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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 TRANSACTION**  
**GAS PIPELINES MODIFICATION COMPENSATION AGREEMENT**  
**WITH TIANJIN URBAN RAIL**

On 3 February 2023, Tianjin Clean Energy (a wholly-owned subsidiary of the Company) entered into the Modification Compensation Agreement with Tianjin Urban Rail (a non-wholly owned subsidiary of TEDA) in relation to the Construction Works to be carried out by Tianjin Clean Energy to change and divert certain gas pipelines owned by Tianjin Clean Energy. The Construction Works to be carried out on such gas pipelines located in the Twelfth Street of the Economic Development Area are required due to the works to be carried out by Tianjin Urban Rail on the Binhai New Area Rail Line Z4 Phase I Project in Tianjin, the PRC at the shield segment between Ninth Street Station and University of Science and Technology Station. Under the Modification Compensation Agreement, Tianjin Urban Rail shall pay a compensation amount tentatively set at RMB19,470,000 to Tianjin Clean Energy as consideration for the Construction Works.

TEDA is the controlling shareholder of the Company indirectly interested in 539,113,305 Shares (representing approximately 39.87% of the total number of Shares in issue), and is thus a connected person of the Company under the Listing Rules. Since Tianjin Urban Rail is a non-wholly owned subsidiary of TEDA and thus its associate, it is also regarded as a connected person of the Company. Therefore, the Modification Compensation Agreement and the transactions contemplated thereunder constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

As all the applicable percentage ratios in respect of the Modification Compensation Agreement and the transactions contemplated thereunder are more than 0.1% but less than 5%, the Modification Compensation Agreement 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.

## **INTRODUCTION**

On 3 February 2023, Tianjin Clean Energy (a wholly-owned subsidiary of the Company) entered into the Modification Compensation Agreement with Tianjin Urban Rail (a non-wholly owned subsidiary of TEDA) in relation to the Construction Works by Tianjin Clean Energy for change and diversion of certain gas pipelines owned by Tianjin Clean Energy.

The principal terms of the Modification Compensation Agreement are set out below.

### **Date**

3 February 2023

### **The parties**

- (a) Tianjin Clean Energy
- (b) Tianjin Urban Rail

### **Nature of the transaction**

Tianjin Clean Energy will carry out the Construction Works on its sub-high pressure pipelines located in the Twelfth Street of the Economic Development Area in Tianjin, the PRC. For the Construction Works required due to works to be carried out by Tianjin Urban Railway on the Binhai New Area Rail Line Z4 Phase I Project at the shield segment between Ninth Street Station and University of Science and Technology Station, Tianjin Urban Rail shall pay a compensation amount to Tianjin Clean Energy as consideration.

### **Consideration**

The consideration for the Construction Works under the Modification Compensation Agreement is tentatively set at RMB19,470,000, 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 the basis price for fee estimates for construction works in Tianjin Municipality of the PRC, and (ii) value added taxes payable.

The final consideration amount payable to Tianjin Clean Energy for the Construction Works shall be based on the amount set out in the cost report as agreed by Tianjin Clean Energy and Tianjin Urban Rail (the "**Cost Report**"), which shall be prepared by a cost consulting unit appointed by Tianjin Urban Rail.

## **Payment Terms**

Tianjin Urban Rail shall pay 30% of the consideration amount for the Construction Works under the Modification Compensation Agreement, being RMB5,841,000, to Tianjin Clean Energy within 20 working days of the date of the Modification Compensation Agreement.

The remaining balance of the consideration for the Construction Works which is to be determined based on the amount set out in the Cost Report, shall be payable by Tianjin Urban Rail to Tianjin Clean Energy within 20 working days of the date of the Cost Report.

## **Construction Period**

The construction period of the Construction Works shall be 45 days. The date of commencement of the Construction Works shall be the actual date Tianjin Clean Energy enters into the site when it is ready for the Construction Works to be carried out.

## **Reasons for and benefits of entering into the Modification Compensation Agreement**

Tianjin Urban Rail is responsible for the construction of the Binhai New Area Rail Line Z4 Phase I Project. To facilitate the works to be carried out by Tianjin Urban Rail at the shield segment between Ninth Street Station and University of Science and Technology Station of the Binhai New Areas Rail, it is necessary to modify the sub-high pressure pipelines located in the Twelfth Street of the Economic Development Area which are owned by Tianjin Clean Energy. Considering the basis of determination of the consideration, and the carrying out of the Construction Works pursuant to the Modification 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 Modification Compensation Agreement is entered into in the ordinary and usual course of business of the Group and on normal commercial terms or better, the terms of the Modification Compensation Agreement are fair and reasonable and the Modification Compensation Agreement is in the interests of the Company and the Shareholders as a whole.

No Director has a material interest in the Modification Compensation Agreement and the transactions contemplated thereunder.

## **LISTING RULES IMPLICATIONS**

TEDA is the controlling shareholder of the Company indirectly interested in 539,113,305 Shares (representing approximately 39.87% of the total number of Shares in issue), and is thus a connected person of the Company under the Listing Rules. Since Tianjin Urban Rail is a non-wholly owned

subsidiary of TEDA and thus its associate, it is also regarded as a connected person of the Company. Therefore, the Modification Compensation Agreement and the transactions contemplated thereunder constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

As all the applicable percentage ratios in respect of the Modification Compensation Agreement and the transactions contemplated thereunder are more than 0.1% but less than 5%, the Modification Compensation Agreement 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.

## **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 Urban Rail is principally engaged in the businesses of investment, construction, operation and resources development for Rail Line Z4 in Tianjin. The equity interests in Tianjin Urban Rail are owned as to approximately 75.73% by TEDA, 14.27% by China Railway Electrification Engineering Group Co., Ltd.\* (中鐵電氣化局集團有限公司) and 10% by Tianjin Binhai New Area Land Development Co., Ltd.\* (天津市濱海新區土地開發有限責任公司).

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.

China Railway Electrification Engineering Group Co., Ltd.\* is principally engaged in the businesses of design, construction and maintenance management for various professional engineering works such as railway electrification catenary system, electric power, electrical substation, communication, signal, housing construction, civil engineering, urban subway and light rail. It is wholly-owned by China Railway Group Limited (中國中鐵股份有限公司), a company listed on the Stock Exchange and the Shenzhen Stock Exchange which, together with its subsidiaries, provides a full range of construction-related services, including infrastructure construction, survey, design and consulting services and engineering equipment and component manufacturing, and also expands to other businesses such as property development and mineral resource development. Based on publicly available information, the controlling shareholder of China Railway Group Limited is China Railway Engineering Corporation, a PRC state-owned company.

Tianjin Binhai New Area Land Development Co., Ltd.\* is principally engaged in land development and consolidation, industrial, agricultural, infrastructure and real estate businesses, the equity interest of which is majority owned by Tianjin Binhai New Area Land Development Center (Tianjin Binhai New Area Natural Resources Ecological Restoration Center)\* (天津市濱海新區土地發展中心(天津市濱海新區自然資源生態修復整治中心)), a PRC governmental department.

## DEFINITIONS

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

“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;
“Construction Works”	modification and related works in respect of the sub-high pressure pipelines owned by Tianjin Clean Energy;
“Director(s)”	the director(s) of the Company;
“Economic Development Area”	Tianjin Economic Technological Development Area;
“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;
“Modification Compensation Agreement”	the agreement dated 3 February 2023 entered into between Tianjin Clean Energy and Tianjin Urban Rail in relation to the carrying out of the Construction Works by Tianjin Clean Energy;
“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;
“Tianjin Urban Rail”	天津泰達城市軌道投資發展有限公司 (Tianjin TEDA Urban Rail Investment Development Company Limited*), a company incorporated in the PRC with limited liability and a non-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 39.87% 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 (Tianjin TEDA 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, 3 February 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 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*