濱 海 投 資 有 限 公 司
BINHAI INVESTMENT COMPANY LIMITED
(Incorporated in Bermuda with limited liability)
(Stock Code: 2886)

CONNECTED TRANSACTION
CAPITAL INCREASE AGREEMENT
IN RELATION TO SINOPEC LNG

THE CAPITAL INCREASE AGREEMENT

On 24 December 2025, Binhai Investment (Tianjin), a wholly-owned subsidiary of the Company, entered into the Capital Increase Agreement with Sinopec Natural Gas, to increase the registered capital of Sinopec LNG on a pro rata basis, pursuant to which Sinopec Natural Gas has agreed to contribute the sum of RMB215,600,000 and Binhai Investment (Tianjin) has agreed to contribute the sum of RMB4,400,000, by way of cash, into the registered capital of Sinopec LNG. The additional registered capital to be injected into Sinopec LNG under the Capital Increase will fund Sinopec LNG's construction project to expand its LNG operations.

Binhai Investment (Tianjin) and Sinopec Natural Gas currently hold 2% and 98% of the equity interest in Sinopec LNG, respectively. Upon completion of the Capital Increase, Binhai Investment (Tianjin) and Sinopec Natural Gas will continue to hold 2% and 98% of the equity interest in Sinopec LNG.

LISTING RULES IMPLICATIONS

Sinopec Corp is a substantial shareholder of the Company indirectly interested in 405,472,337 Shares (representing approximately 29.53% of the total number of Shares in issue), and is thus a connected person of the Company under the Listing Rules. Since each of Sinopec Natural Gas and Sinopec LNG is a subsidiary of Sinopec Corp, each of Sinopec Natural Gas and Sinopec LNG is an associate of Sinopec Corp and is thus a connected person of the Company under the Listing Rules. Therefore, the transaction contemplated under the Capital Increase Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

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

INTRODUCTION

On 24 December 2025, Binhai Investment (Tianjin), a wholly-owned subsidiary of the Company, entered into the Capital Increase Agreement with Sinopec Natural Gas, a wholly-owned subsidiary of Sinopec Corp, to increase the registered capital of Sinopec LNG from RMB4,874,200,000 to RMB5,094,200,000 on a pro rata basis, pursuant to which Sinopec Natural Gas has agreed to contribute the sum of RMB215,600,000 and Binhai Investment (Tianjin) has agreed to contribute the sum of RMB4,400,000, by way of cash, into the registered capital of Sinopec LNG. Binhai Investment (Tianjin) and Sinopec Natural Gas currently hold 2% and 98% of the equity interest in Sinopec LNG, respectively. Upon completion of the Capital Increase, Binhai Investment (Tianjin) and Sinopec Natural Gas will continue to hold 2% and 98% of the equity interest in Sinopec LNG.

The cash capital contribution of RMB4,400,000 payable by Binhai Investment (Tianjin) will be funded by the Group's self-owned funds, and was determined between the parties on an arm's length basis taking into account the progress of construction projects of Sinopec LNG, the investment plan and shareholding ratio of both shareholders of Sinopec LNG.

THE CAPITAL INCREASE AGREEMENT

Set out below is a summary of the principal terms of the Capital Increase Agreement:

Date	:	24 December 2025
Parties	:	(i) Sinopec Natural Gas, a wholly-owned subsidiary of Sinopec Corp; and
		(ii) Binhai Investment (Tianjin), a wholly-owned subsidiary of the Company

Subject matter	:	The registered capital of Sinopec LNG will increase from RMB4,874,200,000 to RMB5,094,200,000. Sinopec Natural Gas and Binhai Investment (Tianjin) will subscribe for RMB215,600,000 and RMB4,400,000 of the increased registered capital of Sinopec LNG respectively, pro-rata to their percentage holding of equity interest in Sinopec LNG. Upon completion of the Capital Increase, Binhai Investment (Tianjin) and Sinopec Natural Gas will maintain their respective percentage holding of equity interest in Sinopec LNG and continue to hold 2% and 98% of the equity interest in Sinopec LNG respectively.
Payment terms	:	The capital contribution shall be paid by cash to Sinopec LNG on or before 31 December 2025.

The table below sets out the shareholding structure of Sinopec LNG immediately before and after the completion of the Capital Increase:

Name of shareholder	**Amount of registered capital immediately before the Capital Increase** *RMB*	**Amount of registered capital immediately after the Capital Increase** *RMB*	**Percentage of equity interest (immediately before and after the Capital Increase)**
Sinopec Natural Gas	4,776,716,000	4,992,316,000	98%
Binhai Investment (Tianjin)	97,484,000	101,884,000	2%
	4,874,200,000	5,094,200,000	100%

INFORMATION ON SINOPEC LNG

Sinopec LNG is a limited liability company established in the PRC, and is principally engaged in the construction and operation of LNG terminals and piers, as well as the storage and processing of LNG products.

Set out below is the financial information of Sinopec LNG for the years 2023 and 2024:

	For the year ended 31 December 2023 *RMB (approximately)*	**For the year ended 31 December 2024** *RMB (approximately)*
Profit before taxation	75,600,300	3,676,720
Profit after taxation	57,276,980	5,733,987

The unaudited net asset value of Sinopec LNG as of 30 June 2025 was approximately RMB5,129,648,178.

After the completion of the Capital Increase, Sinopec LNG will not become a subsidiary of the Group and the financial results of Sinopec LNG will remain not to be consolidated into the consolidated financial results of the Group, but Binhai Investment (Tianjin)'s equity interest in Sinopec LNG will continue to be accounted for using the equity method in the consolidated financial statements of the Group.

REASONS FOR AND BENEFITS OF ENTERING INTO THE CAPITAL INCREASE AGREEMENT

The purpose of the Capital Increase is to raise funds for Sinopec LNG to meet the capital needs of its construction project. The additional registered capital to be injected into Sinopec LNG under the Capital Increase will fund Sinopec LNG's construction project to expand its LNG operations.

In particular, the additional registered capital will be applied to phase III of Sinopec LNG's construction project. Such construction project consists of various stages. The first stage concerns the storage of LNG, which includes the addition of five LNG storage tanks of approximately 270,000 m^3, loading facilities and supporting facilities, and part of the additional registered capital will be applied towards promoting the construction in such stage. The second stage concerns the cold and heat interchange station, which includes adding a new set of cold and heat interchange device and supporting facilities with capacity of handling 390 tons of medium per hour, which will be used for cold and heat interchange supply with the Tianjin Nangang ethylene project. It also concerns recycling of light hydrocarbon, which includes setting up a new light hydrocarbon separation device and supporting facilities with capacity of handling approximately 2,000,000 tons of light hydrocarbon per year, and the remainder of the additional registered capital will be used in acquisition of land use rights of such project. Upon completion of phase III of the construction project, taking into account the completed construction under phases I and II, the overall throughput capacity of the receiving terminal of Sinopec LNG will reach approximately 11,650,000 tons per year.

As a participating shareholder, Binhai Investment (Tianjin) participating in this Capital Increase is beneficial to the development and construction of Sinopec LNG's investment projects, and will help Binhai Investment (Tianjin) gain support for LNG terminal resources from Sinopec LNG in the future.

In addition, Sinopec LNG has gas storage capability. Currently, Sinopec LNG has a gas storage capacity of approximately 1,088,000,000 m^3, among which Binhai Investment (Tianjin) owns the capacity of gas storage and peak shaving of approximately 21,760,000 m^3. Phase III of Sinopec LNG's construction project will further expand the capacity of gas storage and peak shaving of Binhai Investment (Tianjin). Binhai Investment (Tianjin)'s participation in the Capital Increase can ensure that its equity interest in Sinopec LNG will not be diluted, thereby guaranteeing the Group's own capacity of gas storage and peak shaving.

Having reviewed the terms of the Capital Increase Agreement, the Directors (including the independent non-executive Directors) are of the view that while the entering into of the Capital Increase Agreement is not in the ordinary and usual course of business of the Group, the terms of the Capital Increase Agreement are fair and reasonable, the Capital Increase Agreement is on normal commercial terms or better, and the entering into of the Capital Increase Agreement is in the interests of the Company and its shareholders as a whole.

LISTING RULES IMPLICATIONS

Sinopec Corp is a substantial shareholder of the Company indirectly interested in 405,472,337 Shares (representing approximately 29.53% of the total number of Shares in issue), and is thus a connected person of the Company under the Listing Rules. Since each of Sinopec Natural Gas and Sinopec LNG is a subsidiary of Sinopec Corp, each of Sinopec Natural Gas and Sinopec LNG is an associate of Sinopec Corp and is thus a connected person of the Company under the Listing Rules. Therefore, the transaction contemplated under the Capital Increase Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

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

None of the Directors has a material interest in the Capital Increase Agreement.

GENERAL

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 value-added service.

Binhai Investment (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 liquefied natural gas for domestic users.

Sinopec Natural Gas is a wholly-owned subsidiary of Sinopec Corp and is principally engaged in natural gas project investment; natural gas transmission and storage technology development, technical consultation and technical services; construction cost consultation and tender agency; and sales of construction materials.

Sinopec Corp is a joint stock limited company established in the PRC, and is principally engaged in the exploration and production, pipeline transportation and sales of petroleum and natural gas; the production, sale, storage and transportation of refinery products, petrochemical products, coal chemical products, synthetic fiber and other chemical products; the import and export, including import and export agency business, of petroleum, natural gas, petroleum products, petrochemicals and chemical products, and other commodities and technologies; and research, development and application of technologies and information.

The ultimate holding company of Sinopec Corp is China Petrochemical Corporation, which is a state-owned enterprise incorporated in the PRC principally engaged in the exploration, production, storage and transportation (including pipeline transportation), sales and utilisation of oil and natural gas; oil refining; wholesale and retail of oil products; production, sales, storage, transportation of petrochemical, natural gas chemical, coal chemical and other chemical products; industrial investment and investment management; production, sales, storage, transportation of energy products such as new energy and geothermal energy; exploration, consultation, design and installation of petroleum and petrochemical engineering; repairing and maintenance of petroleum and petrochemical equipment; development, manufacture and sales of mechanical and electrical equipment; manufacture and sales of electricity, steam, water supplies and industrial gas; technology, electronic commerce and information, research and development, application and consultation services of alternative energy products; self-operating and acting as agent for import and export of relevant products and technology; project contracting procurement tendering, labour export; international storage and logistics business etc..

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions have the following meanings:

"associate"	has the meaning ascribed to it under the Listing Rules;
"Binhai Investment (Tianjin)"	Binhai Investment (Tianjin) Company Limited* (濱海投資(天津)有限公司), a company incorporated in the PRC and a wholly-owned subsidiary of the Company;
"Board"	the board of Directors;
"Capital Increase"	the increase of registered capital of Sinopec LNG from RMB4,874,200,000 to RMB5,094,200,000;
"Capital Increase Agreement"	the capital increase agreement entered into between Sinopec Natural Gas and Binhai Investment (Tianjin) on 24 December 2025 in relation to the Capital Increase;
"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(s)"	has the meaning ascribed to it under the Listing Rules;
"Director(s)"	the director(s) of the Company;
"Group"	the Company and its subsidiaries;
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange;
"LNG"	liquified natural gas;
"PRC"	the People's Republic of China;
"RMB"	Renminbi, the lawful currency of the PRC;
"Share(s)"	ordinary share(s) of HK$0.10 each in the capital of the Company;

"Sinopec Corp"	China Petroleum & Chemical Corporation (中國石油化工股份有限公司), a joint stock limited company incorporated in the PRC with limited liability, the H shares of which are listed on the main board of the Stock Exchange (Stock Code: 386);
"Sinopec LNG"	Sinopec Tianjin Liquefied Natural Gas Co., Ltd.* (中石化天津液化天然氣有限責任公司), a company incorporated in the PRC;
"Sinopec Natural Gas"	Sinopec Natural Gas Co., Ltd.* (中國石化天然氣有限責任公司), a company incorporated in the PRC and a wholly-owned subsidiary of Sinopec Corp;
"Stock Exchange"	The Stock Exchange of Hong Kong Limited;
"substantial shareholder"	has the meaning ascribed to it under the Listing Rules; and
"%"	per cent

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

Hong Kong, 24 December 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*