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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **Binhai Investment Company Limited**, you should at once hand this circular, together with the enclosed proxy form, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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)

CONTINUING CONNECTED TRANSACTIONS CONSTRUCTION WORKS AGREEMENT WITH TIANJIN WATER ENGINEERING GROUP LIMITED

**Independent Financial Adviser to the Independent Board Committee and
the Independent Shareholders**



A letter from the Board is set out on pages 4 to 14 of this circular. A letter from the Independent Board Committee containing its advice and recommendation to the Independent Shareholders is set out on pages 15 to 16 of this circular. A letter from Octal Capital, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 17 to 32 of this circular.

A notice convening the SGM to be held at 35/F, Two Pacific Place, 88 Queensway, Admiralty, Hong Kong at 10:30 a.m. (or so soon thereafter as the annual general meeting of the Company convened to be held at 10:00 a.m. on the same date and at the same place shall have been concluded or adjourned) on Friday, 9 May 2025 is set out on pages SGM-1 to SGM-2 of this circular. Whether or not you are able to attend the meeting in person, you are recommended to complete the enclosed proxy form in accordance with the instructions printed thereon and return it to the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of such meeting or any adjournment thereof. Completion and return of the proxy form shall not preclude you from subsequently attending and voting in person at the meeting or any adjournment thereof should you so wish.

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DEFINITIONS

Unless the context otherwise requires, the following terms in this circular shall have the meanings set out below:

“Annual Caps”	the annual caps for the Transactions for the period from the Effective Date under the Construction Works Agreement to 31 December 2025 and the two years ending 31 December 2027;
“associate(s)”	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;
“Construction Services”	the construction services to be provided by the Tianjin Water Engineering Group to the BHI Tianjin Group pursuant to the individual agreements to be entered into from time to time under the Construction Works Agreement, which include construction services for municipal works, architectural works and pipeline works;
“Construction Works Agreement”	the framework agreement dated 10 March 2025 entered into between BHI Tianjin and Tianjin Water Engineering in relation to the provision of the Construction Services by the Tianjin Water Engineering Group to the BHI Tianjin Group;
“controlling shareholder”	has the meaning ascribed to it by the Listing Rules;
“Director(s)”	the director(s) of the Company;

DEFINITIONS

“Effective Date”	the date the Construction Works Agreement takes effect upon such agreement, the Transactions and the Annual Caps having been approved by the Independent Shareholders;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of the Hong Kong Special Administrative Region of the PRC;
“Independent Board Committee”	the board committee of the Company comprising all independent non-executive Directors, namely Mr. Ip Shing Hing, <i>B.B.S., J.P.</i> , Mr. Lau Siu Ki, Kevin, Professor Japhet Sebastian Law and Dr. Tang Lai Wah, established to advise and make recommendations to the Independent Shareholders in respect of the Construction Works Agreement, the Transactions and the Annual Caps;
“Independent Financial Adviser” or “Octal Capital”	Octal Capital Limited, a licensed corporation to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, being the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the Construction Works Agreement, the Transactions and the Annual Caps;
“Independent Shareholders”	the Shareholders who are not prohibited or required to abstain from voting under the Listing Rules to approve the relevant transaction at a general meeting of the Company;
“Latest Practicable Date”	8 April 2025, being the latest practicable date prior to the bulk printing of this circular for ascertaining certain information contained herein;
“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;
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);

DEFINITIONS

“SGM”	the special general meeting of the Company to be held at 35/F, Two Pacific Place, 88 Queensway, Admiralty, Hong Kong at 10:30 a.m. (or so soon thereafter as the annual general meeting of the Company convened to be held at 10:00 a.m. on the same date and at the same place shall have been concluded or adjourned) on 9 May 2025 to approve, among other things, the Construction Works Agreement, the Transactions and the Annual Caps;
“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;
“subsidiary(ies)”	has the meaning ascribed to it by the Listing Rules;
“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 42.15% of the total Shares in issue as at the Latest Practicable Date;
“Tianjin Water Engineering”	Tianjin Water Engineering Group Limited* (天津市水利工程集團有限公司), a company incorporated in the PRC with limited liability and a subsidiary of TEDA;
“Tianjin Water Engineering Group”	Tianjin Water Engineering, its subsidiaries and associates;
“Transaction(s)”	the transaction(s) contemplated under the Construction Works Agreement; and
“%”	per cent.

* For identification purposes only

LETTER FROM THE BOARD



濱海投資有限公司 BINHAI INVESTMENT COMPANY LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 2886)

Executive Directors:

Mr. Zhang Wang (*Chairman*)
Mr. Wang Xin (*Vice Chairman*)
Mr. Gao Liang (*General Manager*)

Registered office :

Clarendon House
2 Church Street
Hamilton HM11
Bermuda

Non-executive Directors:

Mr. Zhang Chang Liang
Mr. Shen Hong Liang
Mr. Yu Ke Xiang

Principal place of business in Hong Kong:

Suites 3205-07, 32/F
Tower Two
Times Square
1 Matheson Street
Causeway Bay
Hong Kong

Independent non-executive Directors:

Mr. Ip Shing Hing, *B.B.S., J.P.*
Mr. Lau Siu Ki, Kevin
Professor Japhet Sebastian Law
Dr. Tang Lai Wah

15 April 2025

To the Shareholders

Dear Sir or Madam,

CONTINUING CONNECTED TRANSACTIONS CONSTRUCTION WORKS AGREEMENT WITH TIANJIN WATER ENGINEERING GROUP LIMITED

INTRODUCTION

Reference is made to the announcement of the Company dated 10 March 2025, which announced that BHI Tianjin entered into the Construction Works Agreement with Tianjin Water Engineering in relation to the provision of the Construction Services by the Tianjin Water Engineering Group to the BHI Tianjin Group.

LETTER FROM THE BOARD

The main purposes of this circular are to provide you with:

- (i) a letter of the Board containing further details of the Construction Works Agreement, the Transactions and the Annual Caps;
- (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders in respect of the Construction Works Agreement, the Transactions and the Annual Caps;
- (iii) a letter of recommendation from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Construction Works Agreement, the Transactions and the Annual Caps;
- (iv) the notice convening the SGM, at which an ordinary resolution will be proposed to consider and, if thought fit, to approve the Construction Works Agreement, the Transactions and the Annual Caps; and
- (v) other information as required under the Listing Rules.

THE CONSTRUCTION WORKS AGREEMENT

On 10 March 2025, BHI Tianjin entered into the Construction Works Agreement with Tianjin Water Engineering in relation to the provision of the Construction Services by the Tianjin Water Engineering Group to the BHI Tianjin Group. The principal terms of the Construction Works Agreement are set out below:

Date

10 March 2025

The parties

- (a) BHI Tianjin
- (b) Tianjin Water Engineering

Nature of the transactions

The Tianjin Water Engineering Group will provide the Construction Services (including construction services for municipal works, architectural works and pipeline works) to the BHI Tianjin Group pursuant to the individual agreements to be entered into from time to time.

LETTER FROM THE BOARD

Term

From the Effective Date to 31 December 2027

Condition precedent to the taking effect of the Construction Works Agreement

The Construction Works Agreement will take effect subject to the approval of the Construction Works Agreement and the Transactions (including the Annual Caps) by the Board and the Independent Shareholders in accordance with the bye-laws of the Company and the Listing Rules.

Consideration

The consideration for each Transaction 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 the BHI Tianjin Group and the Tianjin Water Engineering Group 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 to the BHI Tianjin Group than those that can be obtained by the BHI Tianjin Group from independent third parties.

Basis of consideration

The consideration for each Transaction will be determined based on arm’s length negotiations and in accordance with normal commercial terms, and with reference to, (i) the design and actual construction needs of the construction works for the Construction Services under each project and (ii) the standards and guidelines prescribed by the relevant regulatory notices applicable to pricing for the Transaction concerned issued by the relevant PRC government authorities of the region where the project is located, including:

1. Notice on the Issuance of 2020 Measure of Construction Work Price Calculation in Tianjin and the Budgeting Standard of Various Professional Works in Tianjin * (《關於發佈2020《天津市建設工程計價辦法》和天津市各專業工程預算基價的通知》) issued by the Tianjin Commission of Housing and Urban Rural Development (天津市住房和城鄉建設委員會) on 10 March 2020;
2. Notice on the Issuance of Quota of Unit Price of Labour and Pricing Quota List for Construction Projects in Shandong Province* (《關於發佈山東省建設工程定額人工單價及定額價目表的通知》) issued by the Department of Housing and Urban Rural Development of Shandong Province (山東省住房和城鄉建設廳) on 20 February 2017;

LETTER FROM THE BOARD

3. Notice on the Publication of 2020 Measure of Construction Work Price Calculation in Hunan Province and Consumption Standard for Construction Work in Hunan Province* (《關於印發2020《湖南省建設工程計價辦法》及《湖南省建設工程消耗量標準》的通知》) issued by the Department of Housing and Urban Rural Development of Hunan Province (湖南省住房和城鄉建設廳) on 29 April 2020; and
4. Notice on the Promulgation of 2017 Jiangxi Province Standard Price of Construction Projects* (《關於頒佈2017版《江西省建設工程定額》的通知》) issued by the Department of Housing and Urban Rural Development of Jiangxi Province (江西省住房和城鄉建設廳) on 10 September 2017.

The above regulatory notices are updated by the relevant PRC government authorities from time to time without any fixed schedule. If new regulatory notices are promulgated, the new regulatory notices shall prevail.

The consideration for each Transaction will be confirmed through a procurement process as required by the relevant laws, rules and regulations in the PRC (including tender and bidding, comparative selection, price enquiries or otherwise).

Pursuant to the Regulations on Construction Projects Required to be Tendered (National Development and Reform Commission Order No. 16) (《必須招標的工程項目規定》(國家發展和改革委員會令第16號)) (the “**Order 16**”), tendering is mandatory if one of the following thresholds is met:

- (i) estimated contract sum of over RMB4 million (inclusive) in respect of a single contract under a construction project;
- (ii) procurement of commodities such as key machineries and materials with an estimated consideration of over RMB2 million (inclusive) for a single contract;
- (iii) procurement of services such as survey, design, and supervision with an estimated consideration of over RMB1 million (inclusive).

For those Transactions which are not mandated by the relevant laws, rules and regulations in the PRC on the procurement process (e.g. the Transactions with estimated contract sum below RMB4 million and thus are below the thresholds for mandatory tendering as stipulated in the Order 16), the considerations shall be confirmed according to the procurement process as required by the tendering management related system of the BHI Tianjin Group. Under such tendering management related system, depending on the specific circumstances of the projects, comparative selection method will be applicable to projects with multiple engineering implementation options, and price enquiries method will be applicable to projects with clear needs and technical requirements.

LETTER FROM THE BOARD

The individual agreements for the provision of the Construction Services to be entered into by the BHI Tianjin Group with the Tianjin Water Engineering Group shall be on normal commercial terms that are fair and reasonable, and will be on terms no less favourable to the BHI Tianjin Group than those that can be obtained by the BHI Tianjin Group from independent third parties.

Annual Caps

The Annual Caps for the period from the Effective Date under the Construction Works Agreement to 31 December 2025 and the two years ending 31 December 2027 are set out as follows:

Annual Caps amounts (in RMB)		
For the period from the Effective Date to 31 December 2025	For the year ending 31 December 2026	For the year ending 31 December 2027
106,133,000	337,873,000	255,206,000

Basis of the Annual Caps

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

- (1) the business development plans of BHI Tianjin Group, including optimization of the pipelines network and peripheral infrastructure in regions in which BHI Tianjin Group currently operates, in order to enhance the gas supply service capabilities for the ongoing customer projects (where, based on a detailed list of construction projects planned to commence during the term of the Construction Works Agreement (the “**Construction Services List**”) prepared by the Company in determining the Annual Caps, the estimated transaction amounts of the projects for such purpose account for over 80% of each of the Annual Caps for the term of the Construction Works Agreement), and to facilitate the development of BHI Tianjin Group in other potential projects which it observes in the market it can take part in;
- (2) the projects proposed under the strategic cooperation intentions reached between BHI Tianjin Group and government authorities at different levels. In particular, there are seven construction projects in the Construction Services List which are related to the initiatives of government authorities of the PRC to establish and/or improve the relevant local natural gas infrastructures and are planned to commence during the term of the Construction Works Agreement in accordance with the strategic cooperation memorandum entered into between the Group and government authorities and the official construction services notices from government authorities. The estimated transaction amounts of these projects account for over 60% of each of the Annual Caps for the term of the Construction Works Agreement;

LETTER FROM THE BOARD

- (3) the current and future business capabilities of Tianjin Water Engineering Group in relation to its provision of the relevant Construction Services;
- (4) the construction plans of BHI Tianjin Group during the term of the Construction Works Agreement; and
- (5) the historical transaction amounts for construction projects similar to those in relation to the Construction Services. In particular, the total historical transaction amounts of the Group for services similar to those listed in the Construction Service List for the three years ended 31 December 2024 were approximately RMB512.5 million, RMB476.6 million and RMB340.4 million, respectively. The Annual Caps, representing the annual budgeted transaction amounts for the construction projects listed in the Construction Services List which considers the Tianjin Water Engineering Group as a supplier candidate, are below the historical transaction amounts of the Group for all construction services similar to the construction projects listed in the Construction Services List. Taking into account the capacity of the Tianjin Water Engineering Group, which has an average annual contract sum of over RMB4 billion, the Company considers that the Annual Caps will enable the Group to include the Tianjin Water Engineering Group in the supplier procurement process of the Group, which is in line with the business development plan of the BHI Tianjin Group.

Assumption when determining the Annual Caps

In determining the Annual Caps, the Company has assumed a 100% success rate for the Tianjin Water Engineering Group on winning all the tenders of the potential projects. The Directors consider such 100% success rate assumption is prudent, reasonable and necessary based on the following reasons:

- (1) pursuant to the relevant tendering rules and regulations in the PRC, the processing time between notice on bid-winning and entering into relevant construction agreement shall be within 30 days. Taking into account the previous bidding historical record of the Tianjin Water Engineering Group during the previous three financial years and up to the Latest Practicable Date, should the Annual Caps not factor in an assumed 100% success rate of projects estimated to be participated by the Tianjin Water Engineering Group and if the Annual Caps have been fully taken up by tendered construction works, the Tianjin Water Engineering Group will not be able to participate in the subsequent tenders. The timing required for amending the Annual Cap will exceed 30 days as the necessary procedures will including (among other things) obtaining Shareholder's approval (of which the notice period to convene an extraordinary shareholders' meeting would require at least 14 days) and other necessary steps to ensure compliance with the Listing Rules, will take more than 30 days to accomplish;

LETTER FROM THE BOARD

- (2) in respect of the capacity of the Tianjin Water Engineering Group, its average annual contract sum was over RMB4 billion, which is higher than the Annual Caps for each year; and
- (3) entering into the Construction Works Agreement will only enable the Tianjin Water Engineering Group to participate in the tendering process for the Group's forthcoming projects, but does not guarantee that the Tianjin Water Engineering Group will win the BHI Tianjin Group's tenders.

Reasons for and benefits of entering into the Construction Works Agreement

The Construction Services under the Construction Works Agreement aim at optimizing the interconnection of the pipeline network in areas where the Group operates, which will facilitate the Group in providing gas supply services of even better quality and at the same time provide strong support to the development of the Group. The relevant works also aim at renewing and upgrading operation stations, offices and old pipeline network of the Group, thereby enhancing the overall operation and management efficiency of the Group's businesses, improving the competitiveness of the Group in the industry, and facilitating the long-term business development of the Group.

Tianjin Water Engineering Group is equipped with solid technical capabilities and extensive experience in construction management. Under such circumstance, the entering into of the Construction Works Agreement will enable the Tianjin Water Engineering Group to have the opportunity to become providers of the Construction Services for the BHI Tianjin Group through the procurement process, thereby smoothening the construction progress and facilitating the business development of the BHI Tianjin Group, while ensuring the Company's compliance with the relevant requirements under the Listing Rules. It will also help to further safeguard the construction safety and simultaneously improve the quality of construction management of the Group's projects.

OPINION OF THE DIRECTORS

The Directors consider that the Construction Works 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 Construction Works 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 Construction Works Agreement and the Transactions.

For good corporate governance practices, Mr. Zhang Wang, being a Director who also holds executive positions in TEDA, and Mr. Yu Ke Xiang, being a Director who also holds executive positions in certain subsidiaries of TEDA, abstained from voting at the resolutions of the Board approving the Construction Works Agreement and the Transactions (including the Annual Caps) to avoid any potential conflict of interest.

LETTER FROM THE BOARD

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 the BHI Tianjin Group than those available to the BHI Tianjin Group for obtaining the Construction Services from independent third parties, the Company has adopted the following internal control measures:

- (i) The Board office of the Company is responsible for regulating the review and approval of connected transactions to be entered into by the Group 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 (as amended from time to time), 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 the provision of the Construction Services 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 the event there is no quotation or reference transaction from independent third parties available for comparison, the Group will consider the prevalent pricing policy of the industry and compare the price for the provision of the Construction Services with the relevant market price in the nearby region in respect of the relevant member of the Group.
- (iii) The Board office of the Company monitors the actual transaction amounts of the connected transactions entered into by the Group in the ordinary and usual course of the business of the Group on a monthly basis 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. The independent non-executive Directors will review the continuing connected transactions every year and confirm in the annual report of the Company whether the transactions have been entered into in the ordinary and usual course of business of the Group, on normal commercial terms or better, and according to the agreements governing them on terms that are fair and reasonable and in the interests of the Shareholders as a whole.
- (iv) The Company will engage its auditors to report on the continuing connected transactions every year. The auditors will provide a letter to the Board confirming whether anything has come to their attention that causes them to believe that the continuing connected transactions (1) have not been approved by the Board, (2) were not, in all material respects, in accordance with the pricing policies of the Group if the transactions involve the provision of goods or services by the Group, (3) were not entered into, in all material respects, in accordance with the relevant agreements governing the transactions, and (4) have exceeded the caps.

LETTER FROM THE BOARD

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.

Tianjin Water Engineering is a company established in the PRC with limited liability and a subsidiary of TEDA. The entire equity interest in Tianjin Water Engineering is held by TEDA through its indirect subsidiaries. Tianjin Water Engineering, together with its subsidiaries and associates, is principally engaged in water conservancy engineering, municipal utility engineering, building construction engineering, pipeline engineering, electromechanical installation engineering, river maintenance and management, landscaping engineering, infrastructure operation and maintenance and related businesses.

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.

LISTING RULES IMPLICATIONS

TEDA is the controlling shareholder of the Company indirectly interested in 579,378,707 Shares (representing approximately 42.15% of the total number of Shares in issue) as at the Latest Practicable Date, and is thus a connected person of the Company under the Listing Rules. Since Tianjin Water Engineering is a subsidiary of TEDA and thus its associate, it is also regarded as a connected person of the Company. Therefore, the Transactions constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As more than one of the applicable percentage ratios in respect of the Construction Works Agreement and the Transactions are over 5%, the Construction Works Agreement and the Transactions are subject to the reporting, announcement, annual review and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

LETTER FROM THE BOARD

THE SGM

The SGM will be convened at which an ordinary resolution will be proposed to consider, and if thought fit, to approve the Construction Works Agreement, the Transactions and the Annual Caps.

Any Shareholder with a material interest in the Construction Works Agreement, the Transactions and the Annual Caps and its associates shall not vote on the resolution to be proposed at the SGM to approve the Construction Works Agreement, the Transactions and the Annual Caps.

As TEDA is materially interested in the Construction Works Agreement, TEDA and its associates holding approximately 42.15% of the total number of Shares in issue as at the Latest Practicable Date shall be required to abstain from voting on the resolution to be proposed at the SGM to approve the Construction Works Agreement, the Transactions and the Annual Caps.

A notice convening the SGM to be held at 35/F, Two Pacific Place, 88 Queensway, Admiralty, Hong Kong on Friday, 9 May 2025 at 10:30 a.m. (or so soon thereafter as the annual general meeting of the Company convened to be held at 10:00 a.m. on the same date and at the same place shall have been concluded or adjourned) is set out on pages SGM-1 to SGM-2 of this circular. A form of proxy for use at the SGM is also enclosed with this circular. Whether or not you are able to attend the SGM, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return the same to the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding of the SGM or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting in person at the SGM or any adjournment thereof should you so wish.

In order to determine the Shareholders who are entitled to attend and vote at the SGM, the register of members of the Company will be closed from Tuesday, 6 May 2025 to Friday, 9 May 2025, both days inclusive, during which period no transfer of Shares will be registered. In order to be eligible to attend and vote at the SGM, all completed transfer documents, accompanied by the relevant share certificates, must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Friday, 2 May 2025.

LETTER FROM THE BOARD

VOTING BY WAY OF POLL

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. The chairman of the meeting will therefore demand a poll for the ordinary resolutions put to the vote at the SGM pursuant to Bye-law 66 and the Company will announce the results of the poll in the manner prescribed under Rules 13.39(5) and 13.39(5A) of the Listing Rules.

RECOMMENDATION OF THE INDEPENDENT BOARD COMMITTEE

The Independent Board Committee, having taken into account the advice of Octal Capital, considers that (i) the Construction Works Agreement and the Transactions (including the Annual Caps) are in the ordinary and usual course of business of the Group; (ii) the Construction Works Agreement and the Transactions are on normal commercial terms; and (iii) the terms of the Construction Works 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. Accordingly, the Independent Board Committee recommends the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the SGM to approve the Construction Works Agreement and the Transactions (including the Annual Caps).

RECOMMENDATION OF THE BOARD

Taking into account the letter from the Independent Board Committee and all other factors as stated above as a whole, the Board recommends the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the SGM to approve the Construction Works Agreement, the Transactions and the Annual Caps.

ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendix to this circular.

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

* *For identification purposes only*

LETTER FROM THE INDEPENDENT BOARD COMMITTEE



濱海投資有限公司
BINHAI INVESTMENT COMPANY LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 2886)

15 April 2025

To the Independent Shareholders

Dear Sir or Madam,

**CONTINUING CONNECTED TRANSACTIONS
CONSTRUCTION WORKS AGREEMENT WITH
TIANJIN WATER ENGINEERING GROUP LIMITED**

We have been appointed as members of the Independent Board Committee to advise you as to whether, in our opinion, the terms of the Construction Works Agreement, the Transactions and the Annual Caps are fair and reasonable. Capitalised terms used herein shall have the same meanings as defined in the circular of the Company dated 15 April 2025 (the “**Circular**”) unless the context otherwise requires.

Octal Capital has been appointed by the Company as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Construction Works Agreement, the Transactions and the Annual Caps.

Your attention is drawn to the “Letter from the Board” set out on pages 4 to 14 of the Circular which contains, inter alia, information about the terms of the Construction Works Agreement, the Transactions and the Annual Caps, and the “Letter from Octal Capital” set out on pages 17 to 32 of the Circular which contains its advice in respect of the Construction Works Agreement, the Transactions and the Annual Caps together with the principal factors taken into consideration in arriving at such.

Having considered the terms of the Construction Works Agreement, the Transactions and the Annual Caps, and having taken into account the factors and reasons considered by and the advice of Octal Capital, we consider that (i) the Construction Works Agreement and the Transactions (including the Annual Caps) are in the ordinary and usual course of business of the Group; (ii) the Construction Works Agreement and the Transactions are on normal commercial terms; and (iii) the terms of the Construction Works Agreement and the Transactions (including the Annual Caps) are fair and reasonable and in the interests of

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the SGM to approve the Construction Works Agreement and the Transactions (including the Annual Caps).

Yours faithfully,

For and on behalf of the

Independent Board Committee

Mr. Ip Shing Hing, *B.B.S., J.P.*

Mr. Lau Siu Ki, Kevin

Professor Japhet Sebastian Law

Dr. Tang Lai Wah

Independent Non-executive Directors

LETTER FROM OCTAL CAPITAL

Set out below is the text of a letter received from Octal Capital, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Construction Works Agreement, the Transactions and the Annual Caps for the purpose of inclusion in this circular.



801-805, 8/F, Nan Fung Tower,
88 Connaught Road Central,
Hong Kong

15 April 2025

*To the Independent Board Committee and
the Independent Shareholders*

Dear Sirs,

CONTINUING CONNECTED TRANSACTIONS CONSTRUCTION WORKS AGREEMENT WITH TIANJIN WATER ENGINEERING GROUP LIMITED

INTRODUCTION

We refer to our engagement as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Construction Works Agreement, the Transactions and the Annual Caps, details of which are contained in the circular to the Shareholders dated 15 April 2025 (the “Circular”), of which this letter forms part. Unless the context requires otherwise, capitalised terms used in this letter shall have the same meanings as those defined in the Circular.

On 10 March 2025, BHI Tianjin (a wholly-owned subsidiary of the Company) entered into the Construction Works Agreement with Tianjin Water Engineering for a term from the Effective Date to 31 December 2027, under which the Tianjin Water Engineering Group will provide the Construction Services (including construction services for municipal works, architectural works and pipeline works) to the BHI Tianjin Group pursuant to the individual agreements to be entered into from time to time.

TEDA is the controlling shareholder of the Company, which was indirectly interested in 579,378,707 Shares as at the Latest Practicable Date (representing approximately 42.15% of the total number of Shares in issue), and is thus a connected person of the Company under the Listing Rules. Since Tianjin Water Engineering is a subsidiary of TEDA and thus its associate, it is also regarded as a connected person of the Company. Therefore, the Transactions constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

LETTER FROM OCTAL CAPITAL

As more than one of the applicable percentage ratios in respect of the Construction Works Agreement and the Transactions are over 5%, the Construction Works Agreement and the Transactions are subject to reporting, announcement, annual review and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Independent Board Committee comprising all the 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, has been formed to advise the Independent Shareholders as to whether the terms of the Construction Works Agreement, the Transactions and the Annual Caps. We, Octal Capital Limited, have been appointed by the Company as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in these regards.

As at the Latest Practicable Date, we were not connected with the Group, the Tianjin Water Engineering Group or, where applicable, any of their respective substantial shareholders, directors or chief executives, or any of their respective subsidiaries or associates pursuant to Rule 13.84 of the Listing Rules. In the two years immediately preceding the date of the the Construction Works Agreement, we were only engaged by the Company as an Independent Financial Adviser to the Company in respect of the connected transaction in relation to the loan made available by Sinopec Finance Company Limited Tianjin Branch Company* (中國石化財務有限責任公司天津分公司) to Tianjin TEDA Binhai Clean Energy Group Co., Ltd.* (天津泰達濱海清潔能源集團有限公司) (details as contained in the circular of the Company dated 7 September 2023) (the “**Previous Engagement**”).

Under the Previous Engagement, we were required to express our opinion on and give recommendations to the Independent Board Committee of the Company in respect of the relevant transaction. Apart from normal professional fee payable to us by the Company in connection with this appointment and the Previous Engagement, no arrangement exists whereby we will receive any fees or benefits from the Company or the directors, chief executive and substantial shareholders of the Company, the Group and the Tianjin Water Engineering Group, or any of their respective subsidiaries or associates that could reasonably be regarded as relevant to our independence. We are therefore considered independent and suitable to give independent advice to the Independent Board Committee and the Independent Shareholders regarding the Construction Works Agreement, the Transactions and the Annual Caps.

In formulating our opinion, we have relied on the accuracy of the information and representations contained in the Circular and have assumed that all information and representations made or referred to in the Circular were true at the time they were made and continue to be true as at the date of SGM. We have also relied on our discussions with the management of the Company regarding the Construction Works Agreement, the Transactions and the Annual Caps including the information and representations contained in the Circular. We have also assumed that all statements of belief, opinion and intention made by the Directors and the Company in the Circular were reasonably made after due enquiry. We consider that we have reviewed sufficient information to reach an informed view, to justify our reliance on the accuracy of the information contained in the Circular and to provide a reasonable basis for our advice. We have no

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reason to suspect that any material facts have been omitted or withheld from the information contained or opinions expressed in the Circular nor to doubt the truth, accuracy and completeness of the information and representations provided to us by the Directors. We have not, however, conducted an independent in-depth investigation into the business and affairs of the Group, the Tianjin Water Engineering Group and their respective associates, nor have we carried out any independent verification of the information supplied.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In formulating our opinion and recommendation to the Independent Board Committee and the Independent Shareholders in respect of the Construction Works Agreement, we have taken into account the following principal factors and reasons:

1. Background of entering into the Construction Works Agreement

On 10 March 2025, BHI Tianjin entered into the Construction Works Agreement with Tianjin Water Engineering in relation to the provision of the Construction Services by the Tianjin Water Engineering Group to the BHI Tianjin Group.

2. Background of the parties

Background of the Group and BHI Tianjin

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.

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Background of the Tianjin Water Engineering Group

Tianjin Water Engineering is a company established in the PRC in 1976 with limited liability and a subsidiary of TEDA. With registered capital of RMB290 million, the entire equity interest in Tianjin Water Engineering is held by TEDA through its indirect subsidiaries. Tianjin Water Engineering, together with its subsidiaries and associates, is principally engaged in water conservancy engineering, municipal utility engineering, building construction engineering, pipeline engineering, electromechanical installation engineering, river maintenance and management, landscaping engineering, infrastructure operation and maintenance and related businesses.

As advised by the management of the Company, Tianjin Water Engineering, equipped with multiple construction qualifications, undertakes construction projects across the PRC, including Tianjin and over a dozen provinces, municipalities, and autonomous regions. From 2022 to 2024, the cumulative contract sum of newly signed contracts by Tianjin Water Engineering exceeded RMB12 billion.

Background of TEDA

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.

3. Reason for and benefits of entering into the Construction Works Agreement

According to the interim report of the Company for the six months ended 30 June 2024, the PRC has been deeply advancing its energy revolution with the drive towards “carbon neutrality”. Leveraging on the regional advantage of Tianjin which serves as a natural gas distribution hub in the PRC, the Group’s pipelines have been connected with four major LNG receiving stations. The aggregated consumption of piped natural gas by domestic and industrial users increased from approximately $26,841 \times 10^6$ mega-joules for the six months ended 30 June 2023 to approximately $33,267 \times 10^6$ mega-joules for the six months ended 30 June 2024. The Group also constructs gas pipelines for its clients and connects such pipelines to the Group’s main gas pipeline networks. As at 30 June 2024, the aggregate length of city medium-pressure gas pipeline networks was approximately 3,914 kilometers, representing an increase of 23 kilometers as compared to 31 December 2023, while the aggregate length of high-pressure and sub-high-pressure gas pipeline networks was approximately 653 kilometers, representing an increase of 4 kilometers as compared to 31 December 2023. As discussed with the management of the Company, the Group will continue to develop its sales of piped natural gas business while actively expanding its construction and gas pipelines installation services to increase the revenue of the Group. The Group plans to commence more than 20 gas pipeline installation projects over the next three years. At the same time, in response to Notice of “The Action Plan for Promoting Large-scale Equipment Renewals and Consumer Goods Trade-

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ins” (《推動大規模設備更新和消費品以舊換新行動方案》) issued by the State Council of the PRC and “The Guidelines for the Preparation of Implementation Plans for the Construction and Renovation of Urban Underground Pipeline Networks” (《城市地下管網管廊及設施建設改造實施方案編製指南》) issued by National Development and Reform Commission, several gas pipeline renovation projects are under review and will commence in the upcoming three years.

The Construction Services under the Construction Works Agreement aim at optimizing the interconnection of the pipeline network in areas where the Group operates, which will facilitate the Group in providing gas supply services of even better quality and at the same time provide strong support to the development of the Group. The relevant works also aim at renewing and upgrading operation stations, offices and old pipeline network of the Group, thereby enhancing the overall operation and management efficiency of the Group’s businesses, improving the competitiveness of the Group in the industry, and facilitating the long-term business development of the Group.

As mentioned in the above section headed “Background of the Tianjin Water Engineering Group” of this letter, Tianjin Water Engineering established in the PRC in 1976, has a registered capital of RMB290 million and is a state-owned construction enterprise with multiple construction qualifications. Tianjin Water Engineering undertakes construction projects across the PRC, including Tianjin and over a dozen provinces, municipalities, and autonomous regions. From 2022 to 2024, the cumulative contract sum of newly signed contracts by Tianjin Water Engineering exceeded RMB12 billion, with an average annual contract sum of over RMB4 billion. Tianjin Water Engineering is also a subsidiary of TEDA, which is a large-scale state-owned conglomerate and is one of the most significant enterprises in the construction of the Binhai New Area of Tianjin. As discussed with the management of the Company, the core natural gas projects of the BHI Tianjin Group are located in Binhai New Area of Tianjin. The Tianjin Water Engineering Group is equipped with solid technical capabilities in providing the construction services as needed by the BHI Tianjin Group and has extensive experience for provision of construction services in the PRC. By entering into the Construction Works Agreement, the BHI Tianjin Group could introduce the Tianjin Water Engineering Group as high calibre supplier and leverage on the Tianjin Water Engineering Group’s experience and knowledge in the local construction regulation and policy which could smoothen the construction progress of the BHI Tianjin Group’s projects. It will also help to further safeguard the construction safety and simultaneously improve the quality of construction management of the BHI Tianjin Group’s projects. The entering into of the Construction Works Agreement represents a valuable opportunity for the Group to include the Tianjin Water Engineering Group as a capable candidate of construction services providers in the construction services supplier procurement process of the Group.

Having considered the above, we concur with the Directors that the Construction Works Agreement and the Transactions (including the Annual Caps) are in the ordinary and usual course of business of the Group and the entering into of the Construction Works Agreement is in the interests of the Company and the Shareholders as a whole.

4. Major terms of the Construction Works Agreement

Set out below are the key terms of the Construction Works Agreement, details of which are set out under the section headed “THE CONSTRUCTION WORKS AGREEMENT” of the Letter from the Board.

Nature of the transaction

The Tianjin Water Engineering Group will provide the Construction Services (including construction services for municipal works, architectural works and pipeline works) to the BHI Tianjin Group pursuant to the individual agreements to be entered into from time to time.

Consideration and basis of consideration

The consideration for each Transaction will be determined based on arm’s length negotiations and in accordance with normal commercial terms and with reference to (i) the design and actual construction needs of the construction works for the Construction Services under each project; and (ii) the standards and guidelines prescribed by the relevant regulatory notices applicable to pricing for the Transaction concerned issued by the relevant PRC government authorities of the region where the project is located.

The consideration for each Transaction will be confirmed through a procurement process as required by the relevant laws, rules and regulations in the PRC (including tender and bidding, comparative selection, price enquiries or otherwise). For those Transactions which are not mandated by the relevant laws, rules and regulations in the PRC on the procurement process, the considerations shall be confirmed according to the procurement process as required by the tendering management related system of the BHI Tianjin Group.

The settlement and payment method shall be agreed and elaborated in the individual agreements to be entered into between the BHI Tianjin Group and the Tianjin Water Engineering Group 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 to the BHI Tianjin Group than those that can be obtained by the BHI Tianjin Group from independent third parties.

As advised by the management of the Company, the consideration of each Transaction will be determined by way of tender, comparative selection, price enquiries or other means in accordance with the relevant laws, rules and regulations on tender and bidding in the PRC. Any matters not mandated by the laws, rules and regulations shall be determined in accordance with the BHI Tianjin Group’s tendering management related system.

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Pursuant to the Regulations on Construction Projects Required to be Tendered (National Development and Reform Commission Order No. 16) (《必須招標的工程項目規定》(國家發展和改革委員會令第16號)) (the “**Order 16**”), tendering is mandatory if one of the following thresholds is met:

- (i) estimated contract sum of over RMB4 million (inclusive) in respect of a single contract under a construction project;
- (ii) procurement of commodities such as key machineries and materials with an estimated consideration of over RMB2 million (inclusive) for a single contract;
- (iii) procurement of services such as survey, design, and supervision with an estimated consideration of over RMB1 million (inclusive).

The procedures for tender and bidding refer to the processes of invitation for tender, bid submission, bid opening, bid evaluation and bid granting implemented by the tenderee and bidder pursuant to the relevant rules and regulations of the PRC, which are subject to the inspection of relevant government departments of the PRC. In relation to the Construction Works Agreement, the BHI Tianjin Group shall act as the tenderee via the relevant business department of the responsible construction unit of the BHI Tianjin Group, and the bid evaluation panel (comprised of bid evaluation experts and subject to the supervision of the government administration authorities of the PRC) will select the suppliers for the construction works by conducting a comparison of the prices and service terms offered by all bidders so as to grant the Construction Services to the bidder who offers the best price and/or the service terms pursuant to the bid evaluation methods published in the tender documents.

With reference to the Tender and Bidding Law of the PRC (《中華人民共和國招標投標法》), if there are less than three bidders, the tenderee shall invite bids again. As such, there shall be three or more units applying for bidding and submitting bidding documents during the process of tender and bidding. Pursuant to the Provisions on Tender and Bidding of Construction Projects (Order 30 of the Seven Ministries) (《工程建設項目施工招標投標辦法(七部委30號令)》), if there are still less than three bidders in the rebidding, (i) for construction projects that are subject to examination and approval by the original examination and approval department of the PRC, the tenderee may not need to proceed with tender procedure after obtaining approval; or (ii) for construction projects other than those classified in (i), the tenderee may decide not to proceed with tender procedure at its own discretion.

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If the Tianjin Water Engineering Group satisfies all the requirements of the BHI Tianjin Group (as the tenderer) in relation to the qualifications, experience, strength and track record of the bidders and participates in the bidding, and the relevant terms and price offered by the Tianjin Water Engineering Group are no less favorable than those offered by other bidders, the relevant member of the BHI Tianjin Group will select the Tianjin Water Engineering Group as the service provider. The transaction price will be the price for the Construction Services as specified in the bidding document of the Tianjin Water Engineering Group. The transaction price is scrutinized and eventually confirmed in accordance with the same objective standard through the tendering mechanism which is also conducted on a non-exclusive basis.

For construction contracts that do not satisfy the thresholds for mandatory tendering as stipulated in the Order 16 (i.e. the estimated contract sum is below RMB4 million), the BHI Tianjin Group shall, pursuant to relevant systems relating to tender and bidding management, determine the prices of the procurement of Construction Services by way of comparative selection and price enquiries, etc. to ensure that three or more units participate in the quotation. The Group shall comprehensively consider the qualifications, quotation, terms of service and other factors of the participants and determine the prices and select the final service providers in compliance with the following principles:

- (i) market-oriented, fair and reasonable principles; and
- (ii) normal commercial terms or better.

The Tianjin Water Engineering Group may participate in the above-mentioned bidding in accordance with laws and regulations, and if the relevant terms offered by the Tianjin Water Engineering Group are no less favorable than those offered by independent third parties, the relevant member of the BHI Tianjin Group will select the Tianjin Water Engineering Group as the service provider.

The aforementioned pricing mechanism will ensure that the prices of the transaction arrangements under the Construction Works Agreement was fair and reasonable, and no less favorable than those available from independent third parties of the Group.

In order to further assess the procurement process and to ensure that services fees charged by the Tianjin Water Engineering Group are not less favorable than those offered by the independent third party suppliers, we have selected and reviewed three samples of contracts between the BHI Tianjin Group and the Tianjin Water Engineering Group, which represented all the existing Transactions between the BHI Tianjin Group and the Tianjin Water Engineering Group during the previous three financial years and up to the Latest Practicable Date. We noted that the terms offered by the Tianjin Water Engineering Group to the BHI Tianjin Group were not less favorable than those offered by the independent third party suppliers during the procurement process.

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Therefore, we concurred with the Company that the pricing of the individual agreements for the Transactions to be entered into by the BHI Tianjin Group with the Tianjin Water Engineering Group will be on normal commercial terms that are fair and reasonable; and will be on terms not less favorable to the Group than those available to the Group for the same services from independent third parties.

5. Analysis on the Annual Caps

The following table summarises the Annual Caps for the period from the Effective Date to 31 December 2025 and the two years ending 31 December 2027 (the “**Review Period**”):

	For the period from the Effective Date to 31 December 2025 (RMB)	For the year ending 31 December 2026 (RMB)	2027 (RMB)
Annual Caps	106,133,000	337,873,000	255,206,000

As stated in the Letter from the Board, the Annual Caps were determined after taking into account, inter alia, the followings:

- (i) the business development plans of the BHI Tianjin Group, including optimization of the pipelines network and peripheral infrastructure in regions which BHI Tianjin Group currently operates, in order to enhance the gas supply service capabilities for the ongoing customer projects (where, based on a detailed list of construction projects planned to commence during the term of the Construction Works Agreement (the “**Construction Services List**”) prepared by the Company in determining the Annual Caps, the estimated transaction amounts of the projects for such purpose account for over 80% of each of the Annual Caps for the term of the Construction Works Agreement), and to facilitate the development of the BHI Tianjin Group in other potential projects which it observes it can take part in;
- (ii) the projects proposed under the strategic cooperation intentions reached between the BHI Tianjin Group and government authorities at different levels. In particular, there are seven construction projects in the Construction Services List which are related to the initiatives of government authorities of the PRC to establish and/or improve the relevant local natural gas infrastructures and are planned to commence during the term of the Construction Works Agreement in accordance with the strategic cooperation memorandum entered into between the Group and government authorities and the official construction services notices from government authorities. The estimated transaction amounts of these projects account for over 60% of each of the Annual Caps for the term of the Construction Works Agreement;

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- (iii) the current and future business capabilities of the Tianjin Water Engineering Group in relation to its provision of the relevant Construction Services;
- (iv) the construction plans of the BHI Tianjin Group during the term of the Construction Works Agreement; and
- (v) the historical transaction amounts for construction projects similar to those in relation to the Construction Services. In particular, the total historical transaction amounts of the Group for services similar to those listed in the Construction Service List for the three years ended 31 December 2024 were approximately RMB512.5 million, RMB476.6 million and RMB340.4 million, respectively. The Annual Caps, representing the annual budgeted transaction amounts for the construction projects listed in the Construction Services List which considers the Tianjin Water Engineering Group as a supplier candidate, are below the historical transaction amounts of the Group for all construction services similar to the construction projects listed in the Construction Services List. Taking into account the capacity of the Tianjin Water Engineering Group, which has an average annual contract sum of over RMB4 billion, the Company considers that the Annual Caps will enable the Group to include the Tianjin Water Engineering Group in the supplier procurement process of the Group, which is in line with the business development plan of the BHI Tianjin Group.

We have obtained the Construction Services List which contain the details of 32 construction projects planned to be commence during the Review Period. As advised by the management of the Company, the Construction Services List included all the projects which the management of the Company considered the Tianjin Water Engineering Group would have the ability and capability to participate in the supplier procurement process (“**Construction Projects**”). Based on the Construction Services List and after reviewing the relevant services agreements with the Group’s existing customers, we noted that the estimated transaction amounts of the projects for optimization of the pipelines network and peripheral infrastructure in regions which BHI Tianjin Group currently operates in order to enhance the gas supply service capabilities for the ongoing customer projects account for over 80% of each of the Annual Caps for the Review Period. With reference to the relevant strategic cooperation memorandum entered into between the Group and government authorities and the relevant official construction services notices from government authorities, we further noted that there are seven Construction Projects in the Construction Services List which are related to the initiatives of government authorities of the PRC to establish and/or improve the relevant local natural gas infrastructures which are planned to commence during the Review Period. The estimated transaction amount of these projects accounts for over 60% of each of the Annual Caps for the Review Period. The Construction Projects listed in the Construction Services List principally include (i) the projects under the business development plans of the BHI Tianjin Group, including optimization of the pipelines network and peripheral infrastructure in regions which BHI Tianjin Group currently operates; and (ii) the projects proposed under the strategic cooperation intentions reached between the BHI Tianjin Group and government authorities, which is in line with

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the business strategy of the Group to improve the competitiveness of the Group in the industry, and to facilitate the long-term business development of the Group as mentioned in the section headed “Reasons for and benefits of entering into the Construction Works Agreement” in the Letter from the Board.

Based on the Construction Services List and assuming 100% success rate of the Tianjin Water Engineering Group on winning all the tender of the potential projects, the Annual Caps for the Review Period are approximately RMB106.1 million, RMB337.9 million and RMB225.2 million, respectively. We have reviewed the historical transaction amount of the Group for services similar to the those listed in the Construction Services List for the three years ended 31 December 2024. The total transaction amounts for the three years ended 31 December 2024 were approximately RMB512.5 million, RMB476.6 million and RMB340.4 million, respectively. The Annual Caps, representing the annual budgeted transaction amounts for the Construction Projects which considers the Tianjin Water Engineering Group as a supplier candidate, are below the historical transaction amounts of the Group for all the construction services similar to the Construction Projects listed in the Construction Services List. As mentioned in the above section headed “Background of the Tianjin Water Engineering Group” of this letter, the Tianjin Water Engineering Group undertakes construction projects across the PRC, including Tianjin and over a dozen provinces, municipalities, and autonomous regions. From 2022 to 2024, the cumulative contract sum of newly signed contracts by the Tianjin Water Engineering Group exceeded RMB12 billion, with an average annual contract sum of over RMB4 billion. We consider the Annual Caps will enable the Group to include the Tianjin Water Engineering Group in the supplier procurement process of the Group, which is in line with the business development plan of the Group and the Tianjin Water Engineering Group is a capable candidate of construction services provider for the supplier procurement process of the Construction Projects.

We have also discussed with the management of the Company regarding the assumed 100% success rate on winning all the tenders of the potential projects. According to the management of the Company, given both independent third parties and members of the Tianjin Water Engineering Group shall have the similar opportunity to participate in and winning the tender, for the sake of prudence, the Directors estimated a 100% success rate for awarding the contract to members of the Tianjin Water Engineering Group, in case members of the Tianjin Water Engineering Group are able to win the tenders which they participate in, the Annual Cap will still be sufficient to accommodate such scenario. The management of the Company further advised that the Tianjin Water Engineering Group participated in a total of three tenders of the BHI Tianjin Group during the previous three financial years and up to the Latest Practicable Date and the Tianjin Water Engineering Group won all the bids, representing a 100% successful rate (the “**Confirmed Construction Projects**”). We understand from the management of the Company that, pursuant to the relevant tendering rules and regulations in the PRC, the processing time between notice on bid-winning and entering into relevant construction agreement shall be within 30 days. Taking into account the previous bidding historical record of the Tianjin Water Engineering Group during

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the previous three financial years and up to the Latest Practicable Date, should the Annual Caps not factor in an assumed 100% success rate of projects estimated to be participated by the Tianjin Water Engineering Group and if the Annual Caps have been fully taken up by tendered construction works, the Tianjin Water Engineering Group will not be able to participate in the subsequent tenders. The timing required for amending the Annual Cap will exceed 30 days as the necessary procedures will including (among other things) obtaining Shareholder's approval (of which the notice period to convene an extraordinary shareholders' meeting would require at least 14 days) and other necessary steps to ensure compliance with the Listing Rules, will take more than 30 days to accomplish. The management of the Company has also considered the capacity of the Tianjin Water Engineering Group. As discussed in the section headed "Reason for and benefits of entering into the Construction Agreement", the average annual contract sum of the Tianjin Water Engineering Group was over RMB4 billion, which is higher than the Annual Caps for each year. Besides, entering into the Construction Works Agreement will only enable the Tianjin Water Engineering Group to participate in the tendering process for the BHI Tianjin Group's forthcoming projects, but does not guarantee that the Tianjin Water Engineering Group will win the BHI Tianjin Group's tenders. As such, the Directors consider, and we concur the above 100% success rate assumption is prudent, reasonable and necessary.

For the estimated transaction amount of the Construction Projects, we have obtained and reviewed the three sets of bidding documents and the construction services agreements for the above-mentioned Confirmed Construction Projects and the relevant documents for 9 other projects (the "**Potential Projects Samples**"), which in aggregate accounted for over 50% of the Annual Caps. We noted that the Confirmed Construction Projects have been reviewed and approved by the Group before the initiation of the bidding. Each of the bidding for the Confirmed Construction Projects had at least 3 tenderers (including the Tianjin Water Engineering Group) participated and the Tianjin Water Engineering Group was selected based on the terms offered by Tianjin Water Engineering Group being no less favorable than those offered by other independent third party suppliers. We also noted that the BHI Tianjin Group has fulfilled the "Administrative Measures for Connected Transactions"* (《關連交易管理辦法》) of the Company (as amended from time to time), including preparation of the information sheet for each transaction and obtaining approved from the functional department, the finance department, the Board office of the Company and the secretary to the Board before entering into the relevant contracts.

We have further obtained and reviewed the estimated budget for the Potential Projects Samples. As discussed with the management of the Company, the estimated budget was based on the standards and guidelines prescribed by the relevant regulatory notices as disclosed in the section headed "Basis of consideration" in the Letter from the Board. The management of the Company further advised that the budget for all previous construction projects of the Group were estimated in according to those standards and guidelines. For our due diligence purposes, we have obtained the signed contracts of the previous construction projects which are comparable to the Potential Projects Samples (the "**Comparable Transactions**"). Further to our review on the estimated budget for the

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Potential Projects Samples against the construction services agreements, construction plan and cost documents of the Comparable Transactions, we concurred with the management of the Group that the respective Potential Projects Samples in terms of nature of construction project, construction planning, the usages of the completed infrastructure and buildings, specification of construction materials and technique to be applied are similar to the respective Comparable Transactions.

Having considered the above, in particular that (i) the amounts of the Annual Caps are below the historical transaction amounts during each of three financial years ended 31 December 2024 for construction services similar to the Construction Projects listed in the Construction Services List; (ii) the Annual Caps will enable the Tianjin Water Engineering Group to take part in the supplier procurement process of the BHI Tianjin Group which is in line with the business development plan of the BHI Tianjin Group and the Tianjin Water Engineering Group is a capable candidate of construction services provider to the BHI Tianjin Group for the supplier procurement process; (iii) the assumption of a 100% success rate of the Tianjin Water Engineering Group for all the tenders of the potential projects will provide flexibility for the Tianjin Water Engineering Group to participate in the tenders, given that the timing required for amending the Annual Cap will exceed the timing for entering into the relevant construction agreement; (iv) the Confirmed Construction Projects have fulfilled the rules and regulation in relation to the tender and the internal review and approval procedure; and (v) the Potential Projects Samples are comparable to the Comparable Transactions for budget estimation purposes, we are of the view that the Annual Caps are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

INTERNAL CONTROL MEASURES GOVERNING THE TRANSACTIONS

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 the Group than those available to the Group for the purchase of Construction Services from independent third parties, the Company has adopted the following internal control measures:

- (i) The Board office of the Company is responsible for regulating the review and approval of connected transactions to be entered into by the Group 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 (as amended from time to time), each department and subsidiary of the Group shall submit an information sheet for each connected transaction to functional department, the finance department, the Board office of the Company and the secretary to the Board for review and approval. Such information sheet shall set out the terms and conditions and the pricing mechanism of the connected transaction, as well as comparison with terms and conditions and prices offered by at least two independent third parties. 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.

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- (ii) In the event there is no quotation or reference transaction from independent third parties available for comparison, the Group will consider the prevalent pricing policy of the industry and compare the price for the purchase of Construction Services with the relevant market price in the nearby region in respect of the relevant member of the Group.
- (iii) The Board office of the Company monitors the actual transaction amounts of the connected transactions entered into by the Group in the ordinary and usual course of the business of the Group on a monthly basis 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. The independent non-executive Directors will review the continuing connected transactions every year and confirm in the annual report of the Company whether the transactions have been entered into in the ordinary and usual course of business of the Group, on normal commercial terms or better, and according to the agreements governing them on terms that are fair and reasonable and in the interests of the Shareholders as a whole.
- (iv) The Company will engage its auditors to report on the continuing connected transactions every year. The auditors will provide a letter to the Board confirming whether anything has come to their attention that causes them to believe that the continuing connected transactions (1) have not been approved by the Board, (2) were not, in all material respects, in accordance with the pricing policies of the Group if the transactions involve the provision of goods or services by the Group, (3) were not entered into, in all material respects, in accordance with the relevant agreements governing the transactions, and (4) have exceeded the caps.

For the purpose of Rule 14A.56 of the Listing Rules, the external auditor of the Company will be engaged to issue a letter to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on "Assurance Engagements 3000 Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants.

In assessing the effectiveness of the existing internal control measures in governing connected transactions conducted by the Group, we have: (i) obtained and reviewed the circular of "Administrative Measures for Connected Transactions"* (《關連交易管理辦法》) of the Company in effective since 28 April 2019 (as amended from time to time), which governs the selection process of connected parties as suppliers of the Group. In particular, we noted that prior to conducting a connected transaction of the Group, the terms and conditions of the contract to be entered into with connected party will be compared with the contracts previously entered into with independent third parties under similar nature or against public pricing guidance promulgated by relevant government authorities. Subsequently the comparison results will be considered by and approvals will be sought from the management of the contracting subsidiary of the Group, followed by various responsible departments of the Company, to ensure such terms and conditions under the contract with independent third parties shall be no less favourable than those to be

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entered into with connected party and necessary reporting obligations under the Listing Rules are fulfilled; and (ii) sample checked three set of bidding document which the Tianjin Water Engineering Group has won the bid and we noted that the Group has implemented the aforementioned procedures in accordance to the circular of “Administrative Measures for Connected Transactions”* (《關連交易管理辦法》) of the Company in effective since 28 April 2019 (as amended from time to time) prior to the entering into of the respective agreements.

Based on the above, the Directors are of the view that the internal control measures above can ensure that the transactions contemplated under Construction Works Agreement 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. Having reviewed the above mechanism and the Group’s historical internal control procedural records, and considered that transactions contemplated under the Construction Works Agreement will be subject to the on-going review by the independent non-executive Directors and the auditors of the Company, we concur with the view of the Directors that the Group have appropriate and adequate internal control measures in place to govern the transactions contemplated under the Construction Works Agreement and thereby safeguarding the interests of the Independent Shareholders.

RECOMMENDATION

Having considered the above, we are of the opinion that (i) the Construction Works Agreement and the Transactions (including the Annual Caps) are in the ordinary and usual course of business of the Group; (ii) the Construction Works Agreement and the Transactions are on normal commercial terms; and (iii) the terms of the Construction Works 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. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders, and we advise the Independent Shareholders, to vote in favour of the ordinary resolution to be proposed at the SGM for approving the Construction Works Agreement and transactions contemplated thereunder (including the Annual Caps).

Yours faithfully,
For and on behalf of
Octal Capital Limited

Alan Fung
Managing Director

Louis Chan
Director

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Note: Mr. Alan Fung has been a responsible officer of Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities since 2003. Mr. Fung has more than 30 years of experience in corporate finance and investment banking and has participated in and completed various advisory transactions in respect of mergers and acquisitions, connected transactions and transactions subject to the compliance to the Takeovers Code of listed companies in Hong Kong.

Mr. Louis Chan has been a responsible officer of Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities since 2008. Mr. Chan has more than 20 years of experience in corporate finance and investment banking and has participated in and completed various advisory transactions in respect of mergers and acquisitions, connected transactions and transactions subject to the compliance to the Takeovers Code of listed companies in HongKong.

** For identification purposes only*

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. INTERESTS AND SHORT POSITIONS OF DIRECTORS AND THE CHIEF EXECUTIVES IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

As at the Latest Practicable Date, the interests or short positions of the Directors and the chief executives of the Company in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO), which were required to be (i) notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or (ii) entered in the register kept by the Company pursuant to section 352 of the SFO, or (iii) notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules are as follows:

(i) Long position in Shares

Name of Director	Capacity	Number of Shares held	Approximate percentage of total issued share capital of the Company
Professor Japhet Sebastian Law	Beneficial owner	100,000	0.01%

(ii) Directors' interest in share options granted by the Company

Name of Director	Number of share options held	Approximate percentage of total issued share capital of the Company
Mr. Gao Liang	2,734,201	0.20%

Note: Pursuant to the share option scheme of the Company adopted on 13 January 2021, the Company granted (i) 1,174,143 share options at the exercise price of HK\$1.32 on 13 January 2021 and; (ii) 1,912,301 share options at the exercise price of HK\$1.69 on 24 April 2023. On 13 January 2025, 352,243 of the share options granted to Mr. Gao Liang on 13 January 2021 had lapsed.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors and the chief executives of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporation(s) (within the meaning of Part XV of the SFO) which were required to be (i) notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interest or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) entered in the register kept by the Company pursuant to section 352 of the SFO; or (iii) notified to the Company and the Stock Exchange pursuant to Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules.

As at the Latest Practicable Date, so far as was known to the Directors, the following Directors were also directors or employees of a company which has an interest or short position in the Shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO:

Name of Director	Name of company	Position
Mr. Zhang Wang	Tianjin TEDA Investment Holding Co., Ltd.	Deputy General Manager
Mr. Wang Xin	China Petroleum & Chemical Corporation Natural Gas Branch Company* (中國石油化工股份有限公司天然氣分公司)	Deputy General Manager
	Sinopec Great Wall Energy Investment Company Limited	Deputy General Manager
Mr. Shen Hong Liang	China Petroleum & Chemical Corporation Natural Gas Branch Company* (中國石油化工股份有限公司天然氣分公司)	Manager of the terminal market development centre
Mr. Yu Ke Xiang	Tianjin TEDA International Holding (Group) Co., Ltd (天津泰達國際控股(集團)有限公司)	Deputy General Manager
	TEDA Hong Kong Property Company Limited	Director

3. COMPETING INTERESTS

As at the Latest Practicable Date, in so far as the Directors are aware, none of the Directors or any of their respective close associates had an interest in a business that competes or is likely to compete, either directly or indirectly with the business of the Group.

4. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered, or proposed to enter, into a service contract with any member of the Group which did not expire or was not determinable by the relevant member of the Group within one year without payment of any compensation (other than statutory compensation).

5. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2024, being the date to which the latest published audited accounts of the Group were made up.

6. DIRECTORS' INTERESTS IN ASSETS AND/OR CONTRACTS AND OTHER INTEREST

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which had been, since 31 December 2024, being the date to which the latest published audited accounts of the Company were made up, acquired or disposed of by or leased to, or are proposed to be acquired or disposed of by or leased to, any member of the Group.

As at the Latest Practicable Date, none of the Directors was materially interested in any contract or arrangement subsisting which is significant in relation to the business of the Group.

7. EXPERT

The following is the qualification of the expert who has given opinion or advice which is contained in this circular:

Name**Qualification**

Octal Capital Limited

A corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO

Octal Capital has given and has not withdrawn its written consent to the issue of this circular with the inclusion herein of its letter and references to its name in the form and context in which they respectively appear.

The letter given by Octal Capital is given as of the date of this circular for incorporation herein.

As at the Latest Practicable Date, Octal Capital did not have any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, Octal Capital did not have any direct or indirect interest in any assets which have been, since 31 December 2024 (being the date to which the latest published audited accounts of the Company were made up), acquired or disposed of by or leased to any member of the Group, or which are proposed to be acquired or disposed of by or leased to any member of the Group.

8. MATERIAL LITIGATION

As at the Latest Practicable Date, neither the Company nor any other member of the Group was engaged in any litigation or arbitration of material importance and no litigation or claim of material importance was known to the Directors to be pending or threatened against either the Company or any other member of the Group, which shall be brought to the Shareholders' attention.

9. GENERAL

In case of inconsistency, the English text of this circular and the accompanying form of proxy shall prevail over the Chinese text.

10. DOCUMENTS ON DISPLAY

Copy of the Construction Works Agreement will be published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.binhaiinv.com) for the period of 14 days from the date of this circular.

NOTICE OF SGM



濱海投資有限公司 BINHAI INVESTMENT COMPANY LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 2886)

NOTICE IS HEREBY GIVEN that a special general meeting of Binhai Investment Company Limited (the “**Company**”) will be held on Friday, 9 May 2025, at 35/F, Two Pacific Place, 88 Queensway, Admiralty, Hong Kong at 10:30 a.m. (or so soon thereafter as the annual general meeting of the Company convened to be held at 10:00 a.m. on the same date and at the same place shall have been concluded or adjourned) to consider, and, if thought fit, pass the following resolution (with or without modifications) as an ordinary resolution of the Company:

ORDINARY RESOLUTION

“**THAT:**

- (a) the Construction Works Agreement as defined and described in the circular of the Company dated 15 April 2025 of which this resolution forms part (the “**Circular**”) (a copy of each of the Construction Works Agreement and the Circular having been produced at the meeting and marked “A” and “B” respectively and each initialed by the chairman of the meeting for the purpose of identification), and transactions contemplated thereunder and in connection therewith and any other documents ancillary to it, be and are hereby approved, ratified and/or confirmed;
- (b) the Annual Caps (as defined and described in the Circular) be and are hereby approved; and
- (c) the directors of the Company be and are hereby authorized for and on behalf of the Company to sign, seal, execute, perfect, perform and deliver all such documents, agreements, instruments and deeds, and do all such acts, matters or things and take all such steps as they may in their discretion consider to be necessary, desirable or expedient to implement and/or give effect to the Construction Works Agreement and the transactions contemplated thereunder (including the Annual Caps).”

By Order of the Board

BINHAI INVESTMENT COMPANY LIMITED

Gao Liang

Executive Director

Hong Kong, 15 April 2025

NOTICE OF SGM

Notes:

- (1) A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies (if a member who is the holder of two or more ordinary shares of the Company) to attend and vote in his stead. A proxy needs not be a member of the Company.
- (2) Where there are joint holders of any ordinary share any one of such joint holder may vote, either in person or by proxy, in respect of such ordinary share as if he were solely entitled thereto, but if more than one of such joint holders be present at any meeting the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the register of members in respect of the joint holding.
- (3) To be valid, the form of proxy, together with the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such authority, must be deposited at the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the meeting or any adjournment thereof.
- (4) For determining the entitlement to attend and vote at the meeting, the register of members of the Company will be closed from Tuesday, 6 May 2025 to Friday, 9 May 2025, both days inclusive, during which period no transfer of ordinary shares will be registered. In order to be eligible to attend and vote at the meeting, all completed transfer documents, accompanied by the relevant share certificates, must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Friday, 2 May 2025.
- (5) As at the date hereof, 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. 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.