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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)**

### **CONNECTED TRANSACTIONS LEASE AGREEMENTS**

#### **HONG KONG SUBLEASE AGREEMENT**

On 28 March 2024, Hony Capital (as sublessor) and the Company (as sublessee) entered into the Hong Kong Sublease Agreement, pursuant to which, Hony Capital agreed to sublet the Hong Kong Subleased Portion to the Company for a term of 28 months commencing from 1 April 2024 to 31 July 2026 (both days inclusive).

#### **SHENZHEN LEASE AGREEMENT**

On 28 March 2024, Shenzhen Hongyi Hengsheng (as lessor) and GAMS L (as lessee) entered into the Shenzhen Lease Agreement, pursuant to which, Shenzhen Hongyi Hengsheng agreed to let the Shenzhen Premises to GAMS L for a term of three (3) years commencing from 1 April 2024 to 31 March 2027 (both days inclusive).

## **LISTING RULES IMPLICATIONS**

As at the date of this announcement, each of Hony Capital and Shenzhen Hongyi Hengsheng is wholly owned by HCG, and HCG is managed by Hony Group Management (as sole general partner), which is owned as to 80% by Hony Managing Partners. Hony Managing Partners is in turn a wholly-owned subsidiary of Exponential Fortune, which is owned as to 49% by Mr. Zhao. As each of Hony Group Management, Hony Managing Partners and Exponential Fortune is an indirect holding company of the Company and Mr. Zhao is a Director, and each of HCG, Hony Capital and Shenzhen Hongyi Hengsheng, being their associates, are connected persons of the Company under Chapter 14A of the Listing Rules. Accordingly, the transactions contemplated under the Lease Agreements in respect of the acquisition of right-of-use asset to be recognised by the Group constitute a connected transaction of the Company and the payment of management fees under the Lease Agreements constitutes a continuing connected transaction under Chapter 14A of 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 aggregated value of the right-of-use assets under the Lease Agreements exceeds 0.1% but all of them are less than 5%, the transactions contemplated under the Lease Agreements are subject to the reporting and announcement requirements but are exempted from the circular, independent financial advice and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio (as defined in Rule 14.07 of the Listing Rules) in respect of the aggregate management fees payable by the Group under the Lease Agreements on an annual basis is less than 0.1%, pursuant to Rule 14A.76(1)(a) of the Listing Rules, the payment of management fees under the Lease Agreements is fully exempt from the reporting, annual review, announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

## **HONG KONG SUBLEASE AGREEMENT**

On 28 March 2024, Hony Capital (as sublessor) and the Company (as sublessee) entered into the Hong Kong Sublease Agreement, pursuant to which, Hony Capital agreed to sublet the Hong Kong Subleased Portion to the Company for a term of 28 months commencing from 1 April 2024 to 31 July 2026 (both days inclusive).

Date: 28 March 2024

Parties: Hony Capital (as sublessor)  
The Company (as sublessee)

Premises: Certain office space with gross floor area of approximately 1,055 square feet situated at Suite 7008, 70/F, Two International Finance Centre, 8 Finance Street, Central, Hong Kong

The Company is also entitled to use certain common areas with gross floor area of approximately 1,027 square feet located in the Hong Kong Head-lease Premises for shared use among Hony Capital and the Company (the “**Common Area**”).

Term: 28 months commencing from 1 April 2024 to 31 July 2026 (both days inclusive)

Rent: HK\$291,479 per month

Outgoings: The Company is responsible for management fees and government rates in respect of the Hong Kong Subleased Portion, which will be charged at cost on a pro-rata basis. The management fee payable by the Company in respect of the Hong Kong Subleased Portion will be HK\$28,315 per month.

Payment arrangement: To be settled on a monthly basis in accrual on or before the seventh (7th) day of each calendar month

Usage: Office premises

The rent, management fees and government rates payable by the Group under the Hong Kong Sublease Agreement were determined after arm's length negotiations between the parties, representing 24.14% of the actual rent, management fees and government rates charged by the landlord of the Hong Kong Head Lease pursuant to the terms of the Hong Kong Head Lease without any mark-up. The proportion of 24.14% represents the approximate floor area in the office premises which will be occupied exclusively by the Group for use as a percentage of the total floor area of the Hong Kong Head-lease Premises (excluding the Common Area). The rent being charged by the landlord of the Hong Kong Head Lease to Hony Capital was determined by reference to the prevailing market rent of comparable office premises in the vicinity of the Hong Kong Head-lease Premises. Payments under the Hong Kong Sublease Agreement are expected to be satisfied by internal resources of the Group in its ordinary and usual course of business.

## **SHENZHEN LEASE AGREEMENT**

On 28 March 2024, Shenzhen Hongyi Hengsheng (as lessor) and GAMSL (as lessee) entered into the Shenzhen Lease Agreement, pursuant to which, Shenzhen Hongyi Hengsheng agreed to let the Shenzhen Premises to GAMSL for a term of three (3) years commencing from 1 April 2024 to 31 March 2027 (both days inclusive).

The principal terms of the Shenzhen Lease Agreement are set out below:

Date:	28 March 2024
Parties:	Shenzhen Hongyi Hengsheng (as lessor)  GAMSL (as lessee)
Premises:	Certain office space with gross floor area of approximately 100 square metres situated at C2 on the 4th floor Apartment, Office Building, Hongyi Building, No. 1 Financial Street, Nanshan Street, Qianhai Shenzhen Hong Kong Cooperation Zone, Shenzhen
Term:	3 years commencing from 1 April 2024 to 31 March 2027 (both days inclusive)
Rent:	RMB320,000 per year

Management fee: RMB260 per month

Payment arrangement: Both the rent and the management fee shall be settled on an annual basis on or before the fifth (5th) day of April each year. The first payment shall be made on or before 5 April 2024.

Usage: Office premises

The rent was determined after arm's length negotiations between the parties, with reference to the prevailing market rental of comparable office premises in the vicinity of the Shenzhen Premises. Payments under the Shenzhen Lease Agreement are expected to be satisfied by internal resources of the Group in its ordinary and usual course of business.

## **FINANCIAL EFFECTS OF ENTERING INTO THE LEASE AGREEMENTS**

As at the date of this announcement, the unaudited aggregated value of the right-of-use assets to be recognized by the Group in respect of the Lease Agreements amounts to approximately HK\$8.67 million. Shareholders should note that the aforesaid figure is unaudited and may be subject to adjustment in the future.

The right-of-use assets represent the right to use the underlying leased assets over the lease term and the lease liability represents the lessees' obligation to make lease payments (i.e. the rent). The assets and the liability arising from the lease are initially measured on present value basis and calculated by discounting the non-cancellable lease payments under the Lease Agreements, using the lessees' weighted average incremental borrowing rate as the discount rate. Under IFRS 16 and in the consolidated statement of comprehensive income of the Group, the Group shall recognise (i) depreciation charge over the life of the right-of-use assets, and (ii) interest expenses amortised from the lease liability over the lease term. The total value of right-of-use assets to be recognized by the Group in respect of the lease of the Hong Kong Subleased Portion is approximately HK\$7.65 million (unaudited) and in respect of the lease of the Shenzhen Premises is approximately RMB1.02 million (unaudited).

## **INFORMATION ON THE GROUP**

The Company was 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 and (ii) securities trading. The strategic direct investment business of the Group includes proprietary investments in the financial markets.

GAMSL was a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company. It is principally engaged in the provision of advisory services on securities and asset management.

#### **INFORMATION ON HONY CAPITAL**

Hony Capital was incorporated in Hong Kong with limited liability and is principally engaged in alternative investment management focusing on opportunities in China. To the best of the knowledge, information and belief of the Company having made all reasonable enquiries, as at the date of this announcement, (i) Hony Capital is wholly-owned by HCG, which is in turn indirectly interested in approximately 67.87% of the issued share capital of the Company; and (ii) HCG is managed by Hony Group Management (as sole general partner), which is owned as to 80% by Hony Managing Partners; and Hony Managing Partners is in turn a wholly-owned subsidiary of Exponential Fortune, which is owned as to 49% by Mr. Zhao.

#### **INFORMATION ON SHENZHEN HONGYI HENGSHENG**

Shenzhen Hongyi Hengsheng was established in the PRC with limited liability and is principally engaged in real estate development, construction and operation, property management and owned property leasing.

To the best of the knowledge, information and belief of the Company having made all reasonable enquiries, as at the date of this announcement, Shenzhen Hongyi Hengsheng is wholly-owned by HCG, which is in turn indirectly interested in approximately 67.87% of the issued share capital of the Company. Further details of HCG are set out in the section headed “Information on Hony Capital” above.

#### **REASONS FOR AND BENEFITS OF THE LEASE AGREEMENTS**

The Hong Kong Head-lease Premises are located at Two International Finance Centre, 8 Finance Street, Central, Hong Kong, being a grade-A office building in the central business district in Hong Kong. The Shenzhen Premises are located at Hongyi Building, No. 1 Financial Street, Nanshan Street, Qianhai Shenzhen Hong Kong Cooperation Zone, Shenzhen, which is situated in the heart of the pioneering business zone in Qianhai.

Given the relatively small scale of the number of staff of the Group in Hong Kong and Shenzhen, the Group considers that the entering into the Lease Agreements can provide the Group with enhanced and necessary office and premises to satisfy its daily business operation needs and will also enable the Group to secure high quality office spaces in strategic locations in Hong Kong and Qianhai Shenzhen Hong Kong Cooperation Zone which will enhance the operation, cost-efficiency and management capacity of the Company. The Directors (including the independent non-executive Directors but excluding Mr. Zhao and Mr. Tam who abstained from voting on the relevant resolutions approving the Lease Agreements) are of the view that each of the Lease Agreements was entered into (i) in the ordinary and usual course of business of the Group; (ii) on normal commercial terms after arm's length negotiations between the parties; and (iii) on terms that are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

As Mr. Zhao is regarded as having a material interest in the Lease Agreements, Mr. Zhao has abstained from voting on the Board resolutions for approving the Lease Agreements and the transactions contemplated thereunder. Further, as a good corporate governance measure, Mr. Tam (being a managing director and chief financial officer of Hony Capital) has also abstained from voting on the Board resolutions for approving the Lease Agreements and the transactions contemplated thereunder. Save as disclosed above, none of the Directors has abstained from voting on the relevant Board resolutions for approving the Lease Agreements and the transactions contemplated thereunder.

## **LISTING RULES IMPLICATIONS**

As at the date of this announcement, each of Hony Capital and Shenzhen Hongyi Hengsheng is wholly owned by HCG, and HCG is managed by Hony Group Management (as sole general partner), which is owned as to 80% by Hony Managing Partners. Hony Managing Partners is in turn a wholly-owned subsidiary of Exponential Fortune, which is owned as to 49% by Mr. Zhao. As each of Hony Group Management, Hony Managing Partners and Exponential Fortune is an indirect holding company of the Company and Mr. Zhao is a Director, and each of HCG, Hony Capital and Shenzhen Hongyi Hengsheng, being their associates, are connected persons of the Company under Chapter 14A of the Listing Rules. Accordingly, the transactions contemplated under the Lease Agreements in respect of the acquisition of right-of-use asset to be recognised by the Group constitute a connected transaction of the Company and the payment of management fees under the Lease Agreements constitutes a continuing connected transaction under Chapter 14A of 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 aggregated value of the right-of-use assets under the Lease Agreements exceeds 0.1% but all of them are less than 5%, the transactions contemplated under the Lease Agreements are subject to the reporting and announcement requirements but are exempted from the circular, independent financial advice and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio (as defined in Rule 14.07 of the Listing Rules) in respect of the aggregate management fees payable by the Group under the Lease Agreements on an annual basis is less than 0.1%, pursuant to Rule 14A.76(1)(a) of the Listing Rules, the payment of management fees under the Lease Agreements is fully exempt from the reporting, annual review, announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

## **DEFINITIONS**

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

“associate(s)”	has the meaning ascribed thereto in the Listing Rules
“Board”	the board of Directors
“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
“Exponential Fortune”	Exponential Fortune Group Limited, a limited liability company incorporated in the Cayman Islands



“GAMSL”	弘毅金涌資產管理(深圳)有限公司 (Hony Goldstream Asset Management Shenzhen Limited*), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company as at the date of this announcement
“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
“Hong Kong Head Lease”	the lease agreement dated 24 August 2023 entered into between the landlord of the Hong Kong Head-lease Premises and Hony Capital in relation to the leasing of the Hong Kong Head-lease Premises
“Hong Kong Head-lease Premises”	Suite 7008, 70/F, Two International Finance Centre, 8 Finance Street, Central, Hong Kong
“Hong Kong Subleased Portion”	certain office space with gross floor area of approximately 1,055 square feet situated at Suite 7008, 70/F, Two International Finance Centre, 8 Finance Street, Central, Hong Kong
“Hong Kong Sublease Agreement”	the sublease dated 28 March 2024 entered into between Hony Capital and the Company in relation to the sublease of the Hong Kong Subleased Portion for a term commencing from 1 April 2024 to 31 July 2026 (both days inclusive)
“Hony Capital”	Hony Capital Limited, a company incorporated in Hong Kong with limited liability and is wholly-owned by HCG
“Hony Group Management”	Hony Group Management Limited, a limited liability company incorporated in the Cayman Islands

“Hony Managing Partners”	Hony Managing Partners Limited, a limited liability company incorporated in the Cayman Islands
“IFRS”	International Financial Reporting Standards issued by the International Accounting Standards Board
“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
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“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)
“Shenzhen Hongyi Hengsheng”	深圳市弘毅恒盛置業有限公司 (Shenzhen Hongyi Hengsheng Real Estate Co., Ltd*), a company established in the PRC with limited liability
“Shenzhen Premises”	Certain office space with gross floor area of approximately 100 square meters situated at C2 on the 4th floor Apartment, Office Building, Hongyi Building, No. 1 Financial Street, Nanshan Street, Qianhai Shenzhen Hong Kong Cooperation Zone, Shenzhen
“Shenzhen Lease Agreement”	the lease agreement dated 28 March 2024 entered into between Shenzhen Hongyi Hengsheng and GAMSL in relation to the leasing of the Shenzhen Premises for a term commencing from 1 April 2024 to 31 March 2027 (both days inclusive)

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Lease Agreements”	collectively, the Hong Kong Sublease Agreement and the Shenzhen Lease Agreement
“%”	per cent

\* *The English translation of the Chinese name(s) in this announcement, where indicated, is included for identification purpose only, and should not be regarded as the official English name(s) of such Chinese name(s).*

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

Hong Kong, 28 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.*