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 licensed securities dealer or registered institution 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 with the accompanying form of proxy to the purchaser or to the transferee or to the bank, licensed securities dealer or registered institution in securities or other agent through whom the sale was effected, for transmission to the purchaser or the transferee.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, 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 circular.

濱海投資有限公司
BINHAI INVESTMENT COMPANY LIMITED
(Incorporated in Bermuda with limited liability)
(Stock Code: 2886)

SCRIP DIVIDEND SCHEME IN RELATION TO THE 2023 FINAL DIVIDEND

If you wish to receive your 2023 Final Dividend wholly or partly in the form of Scrip Shares instead of in cash, you should complete the Election Form in accordance with the instructions printed on it and return the completed Election Form to the Branch Share Registrar, Hong Kong Registrars Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible so as to enable it to be received no later than 4:30 p.m. on Wednesday, 10 July 2024.

24 June 2024

CONTENTS

Page

Expected Timetable 1

Definitions 3

Letter from the Board 5

Introduction 5

Details of the Scrip Dividend Scheme 6

Advantages of the Scrip Dividend Scheme 7

Condition of the Scrip Dividend Scheme 8

Effect of the Scrip Dividend Scheme 8

Election Form 8

Overseas Shareholders 10

Listing and Dealings 11

Recommendation and Advice 12

EXPECTED TIMETABLE

The following is a summary of the events in relation to the Scrip Dividend Scheme in the form of a timetable and is indicative only:

Event	**Date**
Latest date for dealings in Shares on a cum-dividend basis	7 June 2024
Commencement of dealings in Shares on an ex-dividend basis	11 June 2024
Latest time and date for submission of transfer documents for registration with the Branch Share Registrar to qualify for the 2023 Final Dividend	4:30 p.m. on 12 June 2024
Closure of the Register of Members for the purpose of determining Shareholders' respective entitlements to the 2023 Final Dividend (both days inclusive)	13 June 2024 to 19 June 2024
Record Date for determination of entitlements to the 2023 Final Dividend	19 June 2024
Announcement setting out, among others, the calculation of the Average Closing Price and the basis of allotment of the Scrip Shares will be published on the website of the Stock Exchange and the Company's website	21 June 2024
Despatch of circular with Election Form	24 June 2024
Latest time for return of the Election Form to the Branch Share Registrar *(Note 2)*	4:30 p.m. on 10 July 2024
Despatch of cheques for cash dividend and/or definitive certificates for Scrip Shares at the risk of recipients	19 July 2024
Expected first day of dealings in Scrip Shares (subject to the proper receipt of definitive certificates for the Scrip Shares by the relevant Eligible Shareholders)	22 July 2024

Notes:

1. All references to time and dates in this circular are to Hong Kong time and dates.

2. The Election Form should be completed in accordance with the instructions printed thereon and returned, so that it is received by the Branch Share Registrar, Hong Kong Registrars Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong **not later than 4:30 p.m. on Wednesday, 10 July 2024**. If there is a tropical cyclone warning signal number 8 or above, or extreme conditions caused by super typhoons, or a "black" rainstorm warning signal in force in Hong Kong at or at any time prior to 4:30 p.m. on Wednesday, 10 July 2024, the deadline for return of the Election Forms will be extended. Further information is set out in the section headed "Letter from the Board – Election Form" in this circular.

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

"2023 Final Dividend"	the final dividend of HK$0.076 per Share for the year ended 31 December 2023 payable to the Eligible Shareholders
"Board"	The board of Directors
"Branch Share Registrar"	Hong Kong Registrars Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong
"CCASS"	The Central Clearing and Settlement System
"Company"	Binhai Investment Company Limited, a company incorporated in Bermuda with limited liability, the Shares of which are listed on the main board of the Stock Exchange (Stock Code: 2886)
"Director(s)"	the director(s) of the Company
"Election Form(s)"	the form(s) of election in relation to the Scrip Dividend Scheme
"Eligible Shareholder(s)"	Shareholder(s) whose name(s) was (were) recorded on the Register of Members at the close of business on the Record Date
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Latest Practicable Date"	19 June 2024, being the latest practicable date prior to the bulk printing of this circular for ascertaining certain information contained in this circular
"Overseas Shareholder(s)"	Shareholder(s) whose name(s) appear(s) on the Register of Members at the close of business on the Record Date and whose address(es) as shown on such register is (are) outside Hong Kong
"PRC"	the People's Republic of China, for the purpose of this circular, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan

"Record Date"	19 June 2024, being the date for determining Shareholders' respective entitlements to the 2023 Final Dividend
"Register of Members"	the register of members of the Company
"Scrip Dividend Scheme"	the scheme offering Eligible Shareholders the scrip dividend option whereby Eligible Shareholders may elect to receive the 2023 Final Dividend wholly or partly by the allotment of Scrip Shares in lieu of cash
"Scrip Share(s)	the new Share(s) to be allotted, issued and credited as fully paid up under the Scrip Dividend Scheme
"SFO"	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"Share(s)"	the ordinary share(s) of HK$0.10 each in the capital of the Company
"Shareholder(s)"	holder(s) of the Share(s)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"%"	per cent

濱海投資有限公司
BINHAI INVESTMENT COMPANY LIMITED
(Incorporated in Bermuda with limited liability)
(Stock Code: 2886)

Executive Directors:
Mr. Hu Hao *(Chairman)*
Mr. Wang Xin *(Vice Chairman)*
Mr. Gao Liang *(General Manager)*

Non-executive Directors:
Mr. Shen Hong Liang
Mr. Yu Ke Xiang

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

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

24 June 2024

To the Shareholders

Dear Sir or Madam,

SCRIP DIVIDEND SCHEME IN RELATION TO THE 2023 FINAL DIVIDEND

1. INTRODUCTION

On 10 May 2024, the Shareholders upon the recommendation of the Board approved at the annual general meeting of the Company the payment of the 2023 Final Dividend which is payable to the Eligible Shareholders. Eligible Shareholders may elect to receive the 2023 Final Dividend in cash, or wholly by the allotment of Scrip Shares in lieu of cash, or partly in cash and partly in the form of Scrip Shares under the Scrip Dividend Scheme.

For the purpose of determining Eligible Shareholders' respective entitlements to the 2023 Final Dividend, the Register of Members was closed from Thursday, 13 June 2024 to Wednesday, 19 June 2024 (both days inclusive). The latest time by which transfers were accepted for registration for entitlement to the 2023 Final Dividend was 4:30 p.m. on Wednesday, 12 June 2024.

The purposes of this circular are to (i) provide information relating to the Scrip Dividend Scheme, and (ii) set out the relevant procedures and conditions and the action to be taken by the Eligible Shareholders in relation thereto if they wish to participate in the Scrip Dividend Scheme.

2. DETAILS OF THE SCRIP DIVIDEND SCHEME

2.1 Election available to Eligible Shareholders

Under the Scrip Dividend Scheme, the Eligible Shareholders may elect to receive the 2023 Final Dividend in one of the following ways:

(i) a cash dividend of HK$0.076 for each Share held on Record Date; or

(ii) by way of an allotment and issue of Scrip Shares (the number of which is determined as explained below) having an aggregate market value, save for adjustment for fractional entitlements, equal to the total amount of the 2023 Final Dividend which such Eligible Shareholder would otherwise elect to receive in cash (the "**Maximum Entitlement**"); or

(iii) partly in Scrip Shares not exceeding the Maximum Entitlement and the remainder in cash.

The number of Scrip Shares to which an Eligible Shareholder is entitled shall be pro rata to the number of existing Shares registered in his/her/its name on the Record Date and calculated in the manner set out below.

2.2 Market value

For the purpose of calculating the number of Scrip Shares to be allotted and issued under the Scrip Dividend Scheme, the market value of each Scrip Share is HK$1.26 (rounded up to two decimal places), which is calculated as equivalent to the average closing price of each Share as quoted on the Stock Exchange for the five consecutive trading days commencing from Thursday, 13 June 2024 to Wednesday, 19 June 2024 (both days inclusive) (the "**Average Closing Price**").

2.3 Basis of allotment

Accordingly, an Eligible Shareholder electing for Scrip Shares in respect of the 2023 Final Dividend under options (ii) and (iii) above will receive such number of Scrip Shares calculated as follows:

$$\text{Number of Scrip Shares to be received (rounded down to the nearest whole number)} = \text{Number of Shares held on the Record Date for which election for Scrip Shares is made} \times \frac{\text{HK\$0.076 (2023 Final Dividend per Share)}}{\text{HK\$1.26 (Average Closing Price) (rounded up to two decimal places)}}$$

The Scrip Shares will rank *pari passu* in all aspects with the existing Shares in issue on the date of allotment and issue of the Scrip Shares, and will rank in full for all future dividends and distribution which may be declared, made or paid (except for the 2023 Final Dividend).

The number of Scrip Shares to be issued to the Eligible Shareholders will be rounded down to the nearest whole number. No cash in lieu of fractional entitlements to Scrip Shares will be paid to the Eligible Shareholders as the Company considers that it is not cost effective to do so after taking into account the amounts of fractional entitlements in cash and the administrative expenses that will be incurred. As such, the fractional entitlements to the Scrip Shares will be disregarded and benefit thereof will accrue to the Company.

3. ADVANTAGES OF THE SCRIP DIVIDEND SCHEME

The Directors consider that the Scrip Dividend Scheme will give the Eligible Shareholders an opportunity to increase their investment in the Company at market value without incurring brokerage fees, stamp duty and related dealing costs. The Scrip Dividend Scheme will also benefit the Company to the extent that any cash which would otherwise have been paid to the Eligible Shareholders who elect to receive the Scrip Shares in lieu of cash, either in whole or in part, will be retained for use as working capital by the Company.

4. CONDITION OF THE SCRIP DIVIDEND SCHEME

The Scrip Dividend Scheme is conditional upon the Listing Committee of the Stock Exchange granting listing of, and permission to deal in, the Scrip Shares to be allotted and issued in respect of the 2023 Final Dividend.

If this condition is not satisfied, the Scrip Dividend Scheme described in this circular will not become effective and the Election Forms will be void. The 2023 Final Dividend will then be paid wholly in cash.

5. EFFECT OF THE SCRIP DIVIDEND SCHEME

Based on 1,352,992,917 Shares in issue as at the Record Date, if all Shareholders elect to receive the 2023 Final Dividend in cash, the total cash dividend payable by the Company would be approximately HK$102,827,462. If all Eligible Shareholders elect to receive all of their entitlement to the 2023 Final Dividend in the form of Scrip Shares in lieu of cash and based on the Average Closing Price, the maximum number of Scrip Shares which may fall to be issued under the Scrip Dividend Scheme would be 81,609,096 Shares, representing approximately 6.03% of the existing total number of issued Shares as at the Latest Practicable Date and approximately 5.69% of the total number of issued Shares immediately after the issue of such Scrip Shares.

Eligible Shareholders should note that any receipt of the Scrip Shares by them may give rise to disclosure requirements under Part XV of the SFO. Eligible Shareholders who are in any doubt as to how these provisions may affect them as a result of the issue of the Scrip Shares or as to their taxation position are recommended to consult their own professional advisers.

6. ELECTION FORM

An Election Form is enclosed with this circular for use by the Eligible Shareholders who wish to elect to receive the 2023 Final Dividend wholly in the form of Scrip Shares or partly in cash and partly in the form of Scrip Shares in lieu of cash. If you wish to receive the 2023 Final Dividend wholly in cash, you do not need to take any action.

If you elect to receive the 2023 Final Dividend wholly in the form of Scrip Shares, or partly in cash and partly in the form of Scrip Shares, you should complete the enclosed Election Form. If you sign the Election Form but do not specify the number of Shares in respect of which you wish to receive Scrip Shares in lieu of cash, or if you elect to receive Scrip Shares in respect of a greater number of Shares than your registered holding as at the Record Date, then in either case, you will be deemed to have exercised your election to receive Scrip Shares only in respect of all the Shares registered in your name on the Record Date.

The Election Forms should be completed in accordance with the instructions printed thereon and returned to the Branch Share Registrar, Hong Kong Registrars Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong so as to be received no later than 4:30 p.m. on Wednesday, 10 July 2024. Late submission of the Election Forms will not be accepted. Failure to complete and return the signed Election Forms in accordance with the instructions printed thereon will result in the relevant Eligible Shareholder's 2023 Final Dividend being paid wholly in the form of cash.

No acknowledgement of receipt of the Election Forms will be issued. Elections in respect of the 2023 Final Dividend cannot be in any way withdrawn, revoked, superseded or altered after the relevant Election Forms are signed and lodged with the Branch Share Registrar.

The latest time for submission of the Election Forms will be extended, as the case may be, in accordance with (a) or (b) below if a tropical cyclone warning signal number 8 or above, or extreme conditions caused by super typhoons, or a "black" rainstorm warning signal is in force in Hong Kong at any local time:

(a) at or before 12:00 noon and no longer in force after 12:00 noon on Wednesday, 10 July 2024. Instead, the deadline for submission of the Election Forms will be extended to 5:00 p.m. on the same business day; or

(b) between 12:00 noon and 4:30 p.m. on Wednesday, 10 July 2024. Instead, the deadline for submission of the Election Forms will be extended to 4:30 p.m. on the next business day when none of the above warning signals is in force at any time between 9:00 a.m. and 4:30 p.m.

If you are a non-registered Shareholder, i.e., your Shares are held through an intermediary (for example, a bank, a custodian or a securities broker) or registered in the name of your nominee, you will not receive the Election Form. If you wish to receive Scrip Shares instead of cash, in whole or in part, in respect of the 2023 Final Dividend, please contact your intermediary or nominee directly.

For Eligible Shareholders with registered addresses outside Hong Kong, please refer to the paragraph headed "Overseas Shareholders" below.

7. OVERSEAS SHAREHOLDERS

This circular and the Election Form will not be registered or filed under the securities laws or equivalent legislation of any jurisdiction. No Overseas Shareholder receiving a copy of this circular and/or the Election Form in any territory outside Hong Kong may treat the same as an invitation to participate in the Scrip Dividend Scheme unless such invitation could lawfully be made to him/her/it without the Company having to comply with any registration or other legal requirements, governmental or regulatory procedures or any other similar formalities in the relevant jurisdiction. Shareholders residing in a jurisdiction where it would be illegal for the Company to make such an invitation will be deemed to have received this circular and/or the Election Form for information only.

Based on the Register of Members as at the Record Date, there was one Overseas Shareholder with registered address in Germany and three joint Overseas Shareholders in Greece. Save as disclosed above, as at the Record Date, there was no other Eligible Shareholder whose registered address is outside Hong Kong.

The Board has made enquiries with its legal advisers on the laws and regulations of Germany and Greece respectively in relation to the extension of the Scrip Dividend Scheme to the Overseas Shareholders with registered addresses in Germany and Greece. Based on the advice of the legal advisers in Germany and Greece, there are no restrictions under the laws and regulations in Germany and in Greece barring the Overseas Shareholders with registered addresses in Germany and Greece to participate in the arrangements to receive the 2023 Final Dividend in the form of Scrip Shares. In the preceding sentence neither the Company nor the legal advisers it has engaged are expressing any legal advice to any Overseas Shareholders. Any Overseas Shareholder should individually seek legal advice by its own legal adviser prior to any decision to participate in the Scrip Dividend Scheme.

The Scrip Dividend Scheme is open to all Eligible Shareholders. For the avoidance of doubt, the Scrip Shares are not being offered to the public (other than the Eligible Shareholders) and the Election Forms are non-transferable.

Notwithstanding the enquiries made by the Company with its legal advisers, it is the responsibility of the Eligible Shareholders (including Overseas Shareholder) wishing to receive Scrip Shares for the 2023 Final Dividend to satisfy himself/herself/itself as to full observance of the laws of any relevant jurisdiction, including obtaining any governmental or other consents or observing any requirement or formality which may be required. Persons who receive Scrip Shares in lieu of cash must also comply with any restrictions on the resale of the Shares which may apply outside Hong Kong. Overseas Shareholders who are in any doubt as to their positions should consult their own professional advisers.

8. LISTING AND DEALINGS

Application has been made to the Listing Committee of Stock Exchange for listing of, and permission to deal in, the Scrip Shares to be issued pursuant to the Scrip Dividend Scheme. Subject to the said permission being granted by the Stock Exchange, it is expected that the cheques for cash dividends and/or the definitive certificates for the Scrip Shares (in case the Eligible Shareholders have elected to receive part or all of their 2023 Final Dividend in the form of Scrip Shares) will be posted by ordinary mail to the respective Eligible Shareholders at their own risk on Friday, 19 July 2024. Dealings of the Scrip Shares on the Stock Exchange are expected to commence on Monday, 22 July 2024, subject to the proper receipt of the definitive certificates for the Scrip Shares by the relevant Eligible Shareholders. All definitive certificates for the Scrip Shares are non-renounceable.

Subject to the granting of the listing of, and permission to deal in, the Scrip Shares to be issued under the Scrip Dividend Scheme on the Stock Exchange, such Scrip Shares will be accepted as eligible securities by Hong Kong Securities Clearing Company Limited for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Scrip Shares on the Stock Exchange or such other date as determined by Hong Kong Securities Clearing Company Limited. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. Shareholders should seek the advice of their licensed securities dealer or registered institution in securities or other professional adviser for details of these settlement arrangements and how such arrangements will affect their rights and interests.

As at the Latest Practicable Date, the Shares are listed and dealt in on the Stock Exchange. No equity or debt securities of the Company are listed or dealt in on any other stock exchange, nor is listing or permission to deal in on any other exchange being or proposed to be sought. Scrip Shares issued to the Eligible Shareholders pursuant to an election to receive part or all of their 2023 Final Dividend in Scrip Shares may be allocated in odd lots (of fewer than a board lot of 2,000 Shares). No special dealing arrangements will be put into place by the Company to facilitate the trading or disposal of Scrip Shares issued in odd lots. Shareholders should be aware that odd lots usually trade at a discount to the price of board lots.

9. RECOMMENDATION AND ADVICE

Whether or not it is to the Eligible Shareholders' respective advantages to receive cash or Scrip Shares, in whole or in part, will depend upon their own individual circumstances. The effect on the tax position of any Eligible Shareholder will depend on that Eligible Shareholder's particular circumstances. The decision in this regard and all effects resulting from that decision are the Eligible Shareholders' responsibility. If you are in any doubt as to what to do, you should consult your professional advisers.

Eligible Shareholders who are trustees are recommended to seek professional advice as to whether the choice to receive cash or the Scrip Shares is within their powers and as to its effect having regard to the terms of the relevant trust instrument.

Yours faithfully,
For and on behalf of the Board of
BINHAI INVESTMENT COMPANY LIMITED
Gao Liang
Executive Director