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 a 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 of Goldstream Investment Limited, you should at once hand this circular to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser or the transferee.

This circular is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for the securities mentioned herein.

GOLDSTREAM INVESTMENT LIMITED
金涌投資有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1328)

(1) MAJOR AND CONNECTED TRANSACTION IN RELATION TO PROVISION OF FINANCIAL ASSISTANCE; AND (2) NOTICE OF EGM

Financial Adviser to the Company

VEDA | CAPITAL
智略資本

Independent Financial Adviser to the Independent Board Committee

軟庫中華
SBI China Capital

A notice convening the EGM of the Company to be held at 10 a.m. on Friday, 30 December, 2022 at Suite 08, 70/F, Two International Finance Centre, No.8 Finance Street, Central, Hong Kong and a form of proxy are despatched together with this circular. Whether or not you are able to attend the EGM, you are requested to complete, sign and return the enclosed form of proxy in accordance with the instructions printed thereon and return the same to the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible but in any event no later than 10 a.m. on Wednesday, 28 December 2022, or not less than 48 hours before the time appointed for holding of any adjourned meeting. Completion and return of the enclosed form of proxy will not preclude you from attending and voting in person at such meeting or any adjournment meeting should you so wish and in such event, the instrument appointing a proxy shall be deemed revoked.

PRECAUTIONARY MEASURES FOR THE EGM

In light of the epidemic situation of the novel coronavirus (COVID-19), certain measures will be implemented at the EGM or its adjournment (as the case, may be) with a view to addressing the risk to attendees of infection, including the following:

(a) all attendees will be required to undergo body temperature check;

(b) all attendees will be required to scan the "LeaveHomeSafe" venue QR code at the entrance of the venue of the EGM, and comply with the requirements of the Vaccine Pass Direction under the Prevention and Control of Disease (Vaccine Pass) Regulation (Chapter 599L of the Laws of Hong Kong);

(c) any attendees who are subject to health quarantine prescribed by the Government of the HKSAR will not be admitted to the venue of the EGM;

(d) all attendees will be required to wear surgical face masks throughout the EGM;

(e) each attendee will be assigned a designated seat at the time of registration to ensure social distancing;

(f) any person who does not comply with the measures above may be denied entry into, or be required to leave, the venue of the EGM; and

(g) no refreshments or beverages will be provided, and there will be no corporate gifts.

The Company reminds Shareholders that they should carefully consider the risks of attending the EGM, taking into account their own personal circumstances. The Company would like to remind Shareholders that physical attendance in person at the EGM is not necessary for the purpose of exercising their voting rights and strongly recommends that Shareholders appoint the Chairman of the EGM as their proxy and submit their form of proxy as early as possible. In light of the risks posed by the COVID-19 pandemic, the Company strongly encourages Shareholders NOT to attend the EGM in person.

The Company will keep the evolving COVID-19 situation under review and may implement additional measures (which it will announce closer to the date of the EGM).

13 December 2022

In the interest of all attendees' health and safety and consistent with coronavirus disease (COVID-19) guidelines for prevention and control, the Company reminds all Shareholders that physical attendance in person at the EGM is not necessary for the purpose of exercising voting rights. As an alternative, by using proxy forms with voting instructions inserted, Shareholders may appoint the Chairman of the EGM as their proxy to vote on the resolution at the EGM instead of attending the EGM in person.

To safeguard the health and safety of the Shareholders who are attending the EGM in person, the Company will implement the following precautionary measures at the EGM:

(i) The number of seats in the EGM venue will be limited in accordance with the prevailing requirements or guidelines published by the Hong Kong Government and/or regulatory authorities at the time of the EGM to maintain social distancing. In view of this, the seats will be assigned on a first come, first served basis. The Company may limit the number of attendees at the EGM as may be necessary to avoid over-crowding.

(ii) Compulsory body temperature checks will be conducted on every Shareholder, authorised corporate representative, proxy and other attendee at the entrance of the EGM venue. Any person with a body temperature of 37.4 degrees Celsius or higher may be denied entry into the EGM venue or be required to leave the EGM venue.

(iii) Prior to entry into the EGM venue, all attendees are required to scan the "LeaveHomeSafe" venue QR code and comply with the Vaccine Pass requirements by presenting his/her valid vaccination, exemption or recovery record as required under the directions issued pursuant to the Prevention and Control of Disease (Vaccine Pass) Regulation (Chapter 599L of the Laws of Hong Kong).

(iv) All attendees are required to complete and submit at the entrance of the EGM venue a declaration form confirming their names and contact details, and confirming that they are not subject to, and to their best of knowledge have not had contact with any person who is subject to, any Hong Kong government prescribed quarantine arrangements (whether in a quarantine centre or not) and had no physical contact with a suspected COVID-19 patient during the preceding 14 days. Any person who does not comply with this requirement may be denied entry into the EGM venue or be required to leave the EGM venue.

(v) All attendees displaying common cold or flu symptoms may be denied entry into the EGM venue or be required to leave the EGM venue.

(vi) All attendees are required to wear surgical face masks inside the EGM venue at all times, maintain a safe distance between seats and observe good personal hygiene. Otherwise, such attendees may be denied entry into the EGM venue or be required to leave the EGM venue.

(vii) No refreshments will be served, and there will be no corporate gifts.

Shareholders are advised to monitor the development of COVID-19. Subject to the development of COVID-19, the Company may implement further changes and precautionary measures and may issue further announcement on such measures as appropriate.

If Shareholders choosing not to attend the EGM in person have any questions about the resolution, or about the Company or any matters for communication with the Board, they are welcome to send such question or matter in writing to our principal place of business in Hong Kong or to our email at postmaster@goldstreaminvestment.com.

If Shareholders have any questions relating to the EGM, please contact Tricor Investor Services Limited, the Company's branch share registrar in Hong Kong as follows:

Tricor Investor Services Limited
17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong
E-mail: is-enquiries@hk.tricorglobal.com
Tel: 852 2980 1333
Fax: 852 2810 8185

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

"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" or "SBI China"	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 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
"Latest Practicable Date"	13 December 2022, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein
"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 circular 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.*

GOLDSTREAM INVESTMENT LIMITED
金涌投資有限公司

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

Executive Director:
Mr. Zhao John Huan *(Chairman)*
Mr. Geng Tao *(Chief Executive Officer)*

Non-executive Director:
Mr. Tam Terry Sze Ying

Independent non-executive Directors:
Mr. Jin Qingjun
Mr. Lee Kin Ping Christophe
Mr. Shu Wa Tung Laurence

Registered Office:
Maples Corporate Services Limited
PO Box 309, Ugland House,
Grand Cayman, KY1-1104,
Cayman Islands

Head Office and Principal Place of Business in Hong Kong:
Suite 08, 70/F,
Two International Finance Centre,
No. 8 Finance Street,
Central, Hong Kong

13 December 2022

To the Shareholders

Dear Sir or Madam,

(1) MAJOR AND CONNECTED TRANSACTION IN RELATION TO PROVISION OF FINANCIAL ASSISTANCE; AND (2) NOTICE OF EGM

INTRODUCTION

Reference is made to the announcement of the Company dated 18 November 2022 in relation to the Facility Agreement.

The purpose of this circular is to provide you with, 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.

THE FACILITY AGREEMENT

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:

Date:	18 November 2022
Parties:	(i) the Company (as the lender); and (ii) the Borrower (as the borrower)
Subject matter:	The Company agreed to provide the Facility to the Borrower.
Principal amount:	Up to US$30,000,000 (equivalent to approximately HK$234,000,000).
Terms:	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.
Interest:	The Facility shall bear interest at a rate of 15% per annum, which shall be payable on a half-yearly basis.
Arrangement fee:	US$900,000, representing 3% of the principal amount which is payable on the Utilisation Date.
Purpose:	To the best understanding of the Company, the Facility shall be used by the Borrower for its normal business operation. The Borrower will take advantage of the current market conditions for its investment domain and strategies to make investments in private companies and/or venture capital funds with attractive valuations to generate favorable returns in multiples of its capital investments. In view of the purposes and planned uses of the Facility by the Borrower and having considered the interest income to be generated from the Facility together with other reasons as set out in the section headed "REASONS FOR AND BENEFITS OF THE FACILITY AGREEMENT" in this letter, the Company is of the view that the grant of the Facility to the Borrower is in the interests of the Company and the Shareholders as a whole.

Availability period: The period from and including the conditions precedent as set out below are satisfied, up to and including the date falling twelve (12) months after the date of the Facility Agreement. Having considered that (i) the availability period under the Facility Agreement is in line with market practice; and (ii) the indications provided by the Borrower to the Group that it will utilise the Facility which generate an arrangement fee of US$900,000 to the Group, the Company considers that such availability period is fair and reasonable.

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 transactions 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.

To the best of the knowledge, information and belief of the Company having made all reasonable enquiries, as at the Latest Practicable Date, the Borrower was wholly-owned by HCG which was managed by Hony Group Management Limited (as sole general partner). Hony Group Management Limited (as sole general partner) was owned as to 80% by Hony Managing Partners Limited, which was in turn a wholly-owned subsidiary of Exponential Fortune Group Limited. As Mr. Zhao is interested in 49% of Exponential Fortune Group Limited and Mr. Tam is a director of Hony Group Management Limited, each of Mr. Zhao and Mr. Tam is regarded as having a material interest in the Facility Agreement.

INFORMATION ON THE BORROWER

The Borrower is a company incorporated in the British Virgin Islands with limited liability and is principally engaged in investment holding of private equity buyout and expands into area including private equity funds and venture capital funds. The Borrower identifies private companies at their early development stages and invests with them with the potential making returns in multiple of its investments. As at the Latest Practicable Date, the Borrower was wholly-owned by HCG, which was in turn indirectly interested in approximately 67.87% of the issued share capital of the Company. HCG was founded in the early 2003 to capture investment opportunities as a private equity platform. Through more than 18 years, HCG has become one of the most successful and reputable Chinese private equity firms especially in the restructuring and reorganization of China's state-owned enterprises. HCG and its group members manage assets on behalf of institutional clients such as foundations, sovereign wealth funds, university endowments, and family offices. HCG puts China as its top market with investments in over 100 companies in areas of pharmaceutical and healthcare, consumer products, food and beverage, entertainment, environmental protection and new energy, as well as machinery and equipment manufacturing. HCG is principally engaged in provision of investment management services which specializes in private equity buyout and expands into area including real estate, venture capital and mutual fund.

To the best of the knowledge, information and belief of the Company having made all reasonable enquiries, as at the Latest Practicable Date, HCG was managed by Hony Group Management Limited (as sole general partner), which was owned as to 80% by Hony Managing Partners Limited; and Hony Managing Partners Limited was in turn a wholly-owned subsidiary of Exponential Fortune Group Limited, which was owned as to 49% by Mr. Zhao and the remaining 51% was held by Mr. Cao Yonggang and Mr. Xu Minsheng equally.

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

The Group is experienced in fund management primarily investing in shares of public listed companies in Greater China. During the last 24 months, most of the major equity markets in Greater China have suffered historical rate of decline and volatilities. As a result, the Company has been adopting a more cautious and selective approach in deploying its capital on new investment opportunities. During the period after 30 June 2022, the Company had gradually conducted exits in some of its investments in public listed companies which further increased its cash position. As extracted from the unaudited management accounts of the Group, as at 31 October 2022, the Group had, among other things, (i) cash and cash equivalents in the amount of approximately HK$137.0 million; and (ii) amounts due from brokers in the amount of approximately HK$221.2 million. The amounts due from brokers are cash deposits with securities brokers of the Group which can be used to make investments by the Group or be returned into the bank accounts of the Group on demand. The amounts due from brokers are not classified as cash and cash equivalents in the statement of financial position of the Group, but are readily available and liquid assets of the Group that can be converted into cash and cash equivalents within one (1) business day upon request by the Company to the brokers. The sum of items (i) and (ii) above was approximately HK$358.2 million as at 31 October 2022 which was sufficient to cover the Facility of HK$234.0 million. Based on the above, upon receiving a Utilisation Request, the Group will have sufficient cash from its cash and cash equivalents and through conversion of the amounts due from brokers for the purpose of granting the loan to the Borrower under the Facility Agreement. Even after the Facility has been drawndown in full, the Group would have approximately HK$124.2 million in cash and cash equivalents and the amounts due from brokers and the Directors consider it as sufficient for the operation and development of its investment management and strategic direct investment businesses. Notwithstanding of the above, upon considering, among other things, risk and return of potential investment opportunities, the Group may conduct fundraising activities when opportunities arise.

In light of the above, while keeping abreast of market developments with a view to looking for potential investment opportunities in the equities market, 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.

The Group considers the Facility as one of its strategic investments that will generate satisfying interests income for the Group. Given the terms of the Facility, the Company is expected to receive up to US$9.0 million interest income and US$0.9 million arrangement fee in providing the Facility over two years. After two years, in deciding whether to extend the terms of the Facility for another two years, the Directors will further evaluate, among other factors, the then securities market condition, returns from other investments and its available working capital and whether there are any alternative attractive investment opportunities.

As mentioned, the Group has sufficient resources to provide the Facility. Given that the Group has sufficient highly-liquid assets in terms of cash deposits idling in the accounts with its securities brokers and to combine with the facts that the Group will (i) receive interest income from the Facility on a half-yearly basis and the arrangement fee from the Facility; (ii) continue to collect returns from its other investments; and (iii) be given the rights to further evaluate whether there are any alternative attractive investment opportunities in giving its consent to the Borrower to extend the terms of the Facility after two years, the Directors are of the view that there will be sufficient working capital to operate and grow its business when new investment opportunities arise during the term of the Facility.

The Company was given to understand that the Borrower is highly likely to utilise the Facility and to apply such funds for its normal business operation to make investments in private equity funds and/or venture capital funds to generate investment income. The Company after considered (i) the financial capacity of the Borrower as discussed in the paragraph below; (ii) the Facility shall be used for the normal business operation of the Borrower; (iii) the experience of the Borrower and the better opportunities presented in the private equity arena compared with the public equities market, which the Borrower can take advantage of the current attractive valuation of good private companies to invest in to generate multiple returns on its investments; (iv) the attractive return of the Facility generated from the Facility; and (v) the relatively low-risk for achieving such return as further discussed in the paragraph below, agreed to provide the Facility to the Borrower. The Company also considers that such investment in the Facility with low risks and favourable return is therefore in line with its prudent investment strategy under the current market development.

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, including but not limited to, the profit and loss statements, balance sheets and the loan records for the past three financial years. To the best of the knowledge, information and belief of the Company having made all reasonable enquiries, (i) the unaudited total assets and net assets of the Borrower as at 30 June 2022 amounted to approximately US$559.9 million (equivalent to approximately HK$4,367.2 million) and approximately US$88.6 million (equivalent to approximately HK$691.1 million) respectively, each being significantly higher than the principal amount of the Facility; (ii) the Borrower had achieved net profits of approximately US$34.6 million (equivalent to approximately HK$269.9 million) and approximately US$21.8 million (equivalent to approximately HK$170.0 million) for the two financial years ended 31 December 2020 and 31 December 2021 respectively; (iii) given the above, the Borrower has sufficient assets and business operations of which is able to fulfill the payment obligation under the Facility; and (iv) the Borrower has not defaulted on any of its credit obligations in the past three years, the risk of default by the Borrower is relatively low and manageable. In addition, given (i) that the Borrower is wholly-owned by HCG which was in turn indirectly interested in approximately 67.87% of the issued share capital of the Company such that the interest of the Borrower is in line with the Company's interest; (ii) the low default risk by the Borrower as discussed the interest rate charged for the Facility is significantly higher than that in the market (having considered the non-secured nature of the Facility) and in the above; and (iii) that the rate of return of the Facility is substantially better than that may be earned from fixed term deposits with banks and financial institutions or other market investments with similar level of risks, the Company considers that it is justifiable not to obtain security regarding the grant of Facility. Accordingly, the Company considers that the grant of Facility Agreement represents low-risk investment opportunity for the Group while generating a considerable rate of return to the Group as compared to other investment alternatives with similar level of risk under the current market condition and is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

In light of the above, the Directors (including the independent non-executive Directors after taking into consideration the advice of the Independent Financial Adviser) consider that although the Facility Agreement was not entered into in the ordinary and usual course of business of the Group, the terms and conditions of the Facility Agreement (including the interest rate, the fees and the principal amount) are fair and reasonable, on normal commercial terms and in the interests of the Company and its shareholders as a whole.

FINANCIAL EFFECT UNDER THE FACILITY AGREEMENT

The aggregate principal amount of the Facility amounts to US$30,000,000 (equivalent to approximately HK$234,000,000). The Directors are of the opinion that the Facility provided by the Company to the Borrower under the Facility Agreement using internal resource of the Group, will not have material impact on the assets and liabilities of the Group. The Group will be entitled to receive interest income on the Facility at an annual rate of 15%.

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.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, 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 under the 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, 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.

EGM

The EGM will be convened and held at Suite 08, 70/F, Two International Finance Centre, No. 8 Finance Street, Central, Hong Kong on Friday, 30 December 2022 at 10 a.m. for the Independent Shareholders to consider and, if thought fit, approve the Facility Agreement and the transactions contemplated thereunder. A notice convening the EGM is set out on pages EGM-1 to EGM-2 of this circular.

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 resolutions of the Board approving the provision of the Facility and the Facility Agreement.

All Shareholders who have a material interest (which is different from that of the other Shareholders) in the Facility Agreement will be required to abstain from voting on the ordinary resolution to approve the Facility Agreement and the transactions contemplated thereunder at the EGM.

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 Latest Practicable Date (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, 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 form of proxy for used by the Shareholders at the EGM is enclosed with this circular. Whether or not you are able to attend the EGM in person, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return the same to the Company's Hong Kong branch share registrar and transfer office, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the EGM or any adjournment thereof. Completion and return of a form of proxy will not preclude you from attending and voting at the EGM or any adjournment thereof should you so wish and in such event, the form of proxy shall be deemed to be revoked.

Pursuant to Rule 13.39(4) of the Listing Rules, all votes of the Shareholders on all resolutions at the general meetings must be taken by poll. An announcement on the poll results will be published by the Company after the EGM in the manner prescribed under Rule 13.39(5) of the Listing Rules.

RECOMMENDATION

The Board (including the Independent Board Committee), having taken into account the recommendation of the Independent Financial Adviser, considers that although the entering into of the Facility Agreement is not in the ordinary and usual course of business of the Group, the terms of the Facility Agreement and the transactions contemplated thereunder are on normal commercial terms, and are fair and reasonable so far as the Independent Shareholders are concerned, and the entering into of the Facility Agreement is in the interests of the Company and the Shareholders as a whole.

Accordingly, the Board (including the Independent Board Committee) recommends the Independent Shareholders to vote in favour of the relevant resolution to be proposed at the EGM in relation to the Facility Agreement and the transactions contemplated thereunder.

ADDITIONAL INFORMATION

Your attention is also drawn to additional information set out in (i) the letter from the Independent Board Committee to the Independent Shareholders; (ii) the letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders; and (iii) the appendices to this circular.

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

GOLDSTREAM INVESTMENT LIMITED
金涌投資有限公司

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

(1) MAJOR AND CONNECTED TRANSACTION IN RELATION TO PROVISION OF FINANCIAL ASSISTANCE; AND (2) NOTICE OF EGM

13 December 2022

To the Independent Shareholders

Dear Sir or Madam,

We refer to the circular of the Company dated 13 December 2022 (the "**Circular**"), of which this letter forms part. Capitalised terms defined in the Circular shall have the same meanings when used herein unless the context otherwise requires.

We have been appointed by the Board to consider the terms of the Facility Agreement and to advise the Independent Shareholders as to whether the terms of the Facility Agreement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole. SBI China Capital Hong Kong Securities Limited has been appointed as the Independent Financial Adviser to advise us and the Independent Shareholders in this regard.

We wish to draw your attention to the letter from the Board set out on pages 3 to 12 of the Circular and the letter from Independent Financial Adviser set out on pages 14 to 33 of the Circular.

Having considered, among other matters, the reasons and benefits of the Facility Agreement as set out in the Circular, the terms of the Facility Agreement and the principal factors and reasons considered by, and the opinion of the Independent Financial Adviser as set out in its letter of advice, we are of the opinion that the Facility Agreement and the transactions contemplated thereunder are incidental to the Group's development of its ordinary and usual course of business though not in the ordinary and usual course of business of the Group, and the terms of the Facility Agreement are on normal commercial terms, and are fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole.

Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the EGM to approve the Facility Agreement and the transactions contemplated thereunder.

Yours faithfully,
For and on behalf of the
Independent Board Committee

Mr. Jin Qingjun	**Mr. Lee Kin Ping Christophe**	**Mr. Shu Wa Tung Laurence**

Independent non-executive Directors

Set out below is the full text of a letter of advice from SBI China Capital Hong Kong Securities Limited, the independent financial adviser to the Independent Board Committee and the Independent Shareholders, which has been prepared for inclusion in this circular.

軟庫中華
SBI China Capital

13 December 2022

To: The Independent Board Committee and the Independent Shareholders of Goldstream Investment Limited

Dear Sir or Madam,

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

INTRODUCTION

We refer to our appointment as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders as to whether (i) the terms of the Facility Agreement are fair and reasonable and on normal commercial terms; and (ii) the provision of financial assistance under the Facility Agreement is in the ordinary and usual course of business of the Company and is in the interests of the Company and the Shareholders as a whole, details of which are set out in the letter from the Board (the "**Letter from the Board**") contained in the circular of the Company to the Shareholders dated 13 December 2022 (the "**Circular**"), of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as those defined in the Circular unless the context otherwise requires.

On 18 November 2022, the Company announced that 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 up to US$30,000,000 at an interest rate of 15% per annum for a term of two years subject to further extension to a date falling no later than four years from the Utilisation Date.

As at the Latest Practicable Date, the Borrower was wholly-owned by HCG. HCG was managed by Hony Group Management Limited (as sole general partner), which was owned as to 80% by Hony Managing Partners Limited. Hony Managing Partners Limited was in turn a wholly-owned subsidiary of Exponential Fortune Group Limited, which was 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 constitutes a connected transaction under the Chapter 14A of the Listing Rules and is subject to the reporting, announcement and independent shareholders' approval requirements under the Listing Rules. 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 also constitutes a major transaction under Chapter 14 of the Listing Rules and is subject to the reporting, announcement, circular 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.

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 Latest Practicable Date (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. To the best knowledge, information and belief of the Directors after having made all reasonable enquiries, apart from the Borrower and its associates, no Shareholder has material interest in the transactions contemplated under the Facility Agreement and no Shareholder would have to abstain from voting at the EGM in respect of the transactions contemplated under the Facility Agreement.

An Independent Board Committee, comprising Mr. Jin Qingjun, Mr. Lee Kin Ping Christophe and Mr. Shu Wa Tung Laurence, has been established to make recommendation to the Independent Shareholders as to whether (i) the terms of the Facility Agreement are fair and reasonable and on normal commercial terms; (ii) the provision of financial assistance under the Facility Agreement is in the ordinary and usual course of business and is in the interests of the Company and the Shareholders as a whole; and (iii) how the Independent Shareholders should vote at the EGM on the ordinary resolution(s) regarding the transactions contemplated under the Facility Agreement.

In our capacity as the independent financial adviser to the Independent Board Committee and the Independent Shareholders, our role is to give an independent opinion as to whether (i) the terms of the Facility Agreement are fair and reasonable and on normal commercial terms; (ii) the provision of financial assistance under the Facility Agreement is in the ordinary and usual course of business and is in the interests of the Company and the Shareholders as a whole; and (iii) how the Independent Shareholders should vote at the EGM on the ordinary resolution(s) regarding the transactions contemplated under the Facility Agreement. Our appointment as the independent financial adviser to advise the Independent Board Committee in respect of the transactions contemplated under the Facility Agreement has been approved by the Independent Board Committee.

During the past two years, we did not have any relationship with or interest in the Company or any other parties that could reasonably be regarded as relevant to our independence. Apart from normal professional fees payable to us in connection with this engagement, no arrangement exists whereby we will receive any fees or benefits from the Company, or any other parties that could reasonably be regarded as relevant to our independence. Accordingly, we consider that we are independent from the Company pursuant to Rule 13.84 of the Listing Rules.

In formulating our opinion, we have relied on the information and facts supplied and opinions expressed by the management of the Group. We have assumed that all information and representations provided by the management of the Group, for which they are solely responsible, were true and accurate at the time they were prepared or made and will continue to be so up to the Latest Practicable Date. Should there be any subsequent material changes which occurred during the period from the date of the Circular up to the date of the EGM and would affect or alter our opinion, we will notify the Independent Board Committee and the Independent Shareholders as soon as possible. We have no reason to doubt the truth, accuracy or completeness of the information and representations made to us by the management of the Group. We have been advised that no material facts have been omitted from the information supplied and opinions expressed. As such, we have no reason to suspect that any relevant information has been withheld or omitted from the information provided and referred to in the Circular or the reasonableness of the opinions and representations provided by the management of the Group to us, nor are we aware of any facts or circumstances which would render the information provided and representations made to us untrue, inaccurate or misleading.

We consider that we have reviewed sufficient information to reach an informed view, to justify reliance on the accuracy of the information contained in the Circular and to provide a reasonable basis for our opinion. We have not, however, conducted any independent investigation into the business and affairs or the future prospects of the Group, nor have we carried out any independent verification of the information provided by the management of the Group.

All Directors jointly and severally accept full responsibility for the accuracy of information contained in the Circular and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in the Circular have been arrived at after due and careful consideration and there are no other facts not contained in the Circular, the omission of which would make any statement in the Circular misleading.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In formulating our opinion on the transactions contemplated under the Facility Agreement, we have taken into consideration the following principal factors and reasons:

(1) Information on the Group

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.

Financial performance

The following table summarises the financial information of the Group for each of the two years ended 31 December 2020 and 2021 and the six months ended 30 June 2021 and 2022 as extracted from the annual report for the year ended 31 December 2021 the ("**Annual Report 2021**") and the interim report for the six months ended 30 June 2022 ("**Interim Report 2022**") of the Company, respectively.

	For the six months ended 30 June		**For the year ended 31 December**	
	2021	**2022**	**2020**	**2021**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
	(unaudited)	(unaudited)	(audited)	(audited)
Continuing operations Income	**55,484**	**(31,341)**	**167,584**	**10,704**
– Investment management services income	34,202	14,802	112,159	68,778
– Dividend income from investments	1,591	2,016	12,006	2,923
– Net fair value (losses)/gains on financial assets at fair value through profit or loss	7,410	(35,349)	22,993	(59,192)
– Share of net (losses)/profits of associates accounted for using the equity method	12,281	(12,810)	20,426	(8,370)
(Loss)/profit before income tax from continuing operations	8,835	(59,525)	7,686	(58,409)
Income tax (expense)/credit	1,002	(934)	8,480	2,911
(Loss)/profit for the period/year from continuing operations	**9,837**	**(60,459)**	**16,166**	**(55,498)**
Profit/(loss) for the period/year from discontinued operation	(5,524)	47,642	1,088	(12,231)
(Loss)/profit for the period/year attributable to owners of the Company	**4,313**	**(12,817)**	**17,254**	**(67,729)**

(a) For the six months ended 30 June 2022

Investment management services income ("**IM Services Income**")

The drop in total services income was caused by the decrease in both management fees and performance fees. Management fee dropped by approximately 33.9% from approximately HK$22.4 million to approximately HK$14.8 million resulting from the decline in the Group's average assets under management ("**AUM**") as a result of adverse and volatile market condition. Performance fees are recorded when eligible funds appreciate above their respective high watermarks at agreed performance fee crystallisation date. Driven by the unfavourable and volatile market conditions, most of the funds under management were below their high watermarks as at 30 June 2022.

Business and Strategic Direct Investment ("**SDI (losses)/gains**")

Income from the Group's SDI business mainly comprised (i) net fair value gains/losses on financial assets at fair value through profit or loss; and (ii) share of net profits/losses of associates accounted for using the equity method. Such gains/losses included fair value changes and realised gains or losses on the Company's capital invested in funds managed by the Group and external investments. Due to a multitude of unfavorable factors including high inflations, the rise in interest rates, conflict in Europe and the COVID-19 pandemic, the Group recorded a change from the profit for the six months ended 30 June 2021 to the loss for the six months ended 30 June 2022 due to adverse market condition.

Discontinued Operation

On 22 December 2021, the Company and Ms. Li Yin, a former executive Director, entered into a share purchase agreement to dispose of the customers relationship management services ("**CRMS**") business under Honor Crest Holdings Limited, a company incorporated in the British Virgin Islands with limited liability, a wholly-owned subsidiary of the Company and the holding company of subsidiaries of the CRMS business (the "**Disposal Group**") at the consideration of HK$219,464,000 (the "**Disposal**").

During the six months ended 30 June 2022 and prior to the completion of the Disposal, the Group provided CRMS to established telecommunications service providers. Since the CRMS business is labour intensive in nature, the Group had recorded increasing loss in the past due to the rising labour costs. Rapid economic growth in the PRC in the past decade has resulted in substantial increase in cost of human capital and eroded the profit margins of the CRMS business. The Disposal was completed on 22 March 2022 and the Group recorded a gain on disposal of approximately HK$50.2 million.

(b) *For the year ended 31 December 2021*

IM Services Income

The Company's investment management business was incepted at the end of 2018 and has grown steadily since. The AUM has grown from US$355 million at the end of 2018 to US$985 million at the end of 2021, which led to a healthy growth of income from management fees and performances fees. In year 2021, the Company continued to expand its IM business and experienced a substantial growth in its AUM by the end of 2021 by almost 49% through new mandates and inflow to its investment funds. However, IM Services income decreased from approximately HK$112.2 million for the year ended 31 December 2020 to approximately HK$68.8 million for the year ended 31 December 2021. As advised by the management of the Group, the decrease was mainly because of the decrease in performance fee from approximately HK$87.0 million for the year ended 31 December 2020 to approximately HK$24.7 million for the year ended 31 December 2021.

SDI (losses)/gains

SDI is to leverage on the Group's human resources and physical capital in pursuit of outstanding risk-adjusted returns. The investments include funds, debt and equity investments and exchange traded funds ("**ETF**"). Having taken into consideration of the cash requirements of the Group for the next 12 months and the level of cash and cashflow position of the Group, the Group continued to make investments to generate better return on idle cash for the Group and made positive returns in these investments.

In 2021, the Company continued its SDI business approach. The market-to-market valuation of its investments was negatively impacted by the overall disappointing market conditions. The offshore Chinese bond market and equity market experienced its worst performance in history.

Discontinued Operation

The Disposal Group had received a one-off substantial pension contribution relief from the local government due to the emergence of COVID-19 which had significantly reduced the relevant staff costs and expenses and allowed the Disposal Group to maintain a net profit for the financial year ended 31 December 2020. In the absence of further pension contribution relief in 2021, combined with the rather difficult operating environment and increasing staff costs and expenses, the Disposal Group had recorded a net loss of approximately HK$12.2 million for the year ended 31 December 2021.

Financial position

The following table summarises the financial position of the Group as at 31 December 2020, 31 December 2021 and 30 June 2022 as extracted from the published Annual Report 2021 and Interim Report 2022:

	As at 31 December		**As at 30 June**
	2020	**2021**	**2022**
	(audited)	(audited)	(unaudited)
	HK$'000	*HK$'000*	*HK$'000*
Total assets	1,258,594	1,099,916	837,684
Total liabilities	428,812	324,707	90,357
Net current assets	572,509	431,856	438,004
Net assets	829,782	775,209	747,327

(a) Comparison between 31 December 2021 and 30 June 2022

Total assets decreased from approximately HK$1,099.9 million as at 31 December 2021 to approximately HK$837.7 million as at 30 June 2022 mainly attributable to the absence of assets classified as held for sale as at 30 June 2022 (as compared to approximately HK$227.8 million as at 31 December 2021), the decrease in cash and cash equivalents by approximately HK$40.8 million to approximately HK$118.6 million as at 30 June 2022 and the decrease in financial assets at fair value through profit or loss by approximately HK$52.7 million to approximately HK$248.6 million as at 30 June 2022. The above was partly offset by the increase of amount due from brokers by approximately HK$96.4 million to approximately HK$165.2 million as at 30 June 2022.

The decrease in cash and cash equivalents was mainly due to the withdrawal of short-term bank deposits, which was approximately HK$46.8 million as at 31 December 2021. The decrease in financial assets at fair value through profit or loss was mainly arising from investment funds.

(b) Comparison between 31 December 2020 and 31 December 2021

Total assets decreased from approximately HK$1,258.6 million as at 31 December 2020 to approximately HK$1,099.9 million as at 31 December 2021 mainly attributable to the decrease in non-current assets. Meanwhile, the current assets maintained at similar level due to the assets classified as held for sale of approximately HK$227.8 million was newly recorded. Property, plant and equipment decreased by approximately HK$43.7 million to approximately HK$0.5 million as at 31 December 2021, interests in associates decreased by approximately HK$24.0 million to approximately HK$74.5 million as at 31 December 2021 and investment funds, being financial assets at fair value through profit or loss under non-current assets, decreased by approximately HK$39.6 million to approximately HK$52.2 million as at 31 December 2021.

Property, plant and equipment of approximately HK$42.1 million was reclassified as held for sale in relation to the discontinued operation. Carrying value of the Group's equity interests in the two investment funds, being associates of the Company namely Goldstream Healthcare Focus Fund SP Cayman Islands and Goldstream Macro Fund SP Cayman Islands, decreased from approximately HK$54.5 million as at 31 December 2020 to approximately HK$46.3 million as at 31 December 2021; and decreased from approximately HK$43.9 million as at 31 December 2020 to approximately HK$28.2 million, respectively.

As advised by the management of the Group, due to the Disposal, the cash and bank balance of the discontinued business (CRM subsidiaries) consolidated into the accounts of the Group for the year ended 31 December 2020. As at 31 December 2021, the cash and bank balance of discontinued business was classified as asset held for sales according to applicable accounting standard. As a result, cash and cash equivalents of the Group dropped significantly from approximately HK$232.8 million for as at 31 December 2020 to approximately HK$159.4 million as at 31 December 2021.

(2) Reasons for and benefits of the Facility Agreement

As at 30 June 2022, the Group had cash and cash equivalents and financial assets at fair value through profit or loss, in total of approximately HK$367.2 million. As mentioned in the Letter from the Board, 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 financial assistance under the Facility Agreement to the Borrower allows the Group to utilise 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. In addition to the interest income, the Group will also earn arrangement fee of US$900,000, representing 3% of the principal amount of up to US$30,000,000 under the Facility Agreement.

In assessing the Group's cash position, we had discussion with the management of the Group and understood that cash and cash equivalents of the Group had been maintained at stable level since 30 June 2022. Further, we understood that amounts due from brokers represent receivables for securities sold for securities purchased that have been contracted for but not yet settled. As the due from brokers balance is held for collection, amount due from brokers can be considered as readily available cash to the Group if needed. As mentioned in the Letter from the Board, the amounts due from brokers are cash deposits with securities brokers of the Group which can be used to make investments by the Group or be returned into the bank accounts of the Group on demand. The amounts due from brokers are not classified as cash and cash equivalents in the statement of financial position of the Group, but are readily available and liquid assets of the Group that can be converted into cash and cash equivalents within one (1) business day upon request by the Company to the brokers. Upon receiving a Utilisation Request, the Group will have sufficient cash from its cash and cash equivalents and through conversion of the amounts due from brokers for the purpose of granting the loan to the Borrower under the Facility Agreement.

On the basis that (i) as at 31 October 2022, the Group had cash and cash equivalents of approximately HK$137.0 million and amount due from brokers of approximately HK$221.2 million; and the Group has reviewed and monitored its investments from time to time and intends to conduct exits for certain of its investments; (ii) as shown in the Interim Report 2022, apart from amount due to brokers arising from normal business operation, the Group did not have any material financial obligations; and (iii) the Company confirmed that (a) as at the Latest Practicable Date, the Group did not have material loans or borrowings which falls due within the next 24 months; and (b) it does not foresee any significant capital expenditure or commitment for the next 24 months, the Group will have surplus cash. Given it has not yet identified any suitable alternative investment, the provision of financial assistance under the Facility Agreement will enable the Group to make use of its surplus funds in a better way at an acceptable level of risk. The Facility will be financed by the Group from its idle cash, such that the working capital and daily operations of the Group will not be affected.

The Facility will provide member of Hony Capital group with alternative source of financing other than obtaining external loans from third-party lenders and incurring third party interest expenses. To the best knowledge of the management of the Group, the Borrower considered that it will be able to obtain financing under the Facility Agreement from the Company in a timely manner for deployment in the upcoming investments whereas approval processes for financing from banks/financial institutions or other third parties likely will be longer.

From the perspective of the Company, we are of the view that the Facility represent an opportunity for the Group to earn higher rate of return as compared to bank deposits. We have discussed with the management of the Group and understood that the Group recently obtained verbal quotes from at least one sizeable commercial bank for interest rates on US dollar time deposits from one week to one month and noted that the interest rate on the Facility of 15% per annum for a term of two to four years is way above the US Dollar time deposit interest rates quoted by the commercial bank even though for shorter terms. The Borrower is also required to pay arrangement fee of US$900,000 representing 3% of principal amount on the Utilisation Date.

(3) Background information of the Borrower

As stated in the Letter from the Board, the Borrower is a company incorporated in the British Virgin Islands with limited liability and is principally engaged in investment holding. As at the Latest Practicable Date, the Borrower was wholly-owned by HCG, which was 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, as at the Latest Practicable Date, HCG was managed by Hony Group Management Limited (as sole general partner), which was owned as to 80% by Hony Managing Partners Limited. Hony Managing Partners Limited was in turn a wholly-owned subsidiary of Exponential Fortune Group Limited, which was owned as to 49% by Mr. Zhao and the remaining 51% was held by Mr. Cao Yonggang and Mr. Xu Minsheng equally.

Financial information of the Borrower

The table below summarises financial information of the Borrower for the years ended 31 December 2020 and 2021 and the six months ended 30 June 2022:

	For the year ended 31 December		**For the six months ended 30 June**
	2020	**2021**	**2022**
	US$'000	*US$'000*	*US$'000*
	(unaudited)	(unaudited)	(unaudited)
Investment income *(Note)*	49,596	32,850	2,257
Net Profit/(Loss)	34,620	21,795	(1,326)

Note: investment income includes investment gains, dividend income and interest income, where applicable.

Investment income remained strong from approximately US$49.6 million for the year ended 31 December 2020 to approximately US$32.9 million for the year ended 31 December 2021. After all, the Borrower experienced approximately 37.0% decrease in net profit from approximately US$34.6 million for the year ended 31 December 2020 to approximately US$21.8 million for the year ended 31 December 2021. Investment income of approximately US$2.3 million were mainly offset by finance costs of approximately US$3.6 million for the six months ended 30 June 2022, which resulted in net loss of approximately US$1.3 million.

The unaudited total assets and total liabilities of the Borrower as at 30 June 2022 were approximately US$559.9million and approximately US$471.3 million, respectively. The unaudited net assets of the Borrower as at 30 June 2022 was approximately US$88.6 million. To the best knowledge, information and belief of the Directors after making reasonable enquiry, the Borrower has not defaulted on any of its credit obligations in the past three years.

According to the official website of Hony Capital group (https://www.honycapital.com/aboutus_en/index.aspx?nodeid=2017), it was founded in 2003, and is a leading investment management firm that specializes in private equity buyout and expands into areas including real estate, venture capital, hedge fund (Goldstream), mutual fund (Hony Horizon Fund). Hony Capital group currently has US$ 13 billion under management, with investors from China and the world's leading investment institutions, including pension funds, sovereign wealth funds, university endowment funds, insurance companies, family foundations and individual investors. Hony Capital group puts China as its top market with investments in over 100 companies in areas of pharmaceutical and healthcare, consumer products, food and beverage, entertainment, environmental protection and new energy, as well as machinery and equipment manufacturing. Total assets value of portfolio companies of Hony Capital group amounts to approximately RMB2.9 trillion. As advised by the management of the Group, the Borrower is a key investment holding vehicle in Hony Capital group and it focuses on offshore investments.

(4) Principal terms of the Facility Agreement

The principal terms of the Facility Agreement are summarised as follows:

Date:	18 November 2022
Parties:	the Company, as the lender; and the Borrower, as the borrower
Subject matter:	the Company agreed to provide the Facility to the Borrower.
Principal amount:	Up to US$30,000,000 (equivalent to approximately HK$234,000,000).
Terms:	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.
Interest:	The Facility shall bear interest at a rate of 15% per annum, which shall be payable on a half-yearly basis.
Arrangement Fee:	US$900,000, representing 3% of the principal amount which is payable on the Utilisation Date.
Purpose:	To the best understanding of the Company, the Facility shall be used by the Borrower for its normal business operation to make investments in private equity funds and/or venture capital funds to generate investment income. In view of the purposes and planned uses of the Facility by the Borrower and having considered the interest income to be generated from the Facility together with other reasons as set out in the section headed "REASONS FOR AND BENEFITS OF THE FACILITY AGREEMENT" in the Letter from the Board, the Company is of the view that the grant of the Facility to the Borrower is in the interests of the Company and the Shareholders as a whole.

Availability period:	The period from and including the conditions precedent as set out below are satisfied, up to and including the date falling twelve (12) months after the date of the Facility Agreement. Having considered that (i) the availability period under the Facility Agreement is in line with market practice; and (ii) the indications provided by the Borrower to the Group that it will utilise the Facility which generate an arrangement fee of US$900,000 to the Group, the Company considers that such availability period is fair and reasonable.
Drawdown Mechanism:	The Borrower shall deliver a duly completed utilization 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 transactions 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.

Analysis on the terms of the Facility Agreement

In assessing the fairness and reasonableness of the terms of the Facility Agreement, we have reviewed similar transactions involving the provision/receipt of loan or financial assistance to/from a connected person with a fixed interest rate announced by companies listed in Hong Kong during the period from 1 June 2022 and up to 18 November 2022, i.e. the date of the announcement of the Company in relation to the Facility Agreement (the "**Announcement**") (the "**Review Period**"), being approximately a four months period prior to the date of the Facility Agreement, which was considered to be sufficient for the purpose of our analysis set out below as we are of the view that the selected transactions to be representative. On a best effort basis and to the best of our knowledge, we identified 13 transactions (the "**Market Comparables**") which meet the aforesaid criteria and they are exhaustive.

Independent Shareholders should note that the businesses, operations and prospects of the Company and the Borrower may not be exactly the same as the Market Comparables. Nevertheless, we consider that our assessment on the Market Comparables serves a general reference to the recent market practice in respect of the transactions with connected persons regarding provision and/or receipt of loan or financial assistance under the current market condition for assessing the fairness and reasonableness of the Facility. Set out below are the details of the Market Comparables:

	Announcement date	Company name (stock code)	Size of loan (HK$' million)	Annual interest rate	Term to maturity (months)	Arrangement fee	Prepayment administrative fee	Collateral/ Guarantee
1	29-Jun-22	HC Group Inc. (2280)	Approximately HK$ 27.6 million (RMB25 million)	8%	12	No	No	No
2	29-Jun-22	Kintor Pharmaceutical Limited (9939)	HK$110.09 million	4.27%	5	No	No	No
3	15-Jul-22	Hui Xian Real Estate Investment Trust (87001)	Approximately HK$110.7 million (RMB100 million)	5.30%	60	No	No	No
4	26-Jul-22	Minmetals Land Limited (230)	Approximately HK$93.1 million (RMB84.12 million)	0%	48	No	No	No
5	2-Aug-22	China Travel International Investment Hong Kong Limited (308)	Approximately HK$232.5 million (RMB210 million)	4.35%	12	No	No	No
6	16-Sep-22	Changyou Alliance Group Limited (1039)	HK$100 million	6.50%	12	No	No	No

	Announcement date	Company name (stock code)	Size of loan (HK$' million)	Annual interest rate	Term to maturity (months)	Arrangement fee	Prepayment administrative fee	Collateral/ Guarantee
7	29-Sep-22	Arrail Group Limited (6639)	Approximately HK$86.0 million (US$11 million)	4.50%	9	No	No	No
8	29-Sep-22	Aluminium Corporation of China Limited (2600)	Approximately HK$2.2 billion (RMB2 billion)	5.35%	60	No	N/A	No
9	20-Oct-22	China South City Holdings Limited (1668)	Approximately HK$221.4 million (RMB200 million)	4.35%	36	No	N/A	Yes
10	9-Nov-22	Petro-King Oilfield Services Limited (2178)	Approximately HK$21.1 million (US$2.7 million)	7%	24	No	No	Yes
11	9-Nov-22	Petro-King Oilfield Services Limited (2178)	Approximately HK$16.6 million (RMB15 million)	7%	24	No	No	Yes
12	11-Nov-22	Furniweb Holdings Limited (8480)	Approximately HK$8.6 million (RM5 million)	6%	24	No	N/A	No
13	14-Nov-22	New Huo Technology Holdings Limited (1611)	Approximately HK$109.5 million (US$14 million)	0%	N/A	No	N/A	No
		Market Comparables:						
		Maximum	HK$2,200 million	8%	60			
		Minimum	HK$8.6 million	0%	5			
		Unsecured Interest Comparables:						
		Maximum	HK$2,200 million	8%	60			
		Minimum	HK$8.6 million	0%	5			
		Facility	Up to US$30,000,000 (equivalent to approximately HK$234,000,000)	15%	24 to 48			

Source: website of the Stock Exchange

Notes: For illustration purpose only, amounts denominated in Renminbi (RMB) have been translated into HK dollar at the rate of RMB1 = HK$1.107, amounts denominated in US$ have been translated to HK dollar at the rate of US$1 = HK$7.822 and amounts denominated in Ringgit (RM) have been translated to HK dollar at the rate of RM1 = HK$ 1.71701.

(a) Size and interest rate of the Facility

As illustrated by the table above, the loan size of Market Comparables ranges from approximately HK$8.6 million to approximately HK$2,200 million. The Facility in the principal amount of up to US$30 million (equivalent to approximately HK$234 million) falls within the range of the loan size of Market Comparables.

Interest rate of Market Comparables ranges from 0% to 8% per annum with an average of approximately 5% per annum. Interest rate of 15% per annum under the Facility Agreement is higher than the average and the high end of the range of Market Comparables. As the Facility is unsecured, we also compared the interest rate of 15% per annum under the Facility Agreement with interest rate of the ten unsecured Market Comparables (the "**Unsecured Interest Comparables**") ranging from 0% to 8% per annum with an average of approximately 4% per annum and noted that the interest rate of the Facility is also higher than the average and the high end of the range of the Unsecured Market Comparables.

Based on the above, we consider that the size and interest rate of the Facility are justifiable.

We noted from the Annual Report 2021 and Interim Report 2022 of the Company and as confirmed with the management of the Company that the Group recently has no borrowings to/from independent third parties; therefore, it is unable to compare the terms available to or from independent third parties. However, in light of (i) the range of interest rates of Market Comparables while the interest rate of 15% per annum under the Facility Agreement is above the range; (ii) based on our research on financial assistance to independent third party(s) with a fixed interest rate announced by companies listed in Hong Kong during the period from 1 November 2022 and up to 18 November 2022, being the date of the Announcement, the interest rates on the provision of loan or financial assistance to an independent third party ranges from 0% to 24% per annum; thus, the interest rate of 15% per annum under the Facility Agreement falls within the range; and (iii) the arrangement fee under the Facility Agreement is a better term as compared to the market norm, we concur with the Directors' view that the terms of the Facility are no less favourable to the Company than terms available to independent third parties.

(b) Term to maturity

As illustrated by the table above, the term to maturity of Market Comparables ranges from approximately 5 months to 60 months. The Facility Agreement has term to maturity of two years and is extendable to four years (i.e. 24 to 48 months) which falls within the range of Market Comparables. As such, we consider that the term to maturity of the Facility Agreement is fair and reasonable.

(c) Arrangement fee

As illustrated by the table above, all Market Comparables would not require arrangement fee for loan or facility drawdown. On this basis, we consider that arrangement fee under the Facility Agreement is a better term as compared to the market norm, from the perspective of the Company.

(d) Collateral/Guarantee

Having considered that the Facility is unsecured, we referred to Market Comparables on assessing whether such arrangement is in the market norm. As illustrated by the table above, 10 out of 13 Market Comparables were not secured by any collateral or guarantee. As such, we consider that it is not uncommon in the market for provision of loan to/from a connected person by/to listed companies in Hong Kong without collateral or guarantee. Based on our analysis on the Borrower's financial performance and financial position (including it had net assets of approximately US$88.6 million as at 30 June 2022) and strong background of Hony Capital group as mentioned under "(3) Background information of the Borrower – Financial information of the Borrower" above, we concur with the management of the Group that the default risk of the Borrower under the Facility Agreement will be relatively low.

As stated in the Letter from the Board, 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. We obtained a list of interest rates from the Company and noted that it has obtained interest rates on US dollar, RMB and Hong Kong dollar time deposits from one week to three months verbally quoted by commercial banks from time to time. We also obtained an analysis on the recent lending rate market research conducted by the Company when determining the interest rate of the Facility. Based on the analysis, we understood that the Company made references to interest rates on borrowings offered to connected persons and independent third parties of certain financial assistance transactions of listed companies.

In addition to the above, we discussed with the management of the Group and understood that they have reviewed the financial information of the Borrower for the last few years and are aware that the unaudited net assets of the Borrower as at 30 June 2022 was approximately US$88.6 million. Moreover, based on the best of their knowledge, information and belief, the Borrower has not defaulted on any of its credit obligations in the past three years.

Based on the above, we concur with the management of the Group that the risk of default by the Borrower is relatively low and manageable.

Our view

The provision of financial assistance under the Facility Agreement is in line with the objectives of the Group to generate investment returns from its surplus funds not currently required by its principal businesses.

We noted from the Annual Report 2021 that the Group had borrowings from a director of approximately HK$212.6 million as at 31 December 2021. This loan facility was unsecured and non-interest borrowing. It also mentioned that as at 31 December 2021, the Group has a fully utilised borrowing facility of HK$215 million from Ms. Li Yin for financing its business operation. Such unsecured, non-interest bearing borrowing was offset against the consideration of the Disposal which was subsequently completed on 22 March 2022. Nevertheless, having considered that the Facility will carry interest rate of 15% per annum, which is higher than the US Dollar time deposit interest rates as discussed above, the provision of financial assistance under the Facility Agreement will generate more interest income to the Group rather than placing deposit of the same amount to a commercial bank for interest earning.

On the basis of the above and assuming no material change to the financial performance and financial position of Hony Capital group, we consider that the Borrower has sufficient financial resources; and being a member of Hony Capital group, the Borrower has strong backing to honour its obligations under the Facility Agreement for the Facility.

In assessing the benefits to be received and foregone under the Facility mechanism, we have taken into consideration all material terms of the Facility Agreement, including but not limited to (i) interest rate. We compared 15% annual interest rate of the Facility with Unsecured Interest Comparable and noted that it is above the annual interest rates of all Unsecured Interest Comparables; and thus, it is favourable to the Company as a lender. Please refer to "(4) Principal terms of the Facility Agreement – Analysis on the terms of the Facility Agreement – (a) Size and interest rate of the Facility" for details of our work done; (ii) arrangement fee of US$900,000 under the Facility Agreement. We have reviewed terms of Market Comparables and noted that arrangement fee for loan or facility drawdown is uncommon as all Market Comparables would not require arrangement fee for loan or facility drawdown. It is a better term to the Company which allows it to earn more in addition to interest income; (iii) voluntary prepayment. We have reviewed terms of Market Comparables and noted that although 9 out of 13 of Market Comparables contain voluntary/early prepayment term, prepayment administrative fee for loan or facility is uncommon as all such Market Comparables would not require prepayment administrative fee for voluntary prepayment. We understand that the provision of financial assistance may cause the Group to forego the opportunities of applying its idle cash on other investment alternative, if any. In this regard, we enquired the management of the Group and noted that given it has not yet identified any suitable alternative investment, the provision of financial assistance under the Facility Agreement will enable the Group to make use of its surplus funds in a better way at an acceptable level of risk. As mentioned in the

Letter from the Board, the Group has been adopting a more cautious and selective approach in deploying its capital on new investment opportunities. In view of the above, we consider that the benefits to be received will outweigh the benefits to be foregone under the Facility mechanism and we concur with the Directors' view that the terms of the Facility Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

(5) Financial effects of the provision of financial assistance under the Facility Agreement

Earnings

The Group will be entitled to earn interest income from the Facility at an interest rate of 15% per annum, therefore there would be a positive impact on the Group's earnings.

Net assets

The amount of Facility will be recorded as amount due from related parties under non-current assets of the Group. Given that the provision of the Facility will increase loan receivables and at the same time decrease the cash and cash equivalents of the Group, there would be no material impact on the net assets of the Group as a result of the provision of financial assistance under the Facility Agreement.

Liquidity and gearing

As set out in the Interim Report 2022, as at 30 June 2022, the current ratio of the Group was approximately 5.9; and the Group recorded net cash to total equity, the gearing ratio was therefore not applicable. Since the amount of the Facility will be classified as non-current assets, it is expected that the Group's current ratio will decrease. There would be no material impact arising from the provision of financial assistance under the Facility Agreement on the Group's gearing ratio.

RECOMMENDATION

Having taken into account the above principal factors and reasons, we consider that (i) the terms of the Facility Agreement are fair and reasonable and on normal commercial terms; and (ii) although the provision of financial assistance under the Facility Agreement is not in the ordinary and usual course of business of the Group, it is in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders to vote in favor of the relevant resolution at the EGM to approve the transactions contemplated under the Facility Agreement.

Yours faithfully,
For and on behalf of
SBI China Capital Hong Kong Securities Limited

Ringo Kwan
Managing Director

Evelyn Fan
Executive Director

Mr. Ringo Kwan and Ms. Evelyn Fan have been responsible officers of Type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) since 2005 and 2012, respectively. Both of them have participated in the provision of independent financial advisory services for various types of transactions involving companies listed in Hong Kong.

1. FINANCIAL INFORMATION OF THE GROUP

The audited consolidated financial statements, together with the accompanying notes to the financial statements of the Group for the years ended 31 December 2019, 2020 and 2021 and the unaudited consolidated interim report of the Group for the six months ended 30 June 2022 are disclosed in the following documents which have been published on the website of the Stock Exchange (http://www.hkexnews.hk) and the Company (goldstreaminvestment.com):

Annual report for the year ended 31 December 2019 (pages 51 to 131)
https://www1.hkexnews.hk/listedco/listconews/sehk/2020/0429/2020042902537.pdf

Annual report for the year ended 31 December 2020 (pages 50 to 129)
https://www1.hkexnews.hk/listedco/listconews/sehk/2021/0429/2021042901857.pdf

Annual report for the year ended 31 December 2021 (pages 48 to 131)
https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0428/2022042802778.pdf

Interim report for the six months ended 30 June 2022 (pages 20 to 56)
https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0921/2022092100542.pdf

2. INDEBTEDNESS

As at the close of business on 31 October 2022, being the latest practicable date for the purpose of preparing this statement of indebtedness of the Group prior to the printing of this circular (the "**Indebtedness Date**"), the Group had the following indebtedness:

Bank borrowings

As at the Indebtedness Date, the Group had no outstanding bank borrowing.

Other borrowings

As at the Indebtedness Date, the Group had amount due to a related company amounting to HK$1,425,000, which was non-trade in nature, unsecured and unguaranteed.

Lease liabilities

As at the Indebtedness Date, the lease liabilities amounted to HK$2,121,000 in aggregate, which were secured by rental deposits and unguaranteed.

Contingent liabilities

As at the Indebtedness Date, the Group had no material contingent liabilities.

Save as aforesaid, and apart from intra-group liabilities, none of the companies in the Group had any material debt securities issued and outstanding, neither authorized nor otherwise created but unissued. The Group had no borrowings or indebtedness in the nature of borrowing including bank overdrafts and liabilities under acceptances (other than normal trade bills) or acceptance credits or other similar indebtedness, debentures, mortgages, charges, hire purchase commitments, guarantees or other material contingent liabilities at the Indebtedness Date.

3. WORKING CAPITAL SUFFICIENCY

The Directors, after due and careful enquiry, are of the opinion that, taking into account the proposed provision of Facility and the internal financial resources available to the Group, the Group will have sufficient working capital for its present requirements for at least twelve months from the date of publication of this circular.

4. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

In March 2022, the Group completed the disposal of its customer relationship management service business due to the declining profit in the past few years. After the disposal, the Group has allocated all its resources to continue to develop the two remaining highly synergized investment management ("**IM**") and strategic direct investment ("**SDI**") businesses with a focus on becoming a leading provider of products, solutions, platform and infrastructure in Greater China. The Group will continue to seek investment opportunities to enhance the return on its financial resources as a whole.

For the IM business, the Group currently has approximately US$533 million of Assets Under Management (AUM) as reported in 2022 Interim Report. The IM business is the Group's core business and the Group will continue to develop it. As the financial markets recover and China reopens, the Group will step up its effort to further develop and grow the Group's AUM through the following initiatives:

(1) The Group shall continue building sound track-records for all the Group's products to attract new investors.

(2) The Group shall continue developing its asset allocation models and risk management models. These models, together with the Group's fund products, enable us to provide holistic investment solutions to the Group's clients – with a particular focus on Chinese investors investing into global markets and global investors investing into Chinese markets.

(3) The Group shall promote its funds and services to institutional clients and family offices to extend the Group's client base geographically and increase the Group's AUM. The Group will develop its business relationships with financial institutions, mainly banks and insurance companies, product distributors like securities companies, high net worth individuals and large conglomerates, both in China and outside China.

(4) The Group shall continue its investment in its operating platform to enhance its client services, risk management and operations capabilities to support its diversifying set of products and business services.

The Group shall continue with its prudent approach in building up the IM revenue through external capital fund raising to increase its AUM. The Group remains positive that Hong Kong and China offer attractive long term investment opportunities with limited correlation to other markets. The Group will use the fee income received in managing clients' money to support these initiatives.

For the SDI business, as reported in 2019 annual report it was set up with the objective of enhancing the returns on idle cash balance. SDI is to leverage on the Group's human and physical capital in pursuit of risk-adjusted returns and to support growth of the IM business when appropriate. As the IM business matures, the need for Group's capital to support its development reduces. The Group is strived to strike a balance between the risk and return from its investment. The Group, having considered its future cash flow projection and the risk and return profile of this transaction against making investments in the current securities market, considers that the transactions contemplated under the Facility Agreement is beneficial to the Group and the shareholders. Furthermore, after providing the Facility, the Group will have sufficient working capital for its operation for at least the next 12 months before the Facility expires in 24 months from the utilisation date. With the upfront arrangement fee of US$900,000 and half yearly interest of US$2.25 million, the Group will have sufficient working capital to operate and make new investments.

The Group's domestic business in the PRC has also been developing steadily in both its products and relationships with institutional investors. Through its RMB Qualified Foreign Institutional Investor ("**RQFII**") licence, the Group is providing investors with offshore capital to invest directly in mainland onshore financial instruments. The revised RQFII regulation which allows investment to be made to private funds is favourable to the Group in raising new investments to grow its asset under management.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors having made all reasonable inquiries, 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.

2. DISCLOSURE OF INTERESTS OF DIRECTORS

As at the Latest Practicable Date, the interests or short positions of the Directors or chief executive of the Company in the Shares, underlying shares or debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code in Appendix 10 of the Listing Rules were as follows:

Long positions in the Shares, underlying Shares and debentures of the Company

Name of Director	Capacity	Number of issued Shares held	Approximate percentage of the Company's share capital
Mr. Zhao John Huan	Interest in controlled corporation *(Note)*	7,802,539,321	67.87%

Note: Hony Gold Holdings, L.P. is managed by Hony Gold GP Limited (as general partner). Hony Gold GP Limited is a wholly-owned subsidiary of Hony Group Management Limited, which is owned as to 80% by Hony Managing Partners Limited. Hony Managing Partners Limited is a wholly-owned subsidiary of Exponential Fortune Group Limited, which is owned by Mr. Zhao John Huan as to 49%. As such, Mr. Zhao John Huan, Exponential Fortune Group Limited, Hony Managing Partners Limited, Hony Group Management Limited and Hony Gold GP Limited are deemed to be interested in the shares in which Hony Gold Holdings, L.P. is interested under the SFO.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executive of the Company and their respective associates had interests or short positions in the shares, underlying shares and/or debentures (as the case may be) of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of SFO (including interests or short positions which are taken or deemed to have under such provisions of the SFO), or recorded in the register maintained by the Company pursuant to Section 352 of the SFO or which were notified to the Company and the Stock Exchange pursuant to the Model Code in Appendix 10 of the Listing Rules.

3. DIRECTOR'S INTERESTS

(i) None of the Directors has any direct or indirect interest in any assets which have been, since 31 December 2021, being the date to which the latest published audited financial statements of the Company were made up, acquired or disposed of by or leased to, or which are proposed to be acquired or disposed of by, or leased to, any member of the Group.

(ii) Save for Mr. Zhao and Mr. Tam's interests in the Facility Agreement (details of which are set out in the section headed "EGM" in the letter from the Board of this Circular), none of the Directors was materially interested in any contract or arrangement subsisting at the Latest Practicable Date and which was significant in relation to the business of the Group.

(iii) None of the Directors or chief executive of the Company and their respective associates (as defined in the Listing Rules) has any competing interests which would be required to be disclosed under Rule 8.10 of the Listing Rules if each of them was a controlling Shareholder of the Company.

4. SERVICE CONTRACTS

None of the Directors has any existing or proposed service contract with any member of the Group which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

5. MATERIAL CONTRACTS

The following contracts (not being contracts entered into the ordinary course of business of the Group) have been entered into by the members of the Group within two years immediately preceding the Latest Practicable Date which are or may be material:

(i) the share purchase agreement entered into between the Company and Ms. Li Yin on 22 December 2021, pursuant to which, the Company conditionally agreed to sell, and Ms. Li Yin conditionally agreed to purchase the entire issued share capital of Honor Crest Holdings Limited for the consideration of HK$219,464,000;

(ii) the supplemental agreement to the facility agreement entered into between the Company, as the borrower, and Mr. Li Kin Shing, as the lender on 30 November 2020, in relation to the unsecured and interest free term loan facility in the principal amount of HK$215,000,000;

(iii) the deed of waiver dated 22 December 2021 executed by the Company in favour of Honor Crest Holdings Limited in relation to the waiver of all the outstanding receivables pending to be received by the Company from Honor Crest Holdings Limited in the amount of HK$4,138,900 as at 22 December 2021; and

(iv) the Facility Agreement.

6. DISCLOSURE OF INTERESTS OF SUBSTANTIAL SHAREHOLDERS

Long positions in the Shares, underlying Shares and debentures of the Company

As at the Latest Practicable Date, so far as was known to the Directors, the persons or entities, other than a Director or chief executive of the Company, who had an interest or a short position in the Shares or the underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

Name of Shareholders	Capacity	Number of issued Shares held	Approximate percentage of the Company's share capital
Hony Gold Holdings, L.P.	Beneficial owner *(Note 1)*	7,802,539,321	67.87%
Hony Gold GP Limited	Interest in controlled corporation *(Note 1)*	7,802,539,321	67.87%
Hony Group Management Limited	Interest in controlled corporation *(Note 1)*	7,802,539,321	67.87%
Hony Managing Partners Limited	Interest in controlled corporation *(Note 1)*	7,802,539,321	67.87%
Exponential Fortune Group Limited	Interest of a controlled corporation *(Note 1)*	7,802,539,321	67.87%
Glory Moment Investments Ltd.	Beneficial owner *(Note 2)*	840,000,000	7.31%

Name of Shareholders	Capacity	Number of issued Shares held	Approximate percentage of the Company's share capital
Mr. Fang Shin	Interest in controlled corporation *(Note 2)*	840,000,000	7.31%
Ms. Kwok King Wa	Beneficial owner *(Note 3)*	684,900,000	5.96%
Mr. Li Kin Shing	Interest of spouse *(Note 3)*	684,900,000	5.96%

Notes:

1. Hony Gold Holdings, L.P. is managed by Hony Gold GP Limited (as general partner). Hony Gold GP Limited is a wholly-owned subsidiary of Hony Group Management Limited, which is owned as to 80% by Hony Managing Partners Limited. Hony Managing Partners Limited is a wholly-owned subsidiary of Exponential Fortune Group Limited, which is owned by Mr. Zhao John Huan as to 49%. As such, Mr. Zhao John Huan, Exponential Fortune Group Limited, Hony Managing Partners Limited, Hony Group Management Limited and Hony Gold GP Limited are deemed to be interested in the shares in which Hony Gold Holdings, L.P. is interested under the SFO.

2. The 840,000,000 Shares are held by Glory Moment Investments Ltd., which is wholly owned by Mr. Fang Shin.

3. The 684,900,000 Shares are held by Ms. Kwok King Wa in person. Mr. Li Kin Shing is the spouse of Ms. Kwok King Wa and therefore is deemed to be interested in the 684,900,000 Shares held by Ms. Kwok King Wa under the SFO.

Save as disclosed above, as at the Latest Practicable Date, so far as was known to the Directors and chief executive of the Company, the Company has not been notified by any persons (other than a Director or chief executive of the Company) who had an interest or a short position in the Shares or the underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

Except for each of Mr. Zhao John Huan, being an executive Director, who is also a director of each of Hony Group Management Limited, Hony Managing Partners Limited and Exponential Fortune Group Limited, and Mr. Tam Terry Sze Ying, being a non-executive Director, who is also a director of Hony Group Management Limited, as of the Latest Practicable Date, none of the Directors or any proposed Director of the Company was a director or an employee of a company which had, or was deemed to have, an interest or a short position in the Shares or underlying Shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO.

7. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors confirmed that there was no material adverse change in the financial or operation position of the Group since 31 December 2021, the date to which the latest published audited consolidated accounts of the Group were made up.

8. LITIGATION

As at the Latest Practicable Date, no member of the Group was engaged in any litigation or claims of material importance, and no such litigation or claim of material importance was known to the Directors to be pending or threatened by or against any members of the Group.

9. QUALIFICATION AND CONSENT OF EXPERT

The following are the qualifications of the experts who have given opinions or advices which are contained or referred to in this circular:

Name	Qualification
Veda Capital Limited	a corporation licensed to carry out Type 6 (advising on corporate finance) regulated activity under the SFO
SBI China Capital Financial Services Limited	a corporation licensed to carry out Type 6 (advising on corporate finance) regulated activity under the SFO

As at the Latest Practicable Date, each of the above experts had no shareholding interest in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities of any member of the Group.

As at the Latest Practicable Date, each of the above experts was not interested, directly or indirectly, in any assets which had since 31 December 2021 (being the date to which the latest published audited accounts of the Company were made up) been acquired or disposed of by or leased to any member of the Group or which are proposed to be acquired or disposed of by or leased to any member of the Group.

As at the Latest Practicable Date, each of the above experts has given and has not withdrawn its written consent to the issue of this circular with the inclusion herein of its letter and references to its name in the form and context in which it appears.

10. DOCUMENTS ON DISPLAY

The following documents will be published on the websites on the Stock Exchange (http://www.hkexnews.hk) and the Company (http://www.goldstreaminvestment.com) for a period of not less than 14 days commencing from the date of this circular:

(i) the Facility Agreement;

(ii) the letter from the Independent Financial Adviser; and

(iii) the letter of consent referred to the paragraph headed "9. Qualification and Consent of Expert" in this appendix.

11. MISCELLANEOUS

(i) The registered office of the Company is at PO Box 309, Ugland House, Grand Cayman, KY1-1104 Cayman Islands.

(ii) The principal place of business of the Company in Hong Kong is at Suite 08, 70/F, Two International Finance Centre, No. 8 Finance Street, Central, Hong Kong.

(iii) The branch share registrar of the Company in Hong Kong is Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.

(iv) The company secretary of the Company is Ms. Lai Janette Tin Yun, a Chartered Secretary in Hong Kong.

(v) The English text of this circular and the accompanying form of proxy will prevail over the Chinese text in the event of any inconsistency.

GOLDSTREAM INVESTMENT LIMITED
金涌投資有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1328)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the extraordinary general meeting (the "**EGM**") of Goldstream Investment Limited (the "**Company**") will be held at Suite 08, 70/F, Two International Finance Centre, No. 8 Finance Street, Central, Hong Kong on Friday, 30 December 2022 at 10 a.m. to consider and, if thought fit, approve, with or without modifications, the following resolution as an ordinary resolution:

ORDINARY RESOLUTION

"**THAT**:

(i) the entering into of the Facility Agreement (as defined in the circular to the shareholders of the Company dated 13 December 2022 (the "**Circular**"), of which this notice forms part), a copy of which has been produced to this meeting marked "A" and signed by the chairman of this meeting for identification purpose, the transactions contemplated thereunder and the execution of the Facility Agreement be and are hereby confirmed, approved, authorised and/or ratified in all respects; and

(ii) any one of the directors of the Company be and hereby authorised to sign, execute, perfect, deliver and do all such documents, deeds, acts, matters and things, as the case may be, as he/she may in his/her discretion consider necessary, desirable or expedient in connection with the performance of the rights and/or obligations under and giving effect to the Facility Agreement and the transactions contemplated thereunder."

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

Hong Kong, 13 December 2022

Registered Office:
Maples Corporate Services Limited
PO Box 309, Ugland House,
Grand Cayman, KY1-1104,
Cayman Islands

Head Office and Principal Place of Business in Hong Kong:
Suite 08, 70/F,
Two International Finance Centre,
No. 8 Finance Street,
Central, Hong Kong

Notes:

1. In view of the outbreak of the coronavirus (COVID-19) pandemic and recent requirements for prevention and control of its spread, the Company will implement certain measures at the EGM, details of which are set out in the section headed "Precautionary Measures for the EGM" on the pages i and ii of the Circular, to safeguard the health and safety of the attending shareholders of the Company, staff and other stakeholders.

   The Company will keep the evolving COVID-19 situation under review and may implement additional measures which it will announce closer to the date of the EGM.

2. All resolutions at the EGM will be taken by poll pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**"). The results of the poll will be published on the websites of Hong Kong Exchanges and Clearing Limited and the Company in accordance with the Listing Rules.

3. Any member entitled to attend and vote at the EGM is entitled to appoint one or more proxies to attend and, on a poll, vote instead of him/her. A proxy need not be a member of the Company.

4. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his/her attorney duly authorised in writing or, if the appointor is a corporation, either under its seal or under the hand of any officer, attorney or other person duly authorised to sign the same.

5. In order to be valid, the form of proxy together with the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of such power or authority, must be deposited with the Company's branch share registrar in Hong Kong, Tricor Investor Services Ltd. at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, not less than 48 hours before (i.e. 10 a.m. on Wednesday, 28 December 2022) the time appointed for holding the EGM or any adjourned meeting thereof (as the case may be).

6. Completion and return of the form of proxy will not preclude members from attending and voting in person at the EGM or at any adjourned meeting thereof (as the case may be) should they so wish, and in such event, the form of proxy shall be deemed to be revoke.

7. Where there are joint registered holders of any share, any one of such joint holders may vote, either in person or by proxy, in respect of such share as if he/she was solely entitled thereto, but if more than one of such joint holders are present at the EGM, whether in person or by proxy, the joint registered holder present whose name stands first on the register of members of the Company in respect of the shares shall be accepted to the exclusion of the votes of the other registered holders.

As at the date of this notice, the board of directors of the Company 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.