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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)

INSIDE INFORMATION
ENTERING INTO OF EQUITY COOPERATION AGREEMENT
OF INTENT WITH GREAT WALL GAS IN RESPECT OF
SOUTHERN GROUP

This announcement is made by Binhai Investment Company Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited and the Inside Information Provisions (defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

References are made to the announcement of the Company dated 5 October 2022 in relation to the establishment of a wholly-owned subsidiary (the name of which is Taicheng Clean Energy Company Limited* (泰城清潔能源有限公司)) (“**Southern Group**”) by the Company to hold subsidiaries of the Group operating in the southern region of mainland China and the announcement of the Company dated 29 May 2023 in relation to the entering into of the “Framework Agreement on Further Supporting the Improvement of the Industrial Chain of the Company” (the “**Framework Agreement**”) between Tianjin TEDA Investment Holding Company Limited* (天津泰達投資控股有限公司) and Sinopec Natural Gas Co., Ltd.* (中國石化天然氣有限責任公司) (“**Sinopec Natural Gas**”).

The board of directors (the “**Board**”) of the Company is pleased to announce that Binhai Investment (Tianjin) Company Limited* (濱海投資(天津)有限公司) (“**BHI Tianjin**”), a wholly-owned subsidiary of the Company, and Sinopec Great Wall Gas Investment Co., Ltd.* (中石化長城燃氣投資有限公司) (“**Great Wall Gas**”) (the “**Signing Parties**”) entered into an equity cooperation agreement of intent (the “**Agreement**”) on 13 November 2023 in relation to Southern Group as the target company.

China Petroleum & Chemical Corporation (“**Sinopec Corp**”), the parent company of Great Wall Gas, is the second largest shareholder of the Company being indirectly interested in 405,472,337 ordinary shares of the Company (representing approximately 29.97% of the total issued ordinary shares of the Company).

THE PURPOSES OF THE AGREEMENT

1. To promote the Group’s development in the southern regional market, consolidate funds and resources, expand and strengthen its presence in the southern market, and increase the Group’s influence in the southern regional market, so as to enable the Group to better lead and participate in the large-scale gas integration of urban areas in the southern region; and
2. To execute the business development strategy of Sinopec Natural Gas implemented by Great Wall Gas, aiming to further increase its sales volume in the end-user gas market.

SUBJECT MATTERS OF THE AGREEMENT

1. BHI Tianjin agreed with the equity participation of Great Wall Gas in Southern Group, and the specific method and shareholding ratio of which will be determined through further negotiations (the “**Equity Cooperation Matters**”). The Signing Parties will appoint qualified third-party institutions to conduct audits and valuations on Southern Group, and the audit and valuation reports will be used as the basis for the acquisition of the equity following the agreement between the two parties. The audit and valuation benchmark date and valuation methods shall be determined subsequently through negotiations between the two parties.
2. The governance structure of Southern Group shall be separately agreed on and stipulated in the subsequent cooperation agreements and its articles of association.
3. After the completion of the Equity Cooperation Matters, Great Wall Gas will make reasonable endeavors to provide support for Southern Group and its subsidiaries in terms of gas supply and supply volume. Under the same conditions, Southern Group and its subsidiaries will give priority to Great Wall Gas when procuring natural gas resources.

After the entering into of the Agreement, the Signing Parties shall establish a joint working group and establish a regular communication and coordination mechanism. The working group will be responsible for developing specific work plans, advancing the overall progress of the project and completing their respective approval procedures by the state-owned assets supervision authorities.

IMPACTS ON THE COMPANY

The Agreement is an important measure taken by the Signing Parties for implementing the “Framework Agreement on Further Supporting the Improvement of the Industrial Chain of the Company”. Eyeing on the prosperous development in the southern region of mainland China, the Signing Parties will inject high-quality capital, competitive gas supply and other diverse resources into Southern Group through market-oriented means, endeavouring to build Southern Group into a flagship platform for the end-user projects of the Signing Parties, to achieve mutual benefits and win-win situation. At the same time, with the agreement of intent reached between BHI Tianjin and Sinopec Natural Gas on deepening equity cooperation in respect of Sinopec Tianjin Liquefied Natural Gas Co., Ltd.* (中石化天津液化天然氣有限責任公司), the Group and Sinopec Corp through further thorough cooperation along both the upstream and downstream of the industry chain will continue to strengthen the linkage between the upstream and downstream, continuously expand the synergistic benefits of the industrial chains, to maximize the benefits from the assets for both parties, and enhance the synergetic competitiveness of Southern Group and Sinopec Tianjin Liquefied Natural Gas Co., Ltd. through entire industry chain layout and collaboration.

The Agreement is a document of intent for the Signing Parties to conduct the Equity Cooperation Matters which only serves as a basis for the Signing Parties to conduct subsequent work. It does not create legal rights or obligations and shall not be enforceable and may not necessarily be consummated. The parties still have to sign formal contracts and fulfill their respective internal and external approval procedures regarding the Equity Cooperation Matters. The Company will fulfill the necessary approval procedures and information disclosure obligations at the appropriate time in accordance with applicable laws, regulations and rules.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the securities of the Company.

By order of the Board
Binhai Investment Company Limited
Gao Liang
Executive Director

Hong Kong, 13 November 2023

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