
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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 the transferee or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser or the transferee.

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This circular, for which the directors of **Binhai Investment Company Limited** collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Company. The board of 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.



濱海投資有限公司 BINHAI INVESTMENT COMPANY LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 8035)

PROPOSALS FOR GENERAL MANDATES TO ISSUE SHARES AND TO REPURCHASE SHARES AND RE-ELECTION OF THE RETIRING DIRECTORS AND NOTICE OF ANNUAL GENERAL MEETING

A notice convening the annual general meeting of Binhai Investment Company Limited to be held at Park Lane Room VI, 27/F, Park Lane Hotel, 310 Gloucester Road, Causeway Bay, Hong Kong on Wednesday, 8 May 2013 at 3:30 p.m. is set out on pages 14 to 18 of this circular. Whether or not you intend to attend the meeting, you are requested to complete the proxy form in accordance with the instructions printed thereon and return the same to the Company's branch share registrar in Hong Kong, Hong Kong Registrars Limited, at Shops 1712-16, 17th 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. Completion and return of the proxy form will not preclude shareholders from attending and voting at the meeting, or any adjourned meeting, should they so wish.

This circular will remain on the GEM website at www.hkgem.com on the "Latest Company Announcements" page for at least 7 days from the day of its posting.

8 April 2013

CHARACTERISTICS OF GEM

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

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DEFINITIONS

In this circular, the following expressions shall have the following meanings unless the context requires otherwise:

“AGM”	the annual general meeting of the Company for the nine months ended 31 December 2012 to be held at Park Lane Room VI, 27/F, Park Lane Hotel, 310 Gloucester Road, Causeway Bay, Hong Kong on Wednesday, 8 May 2013 at 3:30 p.m.
“Bye-laws”	the bye-laws of the Company
“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 GEM
“Director(s)”	the director(s) of the Company
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawfully currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Issue Mandate”	the general mandate to allot, issue and deal with Shares not exceeding 20% of the number of Shares in issue as at the date of passing of the Shareholders’ resolution approving the Issue Mandate
“Latest Practicable Date”	2 April 2013, being the latest practicable date for ascertaining certain information contained in this circular prior to its publication

DEFINITIONS

“Repurchase Mandate”	the general mandate to exercise the power of the Company to repurchase Shares up to a maximum of 10% of the number of Shares in issue as at the date of passing of the Shareholders’ resolution approving the Repurchase Mandate
“SFO”	the Securities and Futures Ordinance (Cap. 571 Laws of Hong Kong)
“Shareholder(s)”	registered holder(s) of the Shares
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers and Share Repurchases
“%”	per cent.

LETTER FROM THE BOARD



濱海投資有限公司 BINHAI INVESTMENT COMPANY LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 8035)

Executive Directors:

Mr. Zhang Bing Jun

Mr. Gao Liang

Non-Executive Directors:

Mr. Shen Xiao Lin

Mr. Zhang Jun

Mr. Dai Yan

Mr. Wang Gang

Ms. Zhu Wen Fang

Independent Non-executive Directors:

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

Professor Japhet Sebastian Law

Mr. Tse Tak Yin

Mr. Lau Siu Ki, Kevin

Registered Office:

Clarendon House

2 Church Street

Hamilton HM11

Bermuda

Principal place of business

in Hong Kong:

Suites 3205-07, 32/F.

Tower Two

Times Square

1 Matheson Street

Causeway Bay

Hong Kong

8 April 2013

To the Shareholders

Dear Sir or Madam,

**PROPOSALS FOR
GENERAL MANDATES TO ISSUE SHARES AND TO
REPURCHASE SHARES
AND
RE-ELECTION OF THE RETIRING DIRECTORS
AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to provide you with information regarding the proposals for the Issue Mandate, the Repurchase Mandate, the extension of the Issue Mandate and the re-election of the retiring Directors, and to seek your approval at the AGM in connection with, inter alia, such matters.

LETTER FROM THE BOARD

ISSUE MANDATE

At the annual general meeting of the Company held on 23 August 2012, the Shareholders passed an ordinary resolution to give a general mandate to the Directors to allot, issue and deal with the Shares. Such general mandate will lapse at the conclusion of the AGM. It is therefore proposed to renew such general mandate at the AGM.

The Issue Mandate to issue Shares up to a maximum of 20% of the Shares in issue at the date of the relevant resolution will, if granted, remain in effect until the earliest of (i) the conclusion of the next annual general meeting of the Company; (ii) the expiration of the period within which the next annual general meeting of the Company is required by laws or regulations of Bermuda or the Bye-laws to be held; and (iii) the date on which the authority set out in the resolution approving the Issue Mandate is revoked or varied by an ordinary resolution of the Shareholders in general meeting.

On the basis of 5,992,812,000 Shares in issue at the Latest Practicable Date and assuming no Shares are issued or repurchased after the Latest Practicable Date and up to the date of the AGM, if the Issue Mandate is exercised in full, it will result in the Directors being authorized to issue, allot and deal with a maximum of 1,198,562,400 Shares.

Ordinary resolutions will be proposed at the AGM to grant to the Directors the Issue Mandate, and to authorize the extension of the Issue Mandate by the Shares repurchased pursuant to the Repurchase Mandate, details of which are set out in ordinary resolutions nos. 4(A) and 4(C) respectively in the notice of AGM.

REPURCHASE MANDATE

Also at the annual general meeting of the Company held on 23 August 2012, the Shareholders passed an ordinary resolution to give a general mandate to the Directors to exercise the powers of the Company to repurchase its own Shares. Such general mandate will lapse at the conclusion of the AGM. It is therefore proposed to renew such general mandate at the AGM.

An ordinary resolution will be proposed at the AGM to grant to the Directors the Repurchase Mandate, details of which are set out in ordinary resolution no. 4(B) in the notice of AGM. The Shares which may be repurchased pursuant to the Repurchase Mandate is limited to a maximum of 10% of the total issued Shares as at the date of passing of the resolution approving the Repurchase Mandate.

LETTER FROM THE BOARD

An explanatory statement as required under the GEM Listing Rules, giving certain information regarding the Repurchase Mandate, is set out in Appendix I to this circular.

RE-ELECTION OF RETIRING DIRECTORS

The Board currently consists of eleven Directors, namely, Mr. Zhang Bing Jun, Mr. Gao Liang, Mr. Shen Xiao Lin, Mr. Zhang Jun, Mr. Dai Yan, Mr. Wang Gang, Ms. Zhu Wen Fang, Mr. Ip Shing Hing, *J.P.*, Professor Japhet Sebastian Law, Mr. Tse Tak Yin and Mr. Lau Siu Ki, Kevin.

In accordance with the Bye-laws, Mr. Dai Yan, Mr. Ip Shing Hing, *J.P.* and Mr. Lau Siu Ki, Kevin will retire by rotation at the AGM and, being eligible, offer themselves for re-election.

Brief biographical details of the above retiring Directors proposed to be re-elected at the AGM are set out in Appendix II to this circular.

ANNUAL GENERAL MEETING

The notice convening the AGM, which contains, inter alia, ordinary resolutions to approve the Issue Mandate, the Repurchase Mandate, the extension of the Issue Mandate and re-election of retiring Directors, is set out on pages 14 to 18 of this circular.

VOTING BY WAY OF POLL

Pursuant to Rule 17.47(4) of the GEM 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 every resolution put to the vote of the AGM pursuant to Bye-law 66 and the Company will announce the results of the poll in the manner prescribed under Rule 17.47(5) of the GEM Listing Rules.

LETTER FROM THE BOARD

ACTION TO BE TAKEN

A proxy form for use at the AGM is enclosed herein. Whether or not you intend to attend the AGM, you are requested to complete the proxy form in accordance with the instructions printed thereon and return the same to the Company's branch share registrar in Hong Kong, Hong Kong Registrars Limited, at Shops 1712-16, 17th 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. Completion and return of the proxy form will not preclude you from attending and voting at the AGM, or any adjourned meeting, should you so wish.

RECOMMENDATION

The Directors believe that the granting of the Issue Mandate, the Repurchase Mandate, the extension of the Issue Mandate and the re-election of the retiring Directors are in the best interests of the Company as well as the Shareholders. Accordingly, the Directors recommend that all the Shareholders should vote in favour of all the relevant resolutions relating to aforesaid matters.

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

This appendix serves as an explanatory statement, as required by the GEM Listing Rules, to provide you with requisite information for your consideration of the Repurchase Mandate.

1. EXERCISE OF THE REPURCHASE MANDATE

Exercise in full of the Repurchase Mandate, on the basis of 5,992,812,000 Shares in issue at the Latest Practicable Date and assuming no Shares are issued or repurchased after the Latest Practicable Date and up to the date of the AGM, could result in up to 599,281,200 Shares being repurchased by the Company during the period up to (i) the conclusion of the next annual general meeting of the Company; (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws or any applicable laws of Bermuda to be held; or (iii) the revocation, variation or renewal of the Repurchase Mandate by ordinary resolution of the Shareholders in general meeting, whichever occurs first.

2. REASONS FOR REPURCHASES

Repurchases of Shares will only be made when the Directors believe that such a repurchase will benefit the Company and the Shareholders. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value of the Company and/or its earnings per Share.

3. FUNDING OF REPURCHASES

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with the memorandum of association and the Bye-laws of the Company and the applicable laws and regulations of Bermuda. Bermuda laws provide that the amount of capital repaid in connection with a share repurchase may only be paid out of either (i) the capital paid up on the relevant shares or (ii) the funds of the Company otherwise available for dividend or distribution or the proceeds of a fresh issue of shares made for the purpose. The amount of premium payable on repurchase may only be paid out of either the funds of the Company that would otherwise be available for dividend or distribution or out of the share premium of the Company. The Company may not purchase securities on GEM for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange from time to time.

4. GENERAL

There might be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited financial statements contained in the annual report of the Company for the nine months ended 31 December 2012) in the event that the Repurchase Mandate is exercised in full. However, the Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or on its gearing position which in the opinion of the Directors are from time to time appropriate for the Company.

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the GEM Listing Rules, the memorandum of association and the Bye-laws of the Company and the applicable laws and regulations of Bermuda.

None of the Directors and, to the best of their knowledge, having made all reasonable enquiries, none of their respective associates (as defined in the GEM Listing Rules), have any present intention, if the Repurchase Mandate is exercised, to sell Shares to the Company.

No connected person (as defined in the GEM Listing Rules) of the Company has notified the Company that he has a present intention to sell Shares to the Company or has undertaken not to do so.

If as a result of a repurchase of Shares, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purpose of the Takeovers Code. As a result, a Shareholder, or a group of Shareholders acting in concert, depending on the level of increase in the interest in the Company, could obtain or consolidate control of the Company and become(s) obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, the substantial shareholders (as defined in the GEM Listing Rules) of the Company and their respective interests in the Shares were as follows:

Name of substantial Shareholder	Number of Shares held	Approximate percentage of existing total issued Shares	Approximate percentage of total issued Shares if the Repurchase Mandate is exercised in full
TEDA Hong Kong Property Company Limited	3,003,987,207	50.13%	55.70%
Mr. Shum Ka Sang (together with a company controlled by him)	765,000,000	12.77%	14.18%

In the event that the Directors exercise in full the power to repurchase Shares under the Repurchase Mandate, the respective interests of the above Shareholders would be increased to approximately the corresponding percentages shown in the last column above.

The Directors are not aware of any consequences which may arise under the Takeovers Code as a result of any repurchases made under the Repurchase Mandate and have no present intention to exercise the power to repurchase Shares pursuant to the Repurchase Mandate to such an extent as to result in takeover obligations. Any repurchase of Shares which results in the number of Shares held by the public being reduced to less than 25% could only be implemented with the approval of the Stock Exchange to waive the GEM Listing Rules requirements regarding the public shareholding. However, the Directors have no current intention to exercise the Repurchase Mandate to such an extent as would give rise to this obligation. In any event, the Company will not repurchase Shares which would result in the amount of Shares held by the public being reduced to less than 25%.

5. SHARES PURCHASED BY THE COMPANY

The Company did not purchase any of its Shares (whether on GEM or otherwise) in the six months preceding the Latest Practicable Date.

6. SHARE PRICES

The table below is a summary of the highest and lowest traded prices in each of the previous twelve months prior to the Latest Practicable Date:

	Shares	
	Highest Traded Price	Lowest Traded Price
	<i>HK\$</i>	<i>HK\$</i>
2012		
April	0.420	0.380
May	0.405	0.285
June	0.400	0.310
July	0.415	0.360
August	0.420	0.350
September	0.410	0.350
October	0.450	0.380
November	0.435	0.390
December	0.445	0.395
2013		
January	0.450	0.405
February	0.425	0.370
March	0.445	0.400
April (up to the Latest Practicable Date)	0.425	0.415

The following are the particulars of the retiring Directors proposed to be re-elected at the AGM:

Mr. Dai Yan, aged 60, is a Non-Executive Director since February 2010. Mr. Dai worked as an Executive Director since 2007, and was re-designated as a non-executive Director in February 2010. Mr. Dai is a senior economist. Mr. Dai graduated from Beijing Foreign Economic Trade University in 1980. In 1998, he completed the postgraduate professional course in law in the Party School of the Central Committee of the Communist Party of China and the postgraduate course of international trade in the Tianjin Economics and Finance Institute respectively. From 1988 to 2002 he worked as the deputy general manager of Tianjin Garment Import & Export Corporation, deputy general manager of Tianjin Garment Associate Corporation, director, deputy general manager and general manager of Tianjin Zhong Fu International Group Company Limited and deputy general manager and director of Tianjin Textile (Holdings) Limited. He is currently a director and the executive deputy general manager of Tianjin Development Holdings Limited and is also a director and the executive deputy general manager of Tsinlien Group Company Limited, the controlling shareholder of Tianjin Development Holdings Limited. Since September 2009, Mr Dai has been an executive director of Tianjin Port Development Holdings Limited (listed on the Main Board of the Stock Exchange). Mr. Dai has solid experience in management for over twenty years.

Save as disclosed above, Mr. Dai has not held any directorship in the last three years in other public companies the securities of which are listed on any securities market in Hong Kong or overseas, and is not connected with any other directors, senior management or substantial or controlling shareholders of the Company. As at the Latest Practicable Date, Mr. Dai was interested in share options to subscribe for 7,000,000 Shares within the meaning of Part XV of the SFO.

Pursuant to the service contract entered into between the Company and Mr. Dai, Mr. Dai was appointed for a term of three year commencing on 25 June 2010, subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the requirement of the Bye-laws. Mr. Dai is entitled to a director's fee of HK\$200,000 per year, which is reviewed by the Remuneration Committee and determined by the Board with reference to market rates, his performance, qualifications and experience. Such director's fee is subject to Shareholders' approval.

Save as disclosed above, Mr. Dai has confirmed that there are no other matters that need to be brought to the attention of the Shareholders in connection with his re-election and there is no information to be disclosed pursuant to rule 17.50(2)(h) to (v) of the GEM Listing Rules.

Mr. Ip Shing Hing J.P., aged 58, is an Independent Non-Executive Director since March 2009. He holds a Bachelor of Laws (Hons.) Degree from the University of Hong Kong and a Master of Arts: Arbitration and Alternative Dispute Resolution from the City University of Hong Kong. He is a solicitor and Notary Public, Hong Kong SAR and China-Appointed Attesting Officer, and Justice of Peace, and has been a practising solicitor in Hong Kong for more than 20 years. He also serves as an independent non-executive director of Far East Hotels and Entertainment Limited and of PC Partner Group Limited (both listed on the Stock Exchange). He was an independent non-executive director of Quam Limited (listed on the Stock Exchange) during the period from 1 October 2006 to 30 September 2008. He is enthusiastic in community activities which include serving as the President of The Law Society of Hong Kong (2002-2004), Vice-President of The Law Society of Hong Kong (1999-2002), President of the Association of China-Appointed Attesting Officers Limited (since 2012), Director of Hong Kong Chinese General Chamber of Commerce (since 1997) and part-time Member of Central Policy Unit (2004-2005), Member of Basic Law Promotion Steering Committee, and Member of the Greater Pearl River Delta Business Council.

Mr. Ip is the chairman of the Nomination Committee and a member of the Audit Committee and the Remuneration Committee of the Company.

Save as disclosed above, Mr. Ip has not held any directorship in the last three years in other public companies the securities of which are listed on any securities market in Hong Kong or overseas, and is not connected with any other directors, senior management or substantial or controlling shareholders of the Company. As at the Latest Practicable Date, Mr. Ip was interested in share options to subscribe for 2,000,000 Shares within the meaning of Part XV of the SFO.

Pursuant to the letter of appointment entered into between the Company and Mr. Ip, Mr. Ip was appointed for a term of two years commencing on 23 August 2012, subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the requirement of the Bye-laws. Mr. Ip is entitled to a director's fee of HK\$22,000 per month, which is reviewed by the Remuneration Committee and determined by the Board with reference to market rates, his performance, qualifications and experience. Such director's fee is subject to Shareholders' approval.

Save as disclosed above, Mr. Ip has confirmed that there are no other matters that need to be brought to the attention of the Shareholders in connection with his re-election and there is no information to be disclosed pursuant to rule 17.50(2)(h) to (v) of the GEM Listing Rules.

Mr. Lau Siu Ki, Kevin, aged 55, is an Independent Non-Executive Director since March 2009. He is currently running his own management consultancy firm, Hin Yan Consultants Limited. Mr. Lau has previously worked at Ernst & Young for over 15 years. He graduated from the Hong Kong Polytechnic in 1981. Mr. Lau is a Fellow Member of both the Association of Chartered Certified Accountants (“ACCA”) and the Hong Kong Institute of Certified Public Accountants. Mr. Lau was a Member of the World Council of ACCA from May 2002 to September 2011 and the President of ACCA Hong Kong in 2000/2001. Mr. Lau is currently the company secretary of Yeebo (International Holdings) Limited, and an independent non-executive director of COL Capital Limited, Comba Telecom Systems Holdings Limited, Embry Holdings Limited, Foxconn International Holdings Limited, Samson Holdings Ltd and TCL Communication Technology Holdings Limited respectively and the shares of these companies are listed on the Main Board of the Stock Exchange. In the past three years. Mr. Lau also acted as an independent non-executive director of Greenfield Chemical Holdings Limited, and Proview International Holdings Limited, both companies listed on the Main Board of the Stock Exchange, from April 2002 to June 2010 and September 2005 to August 2010, respectively.

Mr. Lau is the chairman of the Audit Committee and a member of the Nomination Committee and the Remuneration Committee of the Company.

Save as disclosed above, Mr. Lau has not held any directorship in the last three years in other public companies the securities of which are listed on any securities market in Hong Kong or overseas, and is not connected with any other directors, senior management or substantial or controlling shareholders of the Company. As at the Latest Practicable Date, Mr. Lau was interested in share options to subscribe for 2,000,000 Shares within the meaning of Part XV of the SFO.

Pursuant to the letter of appointment entered into between the Company and Mr. Lau, Mr. Lau was appointed for a term of two years commencing on 23 August 2012, subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the requirement of the Bye-laws. Mr. Lau is entitled to a director’s fee of HK\$22,000 per month, which is reviewed by the Remuneration Committee determined by the Board with reference to market rates, his performance, qualifications and experience. Such director’s fee is subject to Shareholders’ approval.

Save as disclosed above, Mr. Lau has confirmed that there are no other matters that need to be brought to the attention of the Shareholders in connection with his re-election and there is no information to be disclosed pursuant to rule 17.50(2)(h) to (v) of the GEM Listing Rules.

NOTICE OF ANNUAL GENERAL MEETING



濱海投資有限公司 BINHAI INVESTMENT COMPANY LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 8035)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting of Binhai Investment Company Limited (the “**Company**”) will be held at Park Lane Room VI, 27/F, Park Lane Hotel, 310 Gloucester Road, Causeway Bay, Hong Kong on Wednesday, 8 May 2013 at 3:30 p.m. for the following purposes:

1. To receive and consider the audited consolidated financial statements for the nine months ended 31 December 2012 and the report of the directors and the independent auditor’s report thereon;
2. (A) To re-elect the following retiring directors of the Company (the “**Directors**”):
 - (i) To re-elect Mr. Dai Yan as non-executive Director;
 - (ii) To re-elect Mr. Ip Shing Hing, *J.P.* as independent non-executive Director;
 - (iii) To re-elect Mr. Lau Siu Ki, Kevin as independent non-executive Director; and
- (B) To authorize the board of Directors (the “**Board**”) to fix the remuneration of Directors.
3. To re-appoint PricewaterhouseCoopers as auditors of the Company for the ensuing year and to authorize the Board to fix the remuneration of auditors.

NOTICE OF ANNUAL GENERAL MEETING

To consider and, if thought fit, pass the following resolutions with or without amendments as ordinary resolutions of the Company by way of special business:

ORDINARY RESOLUTIONS

4. (A) **“THAT:**

- (a) subject to paragraph (c) below, and pursuant to the Rules Governing the Listing of Securities on the Growth Enterprise Market (the “**GEM Listing Rules**”) of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional ordinary shares of HK\$0.01 each in the capital of the Company (the “**Shares**”) and to make or grant offers, agreements and options (including bonds, warrants and debentures convertible into Shares) which would or might require the exercise of such power be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall authorize the Directors during the Relevant Period (as hereinafter defined) to make or grant offers, agreements and options (including bonds, warrants and debentures convertible into Shares) which would or might require the exercise of such power after the end of the Relevant Period;
- (c) the aggregate nominal amount of Shares allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued by the Directors pursuant to the approval in paragraph (a) above, otherwise than (i) a Rights Issue (as hereinafter defined); (ii) an issue of Shares under any option scheme or similar arrangement for the time being adopted for the grant or issue to employees of the Company and/or any of its subsidiaries of shares or rights to acquire Shares; (iii) an issue of Shares as scrip dividends pursuant to the bye-laws of the Company from time to time; or (iv) an issue of Shares upon the exercise of rights of subscription or conversion under the terms of any warrants of the Company issued or any securities issued by the Company which are convertible into Shares, shall not exceed 20% of the aggregate nominal amount of the issued Shares as at the date of passing this Resolution, and the said approval shall be limited accordingly; and

NOTICE OF ANNUAL GENERAL MEETING

(d) for the purpose of this Resolution,

“**Relevant Period**” means the period from the passing of this Resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by laws or regulations of Bermuda or the bye-laws of the Company to be held; or
- (iii) the date on which the authority set out in this Resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting.

“**Rights Issue**” means an offer of shares open for a period fixed by the Directors to the holders of shares of the Company on the register on fixed record date in proportion to their then holdings of such shares as at that date (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognized regulatory body or any stock exchange in, any territory outside Hong Kong applicable to the Company).”

(B) “**THAT:**

- (a) subject to paragraph (b) below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase Shares on the Growth Enterprise Market of the Stock Exchange or on any other stock exchange on which the shares of the Company may be listed and recognized by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and the requirements of the GEM Listing Rules (as defined in ordinary resolution in item 4(A) of the notice convening the meeting) or of any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;

NOTICE OF ANNUAL GENERAL MEETING

(b) the aggregate nominal amount of Shares of the Company which the Company is authorized to repurchase pursuant to the approval in paragraph (a) above shall not exceed 10% of the aggregate nominal amount of the issued Shares as at the date of passing this Resolution; and the said approval shall be limited accordingly; and

(c) for the purposes of this Resolution,

“**Relevant Period**” means the period from the passing of this Resolution until whichever is the earliest of:

(i) the conclusion of the next annual general meeting of the Company;

(ii) the expiration of the period within which the next annual general meeting of the Company is required by laws or regulations of Bermuda or the bye-laws of the Company to be held; or

(iii) the date on which the authority set out in this Resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting.”

(C) “**THAT** subject to the passing of Resolutions in items 4(A) and 4(B) of the notice convening the meeting, the general mandate granted to the Directors to allot, issue and deal with additional Shares pursuant to Resolution in item 4(A) of the notice convening this meeting be and is hereby extended by the addition thereto of an amount representing the aggregate nominal amount of Shares repurchased by the Company under the authority granted pursuant to Resolution in item 4(B) of the notice convening this meeting, provided that such amount of Shares so repurchased shall not exceed 10% of the aggregate nominal amount of the issued Shares as at the date of passing the said Resolution.”

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

Hong Kong, 8 April 2013

NOTICE OF ANNUAL GENERAL MEETING

Notes:

1. Any member of the Company 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 shares of the Company) to attend and vote in his stead. A proxy need not be a member of the Company.
2. To be valid, the proxy form, together with any power of attorney or other authority (if any) under which it is signed, or a notarially certified copy thereof, must be deposited with the branch share registrar of the Company in Hong Kong, Hong Kong Registrars Limited, at Shops 1712-16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.
3. With regard to resolution no. 2(A) set out in this notice, details of these retiring Directors are set out in Appendix II to the circular of the Company dated 8 April 2013.
4. In connection with the proposed repurchase mandate under ordinary resolution no. 4(B), an explanatory statement as required by the GEM Listing Rules is set out in Appendix I to the circular of the Company dated 8 April 2013.
5. As at the date of this notice, the Board comprises two executive Directors, namely, Mr. Zhang Bing Jun and Mr. Gao Liang, five non-executive Directors, namely, Mr. Shen Xiao Lin, Mr. Zhang Jun, Mr. Dai Yan, Mr. Wang Gang and Ms. Zhu Wen Fang, and four independent non-executive Directors, namely, Mr. Ip Shing Hing, *J.P.*, Professor Japhet Sebastian Law, Mr. Tse Tak Yin and Mr. Lau Siu Ki, Kevin.