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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 ECO-CITY**

On 19 November 2021, Tianjin Clean Energy (a wholly-owned subsidiary of the Company) entered into the An Ming Road Medium-Pressure Gas Pipelines Compensation Agreement with Tianjin Eco-city (a wholly-owned subsidiary of TEDA) in relation to the Construction Works I to be carried out by Tianjin Clean Energy. On the same date, Tianjin Clean Energy also entered into the Hai Xu Road Bridge Construction Medium-Pressure Gas Pipelines Compensation Agreement with Tianjin Eco-city in relation to the Construction Works II to be carried out by Tianjin Clean Energy. The Construction Works I and the Construction Works II are incidental to the road widening works on Ah Ming Road in Linghai New City, Sino-Singapore Tianjin Eco-city and construction of bridges along Hai Xu Road in Linghai New City, Sino-Singapore Tianjin Eco-city, to ensure the normal operations of gas pipelines of Tianjin Clean Energy laid thereunder. Under the Compensation Agreements, Tianjin Eco-city will pay compensation amounts to Tianjin Clean Energy as consideration for the Construction Works I and the Construction Works II respectively.

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 Eco-city is an associate of TEDA, it is also regarded as a connected person of the Company. Therefore, the Compensation Agreements and the transactions contemplated thereunder constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

As the applicable percentage ratios in respect of the Compensation Agreements and the transactions contemplated thereunder based on the tentatively set considerations, when calculated on an aggregate basis are more than 0.1% but less than 5%, the Compensation Agreements 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. The Company expects the aggregate finalised consideration under the Compensation Agreements will not trigger the circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

## **INTRODUCTION**

On 19 November 2021, Tianjin Clean Energy (a wholly-owned subsidiary of the Company) entered into the An Ming Road Medium-Pressure Gas Pipelines Compensation Agreement with Tianjin Eco-city in relation to the Construction Works I to be carried out by Tianjin Clean Energy. On the same date, Tianjin Clean Energy also entered into the Hai Xu Road Bridge Construction Medium-Pressure Gas Pipelines Compensation Agreement with Tianjin Eco-city in relation to the Construction Works II to be carried out by Tianjin Clean Energy.

The principal terms of each of the An Ming Road Medium-Pressure Gas Pipelines Compensation Agreement and the Hai Xu Road Bridge Construction Medium-Pressure Gas Pipelines Compensation Agreement are set out below.

### **(I) AN MING ROAD MEDIUM-PRESSURE GAS PIPELINES COMPENSATION AGREEMENT**

#### **Date**

19 November 2021

#### **The parties**

- (a) Tianjin Clean Energy
- (b) Tianjin Eco-city

#### **Nature of the transaction**

Tianjin Clean Energy will carry out the Construction Works I on its medium-pressure gas pipelines laid under An Ming Road. For the Construction Works I required due to the road widening works on Ah Ming Road, Tianjin Eco-city shall pay a compensation amount to Tianjin Clean Energy as consideration.

#### **Consideration**

The consideration is tentatively set at RMB1,099,369, 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 (ii) the fees for purchasing parts from third parties, equipment and materials required for the works.

The consideration is subject to review by a third-party cost consulting agency engaged by the Sino-Singapore Tianjin Eco-city Management Committee Construction Bureau\* (中新天津生態城管委會建設局) and to be confirmed after the ensuing negotiation by the parties based on the result of such review.

## **Payment Terms**

After Tianjin Clean Energy completes the Construction Works I, Tianjin Clean Energy will provide the settlement documents for review and approval by local government, which will provide funds for the payment of the consideration to Tianjin Eco-city after approving the final budget. Tianjin Eco-city shall pay the consideration in full to Tianjin Clean Energy within the following month after receiving the funds from local government.

## **Construction Period**

Tianjin Clean Energy shall complete the Construction Works I within 60 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 An Ming Road Medium-Pressure Gas Pipelines Compensation Agreement**

Tianjin Eco-city will commence road widening works on An Ming Road to improve the regional infrastructure and road conditions. The completion of the Construction Works I is necessary to ensure the integrity and normal operation of Tianjin Clean Energy's medium-pressure gas pipelines laid under An Ming Road during and after the road widening works. Considering the basis of determination of the consideration, and the carrying out of the Construction Works I pursuant to the An Ming Road Medium-Pressure 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.

## **(II) HAI XU ROAD BRIDGE CONSTRUCTION MEDIUM-PRESSURE GAS PIPELINES COMPENSATION AGREEMENT**

### **Date**

19 November 2021

### **The parties**

- (a) Tianjin Clean Energy
- (b) Tianjin Eco-city

### **Nature of the transaction**

Tianjin Clean Energy will carry out the Construction Works II on its medium-pressure gas pipelines laid under Hai Xu Road. For the Construction Works II required laid under An Ming Road due to the construction of bridges along Hai Xu Road, Tianjin Eco-city shall pay a compensation amount to Tianjin Clean Energy as consideration.

## **Consideration**

The consideration is tentatively set at RMB2,410,426, 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 (ii) the fees for purchasing parts from third parties, equipment and materials required for the works.

The consideration is subject to review by a third-party cost consulting agency engaged by the Sino-Singapore Tianjin Eco-city Management Committee Construction Bureau\* (中新天津生態城管委會建設局) and to be confirmed after the ensuing negotiation by the parties based on the result of such review.

## **Payment Terms**

After Tianjin Clean Energy completes the Construction Works II, Tianjin Clean Energy will provide the settlement documents for review and approval by local government, which will provide funds the payment of the consideration to Tianjin Eco-city after approving the final budget. Tianjin Eco-city shall pay the consideration in full to Tianjin Clean Energy within the following month after receiving the funds from local government.

## **Construction Period**

Tianjin Clean Energy shall complete the Construction Works II within 60 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 Hai Xu Road Bridge Construction Medium-Pressure Gas Pipelines Compensation Agreement**

Tianjin Eco-city will commence the construction of bridge(s) along Hai Xu Road. The completion of the Construction Works II is necessary to ensure the integrity and normal operation of the Tianjin Clean Energy's medium-pressure gas pipelines laid along Hai Xu Road during and after the bridge construction works. Considering the basis of determination of the consideration, and the carrying out of the Construction Works II pursuant to the Hai Xu Road Bridge Construction Medium-Pressure 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 Compensation Agreements are 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 Compensation Agreements and the transactions contemplated thereunder. For good corporate governance practices, Mr. Wang Zhiyong, Mr. Wang Gang and Mr. Yu Kexiang, being Directors who also hold executive positions in TEDA or its subsidiaries, have abstained from voting at the resolutions of the Board approving the An Ming Road Medium-Pressure Gas Pipelines Compensation Agreement, the Hai Xu Road Bridge Construction Medium-Pressure Gas Pipelines Compensation Agreement and the transactions contemplated thereunder to avoid any potential conflict of interest.

## **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 Eco-city is an associate of TEDA, it is also regarded as a connected person of the Company. Therefore, the Compensation Agreements and the transactions contemplated thereunder constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

As the applicable percentage ratios in respect of the Compensation Agreements and the transactions contemplated thereunder based on the tentatively set considerations, when calculated on an aggregate basis are more than 0.1% but less than 5%, the Compensation Agreements 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.

The Company expects the aggregate finalised consideration under the Compensation Agreements will not trigger the circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules. If it turns out not to be the case, the Company will comply with the applicable Listing Rules requirements in respect of the Compensation Agreements.

## **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 Eco-city is principally engaged in shore reclamation and land development; investment in real estate industry; construction and maintenance for municipal engineering projects; construction and maintenance of facilities for water supply and drainage engineering, pipeline engineering, thermal engineering and gas engineering projects.

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.

## DEFINITIONS

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

“An Ming Road”	An Ming Road, Linghai New City, Sino-Singapore Tianjin Eco-city*( 中新天津生態城臨海新城安明路 );
“An Ming Road Medium-Pressure Gas Pipelines Compensation Agreement”	the agreement dated 19 November 2021 entered into between Tianjin Clean Energy and Tianjin Eco-city in relation to the carrying out of the Construction Works I by Tianjin Clean Energy;
“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;
“Compensation Agreements”	collectively, the An Ming Road Medium-Pressure Gas Pipelines Compensation Agreement and the Hai Xu Road Bridge Construction Medium-Pressure Gas Pipelines Compensation Agreement;
“Construction Works I”	replacement, modification and related works in respect of the medium-pressure gas pipelines owned by Tianjin Clean Energy and laid under An Ming Road;
“Construction Works II”	replacement, modification and related works in respect of the medium-pressure gas pipelines owned by Tianjin Clean Energy and laid under Hai Xu Road;

“Director(s)”	the director(s) of the Company;
“Group”	the Company and its subsidiaries;
“Hai Xu Road”	Hai Xu Road, Linghai New City, Sino-Singapore Tianjin Eco-city*( 中新天津生態城臨海新城海旭道 );
“Hai Xu Road Bridge Construction Medium-Pressure Gas Pipelines Compensation Agreement”	the agreement dated 19 November 2021 entered into between Tianjin Clean Energy and Tianjin Eco-city in relation to the carrying out of the Construction Works II by Tianjin Clean Energy;
“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;
“substantial shareholder”	has the meaning ascribed to it by the Listing Rules;
“Tianjin Eco-city”	天津生態城泰達海洋技術開發有限公司 (Tianjin Eco-city TEDA Ocean Technology Development Company Limited*), a company incorporated in the PRC with limited liability and a 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 (T i a n j i n T E D A 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  
**BINHAI INVESTMENT COMPANY LIMITED**  
**Gao Liang**  
*Executive Director*

Hong Kong, 19 November 2021

*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*