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**GOLDSTREAM INVESTMENT LIMITED**  
**金涌投資有限公司**

*(Incorporated in the Cayman Islands with limited liability)*  
**(Stock Code: 1328)**

**MAJOR AND CONNECTED TRANSACTION  
IN RELATION TO  
PROVISION OF FINANCIAL ASSISTANCE**

**Financial Adviser to the Company**

**VEDA | CAPITAL**  
**智 略 資 本**

**Independent Financial Adviser to the Company**

 **軟庫中華**  
SBI China Capital

**PROVISION OF FINANCIAL ASSISTANCE**

The Board announces that on 18 November 2022, the Company and the Borrower entered into the Facility Agreement, pursuant to which the Company agreed to grant the Facility to the Borrower in the principal amount of US\$30,000,000 at an interest rate of 15% per annum for a term of two years.

**LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the provision of financial assistance under the Facility Agreement exceeds 25%, the Facility Agreement constitutes a major transaction under Chapter 14 of the Listing Rules and is subject to the reporting, announcement, circular and shareholders' approval requirements under the Listing Rules.

As at the date of this announcement, the Borrower is wholly-owned by HCG. HCG is managed by Hony Group Management Limited (as sole general partner), which is owned as to 80% by Hony Managing Partners Limited. Hony Managing Partners Limited is in turn a wholly-owned subsidiary of Exponential Fortune Group Limited, which is owned as to 49% by Mr. Zhao. As each of Hony Group Management Limited, Hony Managing Partners Limited and Exponential Fortune Group Limited is an indirect holding company of the Company and Mr. Zhao is a Director, the Borrower, being their associate, is a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, the Facility Agreement also constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules and is subject to the reporting, announcement and independent shareholders' approval requirements under the Listing Rules.

As the amount of the Facility exceeds 8% under the assets ratio as defined under Rule 14.07(1) of the Listing Rules, the provision of the Facility gives rise to the general disclosure obligations of the Company under Rules 13.13 and 13.15 of the Listing Rules. Where the circumstances giving rise to the disclosure under Rule 13.13 of the Listing Rules continue to exist at the Company's interim period end or annual financial year end, the Company will comply with the relevant disclosure requirements under Rule 13.20 of the Listing Rules in the interim report or annual report of the Company.

## **GENERAL**

The Independent Board Committee, comprising all the independent non-executive Directors, has been formed to advise the Independent Shareholders in respect of the Facility Agreement and the transactions contemplated thereunder.

SBI China Capital Hong Kong Securities Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Facility Agreement and the transactions contemplated thereunder.

As each of Mr. Zhao and Mr. Tam is regarded as having a material interest in the Facility Agreement, each of Mr. Zhao and Mr. Tam has abstained from voting on the Board resolutions for approving the Facility Agreement and the transactions contemplated thereunder. Save as disclosed above, none of the Directors has abstained from voting on the relevant Board resolutions for approving the provision of the Facility and the Facility Agreement.

The Company will convene and hold an EGM for the Independent Shareholders to consider and, if thought fit, to approve the Facility Agreement and the transactions contemplated thereunder.

A circular containing, among other things, (i) further details of the Facility Agreement and the transactions contemplated thereunder; (ii) a letter of recommendation from the Independent Board Committee; (iii) a letter of advice from the Independent Financial Adviser; and (iv) a notice of EGM, is expected to be despatched to the Shareholders on or before 10 December 2022 to allow sufficient time for the preparation of the relevant information for inclusion therein.

## THE FACILITY AGREEMENT

The Board announces that on 18 November 2022, the Company and the Borrower entered into the Facility Agreement, pursuant to which the Company agreed to grant the Facility to the Borrower.

Certain principal terms of the Facility Agreement are set out below:

<b>Date:</b>	18 November 2022
<b>Parties:</b>	(i) The Company (as the lender); and  (ii) the Borrower (as the borrower)
<b>Subject matter:</b>	The Company agreed to provide the Facility to the Borrower.
<b>Principal amount:</b>	Up to US\$30,000,000 (equivalent to approximately HK\$234,000,000)
<b>Term:</b>	Two years from the Utilisation Date, which, subject to the prior written consent of the Company, may be further extended to a date falling no later than four years from the Utilisation Date.
<b>Interest:</b>	The Facility shall bear interest at a rate of 15% per annum, which shall be payable on a half-yearly basis.
<b>Arrangement fee:</b>	US\$900,000, representing 3% of the principal amount which is payable on the Utilisation Date.

**Purpose:** The Facility shall be used by the Borrower for general corporate purposes.

**Drawdown mechanism:** The Borrower shall deliver a duly completed utilisation request (the “**Utilisation Request**”) to the Company no later than one (1) Business Day prior to (and not including) the proposed Utilisation Date (or such other date and time as agreed by the Company).

**Repayment:** The principal amount of the Facility and any accrued unpaid interest shall be repayable in full upon expiration of the term of the Facility.

**Voluntary prepayment:** During the term of the Facility, the Borrower may make prepayment of the principal amount in whole or in part (i) by giving the Company not less than one (1) month prior written notice and with prior written consent of the Company or (ii) in such manner as agreed by the Parties in writing.

If the Borrower requests for prepayment of all or any part of the loan on a date which is within three (3) Months of the Utilisation Date, the Borrower shall pay to the Company an amount equal to 5% on the amount of such prepayment as administrative charge (“**Prepayment Administrative Fee**”) on the date of prepayment.

Any prepayment shall be made together with accrued unpaid interest on the amount prepaid and up to the date of prepayment and subject to any Prepayment Administrative Fee, without premium or penalty.

**Conditions precedent:**

The availability of the Facility by the Company to the Borrower is subject to satisfaction of the following conditions on the date of the Utilisation Request and the proposed Utilisation Date:

- (i) the Company having obtained the Independent Shareholders' approval by an ordinary resolution at the EGM for the entering into of the Facility Agreement and the transaction contemplated thereunder;
- (ii) no default being continuing or would result from the proposed loan;
- (iii) all the representations, warranties and undertakings of the Borrower remaining true in all material respects; and
- (iv) the Company having received all of the documents and other evidence listed in the Facility Agreement in form and substance satisfactory to the Company.

The condition precedent set out in paragraph (i) cannot be waived. If such condition precedent is not fulfilled by 28 February 2023, or such other date as may be agreed between the Borrower and the Company, the Facility Agreement will cease and determine and neither the Borrower nor the Company shall have any obligations and liabilities under the Facility Agreement save for antecedent breaches.

**Default interest:**

Additional interest at the rate of 5% per annum on any unpaid sum from the due date to the date of actual repayment.

The Facility is unsecured and will be provided by the Company to the Borrower using the Group's internal resources.

## **INFORMATION OF THE BORROWER**

The Borrower is a company incorporated in the British Virgin Islands with limited liability and is principally engaged in investment holding. As at the date of this announcement, the Borrower is wholly-owned by HCG, which is in turn indirectly interested in approximately 67.87% of the issued share capital of the Company. To the best of the knowledge, information and belief of the Company having made all reasonable enquiries, HCG is managed by Hony Group Management Limited (as sole general partner), which is owned as to 80% by Hony Managing Partners Limited. Hony Managing Partners Limited is in turn a wholly-owned subsidiary of Exponential Fortune Group Limited, which is owned as to 49% by Mr. Zhao.

## **INFORMATION OF THE COMPANY**

The Company is incorporated in the Cayman Islands as an exempted company with limited liability and the Group is principally engaged in the provision of investment management services business and strategic direct investment business. The investment management services business includes (i) the provision of advisory services on securities and asset management; (ii) securities trading; and (iii) provision of infrastructure of the investment management system. The strategic direct investment business of the Group includes proprietary investments in the financial markets.

## **REASONS FOR AND BENEFITS OF THE FACILITY AGREEMENT**

In view of the current adverse market condition and economic environment, the Group is adopting a more cautious and selective approach in deploying its capital on new investment opportunities to avoid potential losses. While keeping abreast of market developments with a view to looking for potential investment opportunities, the Company considers that the provision of the Facility to the Borrower allows the Group to utilize its idle cash more efficiently and generate an additional income stream in the form of interest income at the rate of 15% per annum pursuant to the Facility Agreement. The rate of return of the Facility is substantially better than that as may be earned from fixed term deposits with banks and financial institutions. The terms and conditions of the Facility Agreement (including the interest rate and arrangement fee) have been arrived at after arm's length negotiations between the Company and the Borrower, with reference to the prevailing commercial lending rates, fees charged by commercial banks in Hong Kong, as well as the amount and tenor of the Facility. Prior to entering into the Facility Agreement, the Company has also assessed the credit quality of the Borrower by reviewing its recent financial statements and obtaining information regarding its credit history. The Company is of the opinion that the risk of default by the Borrower is relatively low and manageable.

In light of the above, the Directors (excluding the independent non-executive Directors who will express their opinion after taking into consideration the advice of the Independent Financial Adviser) consider that the Facility Agreement is entered into in the ordinary and usual course of business of the Group, and the terms and conditions of the Facility Agreement (including the interest rate and principal amount) are fair and reasonable, on normal commercial terms and in the interests of the Company and its shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the provision of financial assistance under the Facility Agreement exceeds 25%, the Facility Agreement constitutes a major transaction under Chapter 14 of the Listing Rules and is subject to the reporting, announcement, circular and shareholders' approval requirements under the Listing Rules.

As at the date of this announcement, the Borrower is wholly-owned by HCG. HCG is managed by Hony Group Management Limited (as sole general partner), which is owned as to 80% by Hony Managing Partners Limited. Hony Managing Partners Limited is in turn a wholly-owned subsidiary of Exponential Fortune Group Limited, which is owned as to 49% by Mr. Zhao. As each of Hony Group Management Limited, Hony Managing Partners Limited and Exponential Fortune Group Limited is an indirect holding company of the Company and Mr. Zhao is a Director, the Borrower, being their associate, is a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, the Facility Agreement also constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules and is subject to the reporting, announcement and independent shareholders' approval requirements under the Listing Rules.

As the amount of the Facility exceeds 8% under the assets ratio as defined under Rule 14.07(1) of the Listing Rules, the provision of the Facility gives rise to the general disclosure obligations of the Company under Rules 13.13 and 13.15 of the Listing Rules. Where the circumstances giving rise to the disclosure under Rule 13.13 of the Listing Rules continue to exist at the Company's interim period end or annual financial year end, the Company will comply with the relevant disclosure requirements under Rule 13.20 of the Listing Rules in the interim report or annual report of the Company.

## **GENERAL**

The Independent Board Committee, comprising all the independent non-executive Directors, has been formed to advise the Independent Shareholders in respect of the Facility Agreement and the transactions contemplated thereunder.

SBI China Capital Hong Kong Securities Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Facility Agreement and the transactions contemplated thereunder.

As each of Mr. Zhao and Mr. Tam is regarded as having a material interest in the Facility Agreement, each of Mr. Zhao and Mr. Tam has abstained from voting on the Board resolutions for approving the Facility Agreement and the transactions contemplated thereunder. Save as disclosed above, none of the Directors has abstained from voting on the relevant Board resolutions for approving the provision of the Facility and the Facility Agreement.

The Company will convene and hold an EGM for the Independent Shareholders to consider and, if thought fit, ratify to approve the Facility Agreement and the transactions contemplated thereunder.

To the best of the knowledge, information and belief of the Board, having made all reasonable enquiries, Hony Gold Holdings, L.P., being an associate of the Borrower holding 7,802,539,321 Shares as at the date of this announcement (representing approximately 67.87% of the issued share capital of the Company) is required to abstain from voting on the relevant resolution approving the Facility Agreement and the transactions contemplated thereunder at the EGM.

Save as disclosed above, to the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, as at the date of this announcement, no other Shareholder is required to abstain from voting for the resolution to be proposed at the EGM in respect of the Facility Agreement and the transactions contemplated thereunder.

A circular containing, among other things, (i) further details of the Facility Agreement and the transactions contemplated thereunder; (ii) a letter of recommendation from the Independent Board Committee; (iii) a letter of advice from the Independent Financial Adviser; and (iv) a notice of EGM, is expected to be despatched to the Shareholders on or before 10 December 2022 to allow sufficient time for the preparation of the relevant information for inclusion therein.



## DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meaning:

“associate(s)”	has the meaning ascribed thereto in the Listing Rules
“Board”	the board of Directors
“Borrower”	Expand Ocean Limited, a company incorporated in the British Virgin Islands with limited liability
“Business Day(s)”	a day (other than a Saturday or Sunday) on which banks are open for general business in Hong Kong
“Chairman”	the chairman of the Company
“Company”	Goldstream Investment Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 1328)
“connected person(s)”	has the meaning ascribed thereto in the Listing Rules
“Director(s)”	the director(s) of the Company
“EGM”	an extraordinary general meeting of the Company to be convened and held for the purposes of, among other things, considering and, if thought fit, approving the Facility Agreement and the transactions contemplated thereunder
“Facility”	the facility to be provided by the Company to the Borrower pursuant to the Facility Agreement in the principal amount of up to US\$30 million
“Facility Agreement”	the facility agreement dated 18 November 2022 entered into between the Company and the Borrower in relation to the provision of the Facility
“Group”	the Company and its subsidiaries

“HCG”	Hony Capital Group, L.P., an exempted limited partnership established under the laws of the Cayman Islands
“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
“Independent Board Committee”	an independent committee of the Board comprising all the independent non-executive Directors, namely Mr. Jin Qingjun, Mr. Lee Kin Ping Christophe, and Mr. Shu Wa Tung Laurence, established to advise the Independent Shareholders in respect of the Facility Agreement and the transactions contemplated thereunder
“Independent Financial Adviser”	SBI China Capital Hong Kong Securities Limited, a corporation licensed to carry on type 6 (advising on corporate finance) regulated activity under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), being the independent financial adviser appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in respect of the terms of the Facility Agreement and the transactions contemplated thereunder
“Independent Shareholder(s)”	Shareholder(s) other than those who are required by the Listing Rules to abstain from voting on the resolution(s) approving the Facility Agreement and the transactions contemplated thereunder
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Tam”	Mr. Tam Terry Sze Ying, a non-executive Director
“Mr. Zhao”	Mr. Zhao John Huan, an executive Director and the Chairman
“Share(s)”	ordinary share(s) of HK\$0.01 each in the capital of the Company
“Shareholder(s)”	holder(s) of the issued Share(s)

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“US\$”	the United States dollar, the lawful currency of the United States
“Utilisation”	the utilisation of the Facility
“Utilisation Date”	the date of the Utilisation, being the date on which the loan under the Facility is to be made
“%”	per cent

*For the purpose of illustration only, conversion of US\$ into HK\$ in this announcement is based on the exchange rate of US\$1.00 to HK\$7.8. Such conversion should not be construed as a representation that any amount has been, could have been, or may be, exchanged at this or any other rate.*

By order of the Board  
**Goldstream Investment Limited**  
**Mr. Zhao John Huan**  
*Chairman*

Hong Kong, 18 November 2022

*As at the date of this announcement, the Board comprises two executive Directors, namely Mr. Zhao John Huan (Chairman) and Mr. Geng Tao (Chief Executive Officer); one non-executive Director, namely Mr. Tam Terry Sze Ying; and three independent non-executive Directors, namely Mr. Jin Qingjun, Mr. Lee Kin Ping Christophe, and Mr. Shu Wa Tung Laurence.*