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濱海投資有限公司
BINHAI INVESTMENT COMPANY LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 2886)

INSIDE INFORMATION REDEMPTION OF REDEEMABLE PREFERENCE SHARES

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

Reference is made to the circular (the “**Circular**”) of the Company dated 27 February 2009 in relation to the resumption of trading of the ordinary shares of the Company (the “**Share(s)**”) on the Growth Enterprise Market (the “**GEM**”) of the Stock Exchange. The Circular contained information on the issue by the Company of redeemable non-voting preference shares at par value of HK\$50 each (the “**Redeemable Preference Share(s)**”). As disclosed in the announcements of the Company dated 19 November 2018, 26 June 2019, 10 June 2020, 11 June 2021 and 10 June 2022, the Company has redeemed a total of 3,760,000 Redeemable Preference Shares since 2018.

REDEEMABLE PREFERENCE SHARES

As at the date of this announcement, the Company has 4,840,000 Redeemable Preference Shares in issue, all of which are held by TEDA Hong Kong Property Company Limited (“**TEDA HK**”).

Pursuant to the New Bye-laws of the Company (the “**Bye-laws**”), redemption of the Redeemable Preference Shares by the Company is subject to the following conditions (the “**Conditions**”):

- (a) the occurrence of the 5th anniversary of the date the Shares resumed trading on GEM (the “**Resumption Date**”);
- (b) the Company has declared and paid final dividends in respect of at least two consecutive financial years since the Resumption Date; and

- (c) the diluted net asset value per Share at any time of redemption of the Redeemable Preference Shares is not less than the pro forma net asset value per Share as stated in the Circular (i.e. HK\$0.054 per Share, which has been adjusted to HK\$0.54 per Share after the share consolidation of the Company taking effect on 14 May 2015).

Up to present, the Shares have resumed trading on the Stock Exchange for the 14th anniversary since the Resumption Date; the Company has declared and paid final dividends in every financial year since 2013; and the diluted net asset value per Share was HK\$1.63 as of 31 May 2023.

As the Conditions have been satisfied, according to the Bye-laws the Company may by notice in writing to the holder(s) of the outstanding Redeemable Preference Shares redeem all or part of those shares at their par value of HK\$50 per Redeemable Preference Share, provided that the aggregate principal amount of all Redeemable Preference Shares redeemed in a financial year of the Company shall not exceed 50% of the total amount of dividend declared and paid to holders of Shares in that financial year. The total amount of dividend which has been declared and paid to holders of Shares in 2023 is approximately HK\$135,202,000.

REDEMPTION

In view of the fulfillment of the Conditions and having considered the financial position of the Group, the board of directors of the Company (the “**Board**”) has resolved that the Company will give notice to TEDA HK to redeem 940,000 Redeemable Preference Shares at the redemption amount of HK\$50 per Redeemable Preference Share, amounting in aggregate to HK\$47,000,000 (the “**Redemption**”), which will be carried out in the course of June 2023. For good corporate governance practices, Mr. Hu Hao, Mr. Wang Gang and Mr. Yu Ke Xiang, being directors of the Company who hold executive positions in the holding company or certain fellow subsidiaries of TEDA HK, voluntarily abstained from voting at the relevant resolutions of the Board to avoid any potential conflicts of interest.

The Redemption will be made out of the capital paid up on those Redeemable Preference Shares to be redeemed. Taking into account the number of the Redeemable Preference Shares to be redeemed and the total redemption amount therefor, as well as the financial position of the Company, the Board considers that the Redemption will not have any material adverse impact on the financial position of the Group.

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

Hong Kong, 9 June 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 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.