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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

RENEWAL OF THE GALVANIZED STEEL PIPES FRAMEWORK AGREEMENT WITH TIANJIN TEDA SUPPLY CHAIN MANAGEMENT COMPANY LIMITED

GALVANIZED STEEL PIPES FRAMEWORK AGREEMENT

Reference is made to the announcement of the Company dated 19 July 2024 which announced that BHI Tianjin entered into the 2024 Galvanized Steel Pipes Agreement with TEDA Supply Chain, constituting continuing connected transactions of the Company.

As the 2024 Galvanized Steel Pipes Agreement expired on 30 June 2025, and it is expected that BHI Tianjin will continue to carry out similar transactions with TEDA Supply Chain, BHI Tianjin has entered into the Galvanized Steel Pipes Agreement with TEDA Supply Chain for a term from 21 July 2025 to 31 August 2026, under which TEDA Supply Chain will provide galvanized steel pipes to BHI Tianjin Group pursuant to the individual agreements to be entered into from time to time.

LISTING RULES IMPLICATIONS

TEDA is the controlling shareholder of the Company indirectly interested in 579,378,707 Shares (representing approximately 42.18% 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 Galvanized Steel Pipes Agreement and the Transactions is more than 0.1% but all applicable percentage ratios are less than 5%, the Galvanized Steel Pipes 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.

BACKGROUND

Reference is made to the announcement of the Company dated 19 July 2024 which announced that BHI Tianjin entered into the 2024 Galvanized Steel Pipes Agreement with TEDA Supply Chain, constituting continuing connected transactions of the Company.

As the 2024 Galvanized Steel Pipes Agreement expired on 30 June 2025, and it is expected that BHI Tianjin will continue to carry out similar transactions with TEDA Supply Chain, BHI Tianjin has entered into the Galvanized Steel Pipes Agreement with TEDA Supply Chain for a term from 21 July 2025 to 31 August 2026, under which TEDA Supply Chain will provide galvanized steel pipes to BHI Tianjin Group pursuant to the individual agreements to be entered into from time to time.

THE GALVANIZED STEEL PIPES AGREEMENT

BHI Tianjin entered into the Galvanized Steel Pipes Agreement with TEDA Supply Chain with particulars as follows:

Date

21 July 2025

The parties

(a) BHI Tianjin

(b) TEDA Supply Chain

Nature of the transactions

TEDA Supply Chain will provide galvanized steel pipes to BHI Tianjin Group pursuant to the individual agreements to be entered into from time to time.

Term

From 21 July 2025 to 31 August 2026

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 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 will 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, (i) the current market prices for the same type of products provided by independent third parties; (ii) the market prices for the same type of products in the industry; and (iii) the Guided Price (as defined below).

The consideration for each transaction is subject to adjustment on a monthly basis with reference to the changes of the guided unit price of a particular type and size of strip steel, which is the raw materials of galvanized steel pipes, according to industrial conferences of steel products enterprises in the Northern China as published monthly on the internet platform of Mysteel (www.mysteel.com) (the "**Guided Price**").

Upon adjustment, the consideration of galvanized steel pipes for the next month will equal to the consideration of galvanized steel pipes for the current month adding the difference between (i) the Guided Price for the next month and (ii) the Guided Price for the current month.

According to publicly available information, Mysteel is an online information platform operated by Shanghai Ganglian E-commerce Holdings Co., Ltd* (上海鋼聯電子商務股份有限公司), which is a company listed on the Shenzhen Stock Exchange (Stock Code: 300226.SZ) and a commodity data service provider in the PRC.

In any event, the individual agreements for the supply of galvanized steel pipes 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 Caps

The Annual Caps for the period from 21 July 2025 to 31 December 2025 and the period from 1 January 2026 to 31 August 2026 are set out as follows:

Annual Caps amounts (in RMB)	
For the period from 21 July 2025 to 31 December 2025	**For the period from 1 January 2026 to 31 August 2026**
5,000,000	5,000,000

Basis of the Annual Caps

The Annual Caps were determined after taking into account the following:

(1) the historical transaction amounts of provision of galvanized steel pipes by TEDA Supply Chain to BHI Tianjin Group, which are set out as follows:

Approximate historical transaction amounts (in RMB)	
For the period from the date of the 2024 Galvanized Steel Pipes Agreement to 31 December 2024	**For the period from 1 January 2025 to 30 June 2025**
4,330,000	4,010,000

The reason for the large deviation of the historical transaction amount for the period from the date of the 2024 Galvanized Steel Pipes Agreement to 31 December 2024 from the cap amount for the same period under the 2024 Galvanized Steel Pipes Agreement, being RMB9,500,000, is that some construction projects have changed from a procurement supply model by BHI Tianjin Group to a general contracting model. The galvanized steel pipes are provided by general contractors without the need of procurement by BHI Tianjin Group. Therefore, the purchase quantity was reduced, resulting in a decrease in transaction amount;

(2) the historical purchase prices of galvanized steel pipes with different specifications;

(3) the specifications and quantities of galvanized steel pipes purchased by BHI Tianjin Group in the past three years, and the specifications and quantities of galvanized steel pipes expected to be purchased by BHI Tianjin Group from TEDA Supply Chain during the term of the Galvanized Steel Pipes Agreement; and

(4) the schedules for the construction works of BHI Tianjin Group in the second half of 2025 and January to August 2026 for which galvanized steel pipes will be supplied under the Galvanized Steel Pipes Agreement, after considering the factors of seasonal construction and holiday shutdowns etc.

Reasons for and benefits of entering into the Galvanized Steel Pipes Agreement

Relying on TEDA's background as a large state-owned enterprise with diverse businesses, thereby having an advantage in procurement scale, TEDA Supply Chain is equipped with bargaining power and is able to obtain better market price for galvanized steel pipes. Under such circumstances, BHI Tianjin Group can reduce its procurement cost by benefitting from the better market price, and enhance transactional convenience. The Company considers that the entering into of the Galvanized Steel Pipes Agreement with TEDA Supply Chain is beneficial to BHI Tianjin Group to meet their needs for materials in the PRC.

The Directors (including the independent non-executive Directors) consider that the Galvanized Steel Pipes Agreement and the Transactions (including the Annual Caps) 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 Galvanized Steel Pipes Agreement and the Transactions (including the Annual Caps) 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 Galvanized Steel Pipes Agreement and the 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 galvanized steel pipes 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 two other suppliers in the market for galvanized steel pipes 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 caps 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 579,378,707 Shares (representing approximately 42.18% 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 Galvanized Steel Pipes Agreement and the Transactions is more than 0.1% but all applicable percentage ratios are less than 5%, the Galvanized Steel Pipes 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 company established in the PRC with limited liability 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:

"2024 Galvanized Steel Pipes Agreement"	the framework agreement dated 19 July 2024 entered into between BHI Tianjin and TEDA Supply Chain in relation to the provision of galvanized steel pipes by TEDA Supply Chain to BHI Tianjin Group;
"Annual Caps"	the annual caps for the Transactions for the period from 21 July 2025 to 31 December 2025 and the period from 1 January 2026 to 31 August 2026;
"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;
"Galvanized Steel Pipes Agreement"	the framework agreement dated 21 July 2025 entered into between BHI Tianjin and TEDA Supply Chain in relation to the provision of galvanized steel pipes by TEDA Supply Chain to BHI Tianjin Group;
"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;
"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 42.18% 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 company established in the PRC with limited liability and a wholly-owned subsidiary of TEDA;

"Transactions"	the transactions contemplated under the Galvanized Steel Pipes Agreement; and
"%"	per cent.

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

Hong Kong, 21 July 2025

As at the date of this announcement, the Board comprises three executive Directors, namely, Mr. Zhang Wang, Mr. Wang Xin and Mr. Gao Liang, three non-executive Directors, namely, Mr. Zhang Chang Liang, Mr. Shen Hong Liang and Mr. Xia Bin Hui, 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*