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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)**

## **PROPOSED SHARE PREMIUM CANCELLATION**

The Board intends to seek the approval of the Shareholders at the AGM of the cancellation of the entire amount standing to the credit of the Share Premium Account and transfer of such amount to the Contributed Surplus Account, in accordance with the requirements of applicable laws of Bermuda and the Bye-laws.

The Share Premium Cancellation is conditional upon, among other things, the passing of a special resolution by the Shareholders to approve the Share Premium Cancellation at the AGM.

A circular containing, among other things, further details of the Share Premium Reduction and a notice convening the AGM will be despatched to the Shareholders on or around 13 April, 2023.

## **SHARE PREMIUM CANCELLATION**

The Board intends to seek Shareholders' approval at the AGM to cancel the share premium of the Company in accordance with the Companies Act and the Bye-laws. As at 31 December 2022, the amount standing to the credit of the Share Premium Account was approximately HK\$175,305,000. It is proposed that the entire amount standing to the credit of the Share Premium Account as at the Effective Date, which is expected to be approximate to the aforesaid amount, be cancelled and transferred to the Contributed Surplus Account which may be utilised and applied by the Directors in such manner as they consider appropriate from time to time in accordance with the applicable laws of Bermuda and the Bye-laws. The balance of the Share Premium Account will be zero upon the Share Premium Cancellation taking effect.

### **Reasons for the Share Premium Cancellation**

The Board considers that it is unnecessary to maintain a balance in the Share Premium Account. In addition, the Company is subject to restrictions under the Companies Act on the use of the funds standing to the credit of the Share Premium Account in limited circumstances, such as for paying up

Shares to be issued to Shareholders as fully paid bonus Shares or writing off the expenses of any issue of Shares. The Share Premium Cancellation and the transfer of the entire credit amount arising therefrom to the Contributed Surplus Account, which is a distributable reserve, will increase the balance of the reserve and give the Company greater flexibility to use such reserve for such purposes as allowed under and subject to the requirements of the applicable laws of Bermuda and the By-laws, including, without limitation, to set off against the Company's accumulated losses and to make distributions or payment of dividends to Shareholders as the Board may think fit. The Board believes that the Share Premium Cancellation is in the interests of the Company and Shareholders as a whole.

### **Effects of the Share Premium Cancellation**

The Share Premium Cancellation will not involve any reduction in the authorised or issued share capital of the Company nor will it involve any reduction in the nominal value of the Shares or the trading arrangements concerning the Shares. Save for the expenses incurred by the Company in relation to the Share Premium Cancellation, the Share Premium Cancellation will not, in itself, have any material adverse effect on the underlying assets, business operations, management or financial position of the Company or the interests of Shareholders in the underlying assets of the Company.

### **Conditions of the Share Premium Cancellation**

The Share Premium Cancellation is conditional upon:

- (i) the passing of a special resolution by the Shareholders to approve the Share Premium Cancellation at the AGM; and
- (ii) compliance with section 46(2) of the Companies Act, including (i) the publication of a notice in relation to the Share Premium Cancellation in an appointed newspaper in Bermuda on a date not more than 30 days and not less than 15 days before the Effective Date; and (ii) the Board being satisfied that on the Effective Date, there are no reasonable grounds for believing that the Company is, or after the Share Premium Cancellation would be, unable to pay its liabilities as they become due.

Subject to the fulfilment of the above conditions, the Effective Date is expected to be 12 May 2023, being the date of passing the special resolution of the Company to approve the Share Premium Cancellation at the AGM.

### **General**

A circular containing, among other things, further details about the Share Premium Cancellation together with a notice convening the AGM will be despatched to Shareholders on or around 13 April 2023. No Shareholder will be required to abstain from voting on the resolution proposed to consider and approve the Share Premium Cancellation.

**Shareholders and potential investors of the Company should note that the Share Premium Cancellation is conditional upon satisfaction of the conditions set out in this announcement. Therefore, the proposed Share Premium Cancellation may or may not proceed.**

**Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares and other securities of the Company. If they are in any doubt, they should consult their professional advisers.**

## **DEFINITIONS**

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

“AGM”	the annual general meeting of the Company for the financial year ended 31 December 2022 to be held at Canvas 5, 26/F, The Park Lane Hong Kong, 310 Gloucester Road, Causeway Bay, Hong Kong on Friday, 12 May 2023 at 10:00 a.m.;
“Board”	the board of Directors;
“Bye-laws”	the bye-laws of the Company (as amended from time to time);
“Companies Act”	the Companies Act 1981 of Bermuda, as amended from time to time;
“Company”	Binhai Investment Company Limited, a company incorporated in Bermuda with limited liability, the Shares of which are listed on Main Board of the Stock Exchange (Stock Code 2886);
“Contributed Surplus Account”	the contributed surplus account of the Company;
“Director(s)”	the director(s) of the Company;
“Effective Date”	the date on which the Share Premium Cancellation shall become effective;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;

“Shareholder(s)”	registered holder(s) of the Shares;
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company;
“Share Premium Account”	the share premium account of the Company;
“Share Premium Cancellation”	the proposed cancellation of the entire amount standing to the credit of the Share Premium Account as at the Effective Date to nil with the credit arising therefrom to be transferred to the Contributed Surplus Account and be applied in such manner as permitted under the laws of Bermuda and the Bye-laws;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“%”	per cent.

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

Hong Kong, 23 March 2023

*As at the date of this announcement, the Board comprises three executive Directors, namely, Mr. Hu Hao, Mr. Zuo Zhi Min and Mr. Gao Liang, three non-executive Directors, namely, Mr. Wang Gang, Mr. Shen Hong Liang and Mr. Yu Ke Xiang, and three independent non-executive Directors, namely, Mr. Ip Shing Hing, BBS, J.P., Mr. Lau Siu Ki, Kevin and Professor Japhet Sebastian Law.*