, Mr. Hu Hao, Mr. Wang Xin and Mr. Gao Liang, two non-executive Directors, namely, 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*