

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



濱海投資有限公司

BINHAI INVESTMENT COMPANY LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 2886)

**VOLUNTARY ANNOUNCEMENT
ESTABLISHMENT OF A WHOLLY-OWNED SUBSIDIARY TO
HOLD SUBSIDIARIES OF THE GROUP OPERATING IN THE
SOUTHERN REGION OF MAINLAND CHINA**

This announcement is made by Binhai Investment Company Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) on a voluntary basis.

The board of directors (the “**Board**”) of the Company is pleased to announce that the Company intends to establish a wholly-owned subsidiary with a registered capital of RMB400 million as the holding company of certain subsidiaries of the Group that operate in the southern region of the mainland of the People’s Republic of China (the “**PRC**”) (such subsidiary to be established is referred to as “**Southern Group**”). Through the transfer of equity interests of relevant companies to it at nil consideration, Southern Group will integrate nine wholly-owned subsidiaries and one controlling subsidiary of the Group operating in the Southern region of the PRC, with its management presence covering markets in the Southern region of the PRC such as Zhejiang, Jiangsu, Jiangxi, Hunan, Hubei, Anhui, Fujian, Guangdong and Hainan.

The Company is of the view that, with the intensifying market competition in the PRC gas industry, the establishment of Southern Group will (1) break the existing regional barriers, strengthen the overall synergy of the subsidiaries of the Group in the Southern region of the PRC, and increase the overall competitiveness of Southern Group, thereby exploring more opportunities for regional integrated development and outward expansion as well as bringing into full play the effect of group management; (2) optimize the management structure of subsidiaries of the Group in the Southern region of the PRC, shorten management radius, strengthen the timely and effective acquisition and professional study of market information, increase the sensitivity of market development in the Southern region of the PRC, and improve management’s decision-making efficiency and operational efficiency; (3) enhance external financing and resource integration capabilities, and bring in strategic investors and resource integration opportunities for the Company based on equity cooperation, thus merging more capital and resources, and injecting new momentum into the Group’s expansion of upstream gas sources and development of the downstream markets.

The establishment of Southern Group is an important measure for the Group to seize opportunities of market reforms and to give full play to “two-way synergy between gas source and the market”, and it is also a crucial path for the Group to promote and extend the upstream and downstream industry chains and value chains, as well as to explore and create new profit growth points so as to attain long-term sustainable development.

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

Hong Kong, 5 October 2022

As at the date of this announcement, the Board comprises three executive Directors, namely, Mr. WANG Zhiyong, Mr. ZUO Zhi Min and Mr. GAO Liang, three non-executive Directors, namely, Mr. WANG Gang, Mr. SHEN Hong Liang and Mr. YU Ke Xiang and three independent non-executive Directors, namely, Mr. IP Shing Hing, J.P., Mr. LAU Siu Ki, Kevin and Professor Japhet Sebastian LAW.