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GOLDSTREAM INVESTMENT LIMITED

金涌投資有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1328)

DISCLOSEABLE TRANSACTION ACQUISITION OF LISTED SECURITIES

ACQUISITION OF MEITU SHARES

The Board announces that on 4 March 2024, Redwood (a wholly-owned subsidiary of the Company), through on-market transactions conducted on the Stock Exchange, acquired in aggregate 1,982,000 Meitu Shares at an aggregate consideration of approximately HK\$5,425,000 (exclusive of transaction costs), representing approximately HK\$2.7372 per Meitu Share.

Within a 12-month period prior to the date of the Acquisition, Redwood acquired an aggregate of 6,018,000 Meitu Shares through on-market transactions conducted on the Stock Exchange for an aggregate consideration of approximately HK\$15,481,000 (exclusive of transaction costs), representing approximately HK\$2.5724 per Meitu Share.

After the Acquisitions, the Group holds an aggregate of 8,000,000 Meitu Shares, representing approximately 0.18% of the total number of issued shares of Meitu as at the date of this announcement.

LISTING RULES IMPLICATIONS

As the highest of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Acquisition, when aggregated with the Previous Acquisition, exceeds 5% but is less than 25%, the Acquisition, when aggregated with the Previous Acquisition, constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

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After the Acquisitions, the Group holds an aggregate of 8,000,000 Meitu Shares, representing approximately 0.18% of the total number of issued shares of Meitu as at the date of this announcement.

The aggregate consideration for the Acquisitions is approximately HK\$20,906,000 (exclusive of transaction costs) and shall be/have been (as the case may be) fully settled in cash from the Company's internal resources.

The consideration of the Acquisitions were determined by reference to the prevailing trading prices of the shares of Meitu on the Stock Exchange at the time of the relevant acquisitions.

As the Acquisitions were conducted through the open market of the Stock Exchange, the identities of the counterparties of the acquired Meitu Shares cannot be ascertained. To the best knowledge, information and belief of the Directors and having made all reasonable enquiries, the Directors believe that the counterparties of the Acquisitions and their ultimate beneficial owner(s) is/are Independent Third Parties.

INFORMATION ON THE COMPANY AND REDWOOD

The Company

The Company and its subsidiaries are principally engaged in (i) the provision of investment management business; and (ii) the strategic direct investment business.

Redwood

Redwood is a company incorporated in the Cayman Islands with limited liability and its principal business is strategic direct investment. As at the date of this announcement, Redwood is a direct wholly-owned subsidiary of the Company.

INFORMATION ON MEITU

Meitu is a company incorporated in the Cayman Islands with limited liability and the issued shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 1357). To the best knowledge, information and belief of the Directors and having made all reasonable enquiries, the principal activities of the Meitu Group are (i) the provision of online advertising and other Internet value-added services by offering a portfolio of innovative photo and community apps that enjoys popularity in the PRC and overseas and (ii) the smart hardware business involving the production of, among other things, artificial intelligence skin analysis SaaS under the brand of EveLab Insight (and MeituEve (美圖宜膚) in the PRC), MeituKey (a contact skin analyser), MeituSpa (an artificial intelligence cleansing brush) and Meitu Genius (an artificial intelligence smart mirror).

Founded in 2008 with the mission to “let art and technology converge elegantly”, Meitu has launched a portfolio of innovative image and design products to enable users to create digital contents easily, both for social and productivity use cases. Meitu has been investing in AI since 2010 across various technologies in computer vision, and launched its proprietary generative AI model MiracleVision. As of June 2023, Meitu’s Monthly Active Users (MAU) reached 247 million.

Set out below is certain financial information of Meitu Group as extracted from the annual reports of Meitu for the year ended 31 December 2022 and 31 December 2021:

	For the year ended 31 December 2022	For the year ended 31 December 2021
	<i>RMB'000</i>	<i>RMB'000</i>
	(audited)	(audited)
Revenue	2,085,329	1,666,029
Profit/(Loss) before income tax	175,230	(10,935)
Profit/(Loss) for the year	18,891	(77,430)

Based on the interim report of Meitu for the six months ended 30 June 2023, the unaudited consolidated net asset value of Meitu as at 30 June 2023 was RMB3.914 billion.

REASONS AND BENEFITS OF THE ACQUISITIONS

The Group is principally engaged in provision of investment management services business and strategic direct investment business. The Group routinely conducts investments in companies with excellent reputation and business potential.

The Company notes that Meitu is one of the industry leaders on technology-driven beauty solutions and a pioneer of subscription-based products driven by AI-generated content technologies. Having considered the business operation and prospects of Meitu, the Company is optimistic about the prospects of Meitu, and is of the view that the Acquisitions fit the Group's investment criteria and are in the interests of the Company and its shareholders as a whole.

Based on the above, and having considered that the Acquisitions were conducted through open market at prevailing market prices at the time of the relevant Acquisitions, the Directors are of view that the terms of the Acquisitions were fair and reasonable, on normal commercial terms and in the interest of the Company and its shareholders as a whole.

IMPLICATION UNDER THE LISTING RULES

As the highest of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Acquisition, when aggregated with the Previous Acquisition, exceeds 5% but is less than 25%, the Acquisition, when aggregated with the Previous Acquisition, constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expressions shall have the following meanings:

“Acquisition”	the acquisition of an aggregate of 1,982,000 Meitu Shares at an aggregate consideration of approximately HK\$5,425,000 (exclusive of transaction costs) by the Company on 4 March 2024
“Acquisitions”	the Acquisition and the Previous Acquisition
“Board”	the board of Directors
“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 to it under the Listing Rules
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	third party(ies) independent of the Company and connected persons of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Meitu”	Meitu, Inc., a company incorporated in the Cayman Islands with limited liability and the issued shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 1357)

“Meitu Group”	Meitu and its subsidiaries
“Meitu Share(s)”	ordinary share(s) in the share capital of Meitu
“PRC”	the People’s Republic of China
“Previous Acquisition”	the acquisition of an aggregate of 6,018,000 Meitu Shares at an aggregate consideration of approximately HK\$15,481,000 (exclusive of transaction costs) by the Company within a 12-month period prior to the date of the Acquisition
“Redwood”	Redwood Elite Limited, a company incorporated in the Cayman Islands with limited liability and a direct wholly-owned subsidiary of the Company
“RMB” or “Renminbi”	Renminbi, the lawful currency of the People’s Republic of China
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

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

Hong Kong, 4 March 2024

As at the date of this announcement, the board comprises two executive Directors, namely Mr. Zhao John Huan (Chairman) and Mr. Gao Ziqi (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.