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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)**

### **ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2023**

#### **HIGHLIGHTS**

- The Group recorded net fair value gains on financial assets and liabilities at fair value through profit or loss of approximately HK\$21,500,000 for the year ended 31 December 2023, compared to net fair value losses on financial assets and liabilities at fair value through profit or loss of approximately HK\$58,367,000 for the year ended 31 December 2022.
- Aggregated investment management (“IM”) service income was approximately HK\$22,309,000, representing a decrease of approximately 37% as compared with approximately HK\$35,272,000 in 2022.
- Profit attributable to equity owner of the Company was approximately HK\$46,393,000 (2022: loss attributable to equity owner of the Company was approximately HK\$33,397,000). Such increase in profit was mainly attributable to the net fair value gains on financial assets and liabilities at fair value through profit or loss and loan interest income from a fellow subsidiary recorded under the strategic direct investment segment during the year.
- Basic earnings per share was HK0.40 cents (2022: Basic loss per share was HK0.29 cents).
- The Board does not recommend the payment of a final dividend for the year ended 31 December 2023.

## RESULTS

The board (the “Board”) of Directors (the “Directors”) of Goldstream Investment Limited (the “Company”) is pleased to announce the consolidated results of the Company and its subsidiaries (collectively, the “Group”) for the year ended 31 December 2023, all of which have been reviewed by the audit committee of the Company (the “Audit Committee”), together with the comparative figures for the corresponding period of last year, as follows:

### CONSOLIDATED INCOME STATEMENT

*for the year ended 31 December 2023*

	<i>Note</i>	<b>2023</b> <i>HK\$'000</i>	2022 <i>HK\$'000</i>
<b>Continuing operations</b>			
<b>Income</b>			
Investment management (“IM”) services income		<b>22,309</b>	35,272
Dividend income from investments	<i>10(ii)</i>	<b>517</b>	4,097
Net fair value gains/(losses) on financial assets and liabilities at fair value through profit or loss	<i>10(ii)</i>	<b>21,500</b>	(58,367)
Share of results of associates accounted for using the equity method		<b>(290)</b>	(18,280)
	<i>3(a), 4(a)(b)</i>	<b>44,036</b>	(37,278)
Other income	<i>3(b)</i>	<b>47,288</b>	10,611
<b>Expenses</b>			
Employee benefits expenses		<b>(27,298)</b>	(22,389)
Depreciation of right-of-use-assets		<b>(1,641)</b>	(2,812)
Depreciation of property, plant and equipment		<b>(152)</b>	(233)
Amortisation of intangible assets		<b>–</b>	(6,147)
(Provision for)/reversal of provision for loss allowances		<b>(2,000)</b>	234
Operating lease charges		<b>(1,220)</b>	–
Legal and professional fees		<b>(4,331)</b>	(5,410)
Other expenses	<i>5</i>	<b>(7,286)</b>	(16,457)
Total expenses		<b>(43,928)</b>	(53,214)

	<i>Note</i>	<b>2023</b> <b>HK\$'000</b>	2022 <i>HK\$'000</i>
<b>Operating profit/(loss) from continuing operations</b>		<u><b>47,396</b></u>	<u>(79,881)</u>
Finance costs		<u>(218)</u>	<u>(1,780)</u>
<b>Profit/(loss) before income tax from continuing operations</b>		<b>47,178</b>	(81,661)
Income tax (expense)/credit	6	<u>(785)</u>	<u>622</u>
<b>Profit/(loss) for the year from continuing operations</b>		<u><b>46,393</b></u>	<u>(81,039)</u>
<b>Discontinued operation</b>			
Gain for the year from discontinued operation	12	<u>–</u>	<u>47,642</u>
<b>Profit/(loss) attributable to:</b>			
Owners of the Company		<u><b>46,393</b></u>	<u>(33,397)</u>
<b>Earnings/(loss) per share from continuing operations attributable to the owners of the Company during the year (expressed in HK cents per share)</b>			
Basic	8(a)	<b>0.40</b>	(0.71)
Diluted	8(b)	<u><b>0.40</b></u>	<u>(0.71)</u>
<b>Earnings/(loss) per share for profit/(loss) attributable to the owners of the Company: (expressed in HK cents per share)</b>			
Basic	8(a)	<b>0.40</b>	(0.29)
Diluted	8(b)	<u><b>0.40</b></u>	<u>(0.29)</u>

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December 2023

	2023 HK\$'000	2022 HK\$'000
<b>Profit/(loss) for the year</b>	<b>46,393</b>	<b>(33,397)</b>
<b>Other comprehensive income</b>		
<i>Item that may be reclassified to profit or loss</i>		
Continuing operations		
– Currency translation differences	(79)	(1,004)
Discontinued operation		
– Currency translation differences	–	1,233
– Exchange reserve released upon disposal of business	–	(15,757)
	<u>–</u>	<u>(15,757)</u>
Other comprehensive loss for the year, net of tax	<u>(79)</u>	<u>(15,528)</u>
<b>Total comprehensive income/(loss) for the year attributable to owners of the Company, net of tax</b>	<b><u>46,314</u></b>	<b><u>(48,925)</u></b>
<b>Total comprehensive income/(loss) for the year attributable to owners of the Company arising from:</b>		
– Continuing operations	46,314	(82,043)
– Discontinued operation	–	33,118
	<u>46,314</u>	<u>(48,925)</u>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 December 2023

	<i>Note</i>	<b>2023</b> <i>HK\$'000</i>	2022 <i>HK\$'000</i>
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment		809	255
Right-of-use assets		–	1,641
Goodwill	9	197,965	197,965
Intangible assets		10,520	10,520
Deferred tax assets		383	494
Loan receivable from a fellow subsidiary	13	–	230,387
Interests in associates	11	8,646	57,033
Financial assets at fair value through profit or loss	10	37,687	34,667
		<u>256,010</u>	<u>532,962</u>
<b>Current assets</b>			
Trade receivables	13	12,927	16,497
Amounts due from brokers	13	65,270	91,985
Prepaid tax		–	625
Prepayments, deposits and other receivables	13	16,713	20,856
Loan receivable from a fellow subsidiary	13	250,201	–
Financial assets at fair value through profit or loss	10	118,203	59,537
Cash and cash equivalents		114,585	46,643
		<u>577,899</u>	<u>236,143</u>
<b>Total assets</b>		<u>833,909</u>	<u>769,105</u>
<b>Equity</b>			
<b>Capital and reserves attributable to owners of the Company</b>			
Share capital		114,955	114,955
Reserves		661,782	614,327
<b>Total equity</b>		<u>776,737</u>	<u>729,282</u>

		<b>2023</b>	2022
	<i>Note</i>	<b>HK\$'000</b>	<i>HK\$'000</i>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Deferred tax liabilities		<u>71</u>	<u>–</u>
<b>Current liabilities</b>			
Other payables	<i>14</i>	<b>29,922</b>	18,463
Amounts due to brokers	<i>14</i>	<b>4,785</b>	10,627
Lease liabilities		–	1,656
Financial liabilities at fair value through profit or loss	<i>10</i>	<b>16,356</b>	3,039
Income tax payable		<u>6,038</u>	<u>6,038</u>
		<u>57,101</u>	<u>39,823</u>
<b>Total liabilities</b>		<u>57,172</u>	<u>39,823</u>
<b>Total equity and liabilities</b>		<u>833,909</u>	<u>769,105</u>

## Notes:

### 1. GENERAL INFORMATION

Goldstream Investment Limited (the “Company”) and its subsidiaries (collectively, the “Group”) are principally engaged in the provision of IM services and strategic direct investment (“SDI”) business.

The Company was incorporated in the Cayman Islands on 18 September 2000 as an exempted company with limited liability under the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The address of its registered office is the PO Box 309, Uglund House, Grand Cayman, KY1- 1104, Cayman Islands. The Company has been listed on the Main Board of The Hong Kong Stock Exchange (the “Stock Exchange”) since 25 May 2009.

### 2. BASIC OF PREPARATION

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (“IFRSs”) issued by the International Accounting Standards Board (“IASB”) and the disclosure requirements of the Hong Kong Companies Ordinance Cap. 622. The consolidated financial statements have been prepared under the historical cost basis, except for financial assets at fair value through profit or loss (“FVPL”) measured at fair value.

The preparation of the consolidated financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies.

#### (i) Amended standards adopted by the Group

The following amended standards have been adopted by the Group for the first time for the financial year beginning on or after 1 January 2023:

IAS 1 and IFRS Practice Statement 2 (Amendments)	Disclosure of Accounting Policies
IAS 8 (Amendments)	Definition of Accounting Estimates
IAS 12 (Amendments)	Deferred tax related to assets and liabilities arising from a single transaction

The adoption of amended standards and amended accounting guideline did not have a material impact on the current year or any prior periods.

#### (ii) New and amended standards and amended accounting guideline that have been issued but are not yet effective during the year and have not been early adopted by the Group

IAS 1 (Amendments)	Classification of Liabilities as Current or Non-current
IFRS 16 (Amendments)	Lease Liability in a Sale and Leaseback <sup>1</sup>
IAS 7 and IFRS 7 (Amendments)	Supplier Finance Arrangements <sup>1</sup>
IFRS 10 and IAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>2</sup>

*Note:*

- (1) Effective for annual period beginning on 1 January 2024
- (2) Effective for annual period beginning on or after a date to be determined

The Group will adopt the new and amended standards when they become effective. The Group has already commenced an assessment of the related impact of adopting the above new and amended standards, none of which is expected to have a significant effect on the consolidated financial statements of the Group.

### 3. INCOME AND OTHER INCOME

#### (a) Income

The amount of each category of income recognised during the year is as follows:

	<b>2023</b> <i>HK\$'000</i>	2022 <i>HK\$'000</i>
<b>Continuing operations</b>		
– IM services income	<b>22,309</b>	35,272
– Dividend income from investments ( <i>Note 10(ii)</i> )	<b>517</b>	4,097
– Net fair value gains/(losses) on financial assets and liabilities at FVPL ( <i>Note 10(ii)</i> )	<b>21,500</b>	(58,367)
– Share of results of associates accounted for using the equity method	<b>(290)</b>	(18,280)
	<b>44,036</b>	(37,278)

The Group has two customers whose transactions accounted for 10% or more of the Group's aggregate revenue for 2023 (2022: two customers) for continuing operations. The amounts of revenue from the customers are as follows:

	<b>2023</b> <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Customer 1	<b>9,388</b>	13,139
Customer 2	<b>5,971</b>	N/A
Customer 3	<b>N/A</b>	11,350

(b) **Other income**

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
<b>Continuing operations</b>		
Loan interest income ( <i>Note 13</i> )	38,802	3,510
Interest income from financial assets at FVPL	–	1,163
Bank interest income	8,350	3,180
Other consultancy services ( <i>Note</i> )	–	2,620
Others	136	138
	<u>47,288</u>	<u>10,611</u>

*Note:*

During the year ended 31 December 2022, a related party engaged the Company to provide investment due diligence services for certain potential investment projects, and service fee income of HK\$2,620,000 was recognised in the Group's consolidated income statement.

**4. SEGMENT INFORMATION**

Operating segment is reported in a manner consistent with the internal reporting provided to the chief operating decision-maker ("CODM"). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the key management team of the Group. The CODM reviews the Group's internal reports in order to assess performance, allocate resources and determine the operating segments.

The CODM assesses the performance of the operating segments based on the results and assets attributable to each operating segment. Interest expense are not allocated to segment, as this type of activity is driven by the central treasury function, which manages the cash position of the Group.

The CODM has determined the operating segments based on these reports. The Group is organised into the following operating segments.

- (i) IM business: this segment includes (a) advisory services on securities and asset management; and (b) securities trading.
- (ii) SDI business: this segment includes provision of making proprietary investments in the financial markets.
- (iii) Customer relationship management services ("CRMS") business: this segment includes (a) inbound services which include customer hotline services and built-in secretarial services, a personalised message taking services; and (b) outbound services which include telesales services and market research services. The disposal of this segment was completed on 22 March 2022. This segment was classified under the discontinued operation during the year ended 31 December 2022. Details of the discontinued operation are disclosed in Note 12.

No other operating segments have been aggregated to form the operating segments.

(a) **Segment results and assets**

The CODM assesses the performance of the operating segments based on the income and reportable segment profit/(loss) (i.e. earnings before interest, tax and amortisation and impairment provision for and write off of intangible assets).

Income and expenses are allocated to the reportable segments with reference to income generated by those segments and the expenses incurred by those segments including depreciation of assets attributable to those segments.

Segment assets include all tangible, intangible assets and current assets with the exception of deferred tax assets and other corporate assets.

Information relating to segment liabilities is not disclosed as such information is not regularly reported to the CODM.

The following tables present income/(loss), reportable segment profit/(loss) and certain assets and expenditure information for the Group's business segments for the years ended 31 December 2023 and 2022:

	<b>Continuing operations</b>		
	<b>IM</b>	<b>SDI</b>	<b>Total</b>
	<b>business</b>	<b>business</b>	
	<b>HK\$'000</b>	<b>HK\$'000</b>	<b>HK\$'000</b>
<b>For the year ended 31 December 2023</b>			
IM services income	<b>22,310</b>	–	<b>22,310</b>
Inter-IM segment services income	<b>(1)</b>	–	<b>(1)</b>
Dividend income from investments	–	<b>517</b>	<b>517</b>
Net fair value gains on financial assets and liabilities at FVPL	–	<b>21,500</b>	<b>21,500</b>
Share of results of associates accounted for using the equity method	–	<b>(290)</b>	<b>(290)</b>
	<hr/>	<hr/>	<hr/>
Total segment income	<b>22,309</b>	<b>21,727</b>	<b>44,036</b>
	<hr/>	<hr/>	<hr/>
Reportable segment result	<b>3,026</b>	<b>44,370</b>	<b>47,396</b>
Depreciation and amortisation	<b>111</b>	<b>1,682</b>	<b>1,793</b>
Loan interest income	–	<b>38,802</b>	<b>38,802</b>
Provision for loss allowances	–	<b>2,000</b>	<b>2,000</b>
Reportable segment assets	<b>237,882</b>	<b>481,059</b>	<b>718,941</b>
Additions to non-current segment assets during the year	<b>707</b>	–	<b>707</b>
	<hr/>	<hr/>	<hr/>

	Continuing operations			Discontinued	Group
	IM business HK\$'000	SDI business HK\$'000	Total HK\$'000	operation CRMS business HK\$'000	
<b>For the year ended 31 December 2022</b>					
CRMS services income	–	–	–	47,271	47,271
IM services income	36,256	–	36,256	–	36,256
Inter-IM segment services income	(984)	–	(984)	–	(984)
Dividend income from investments	–	4,097	4,097	–	4,097
Net fair value gain/(losses) on financial assets and liabilities at FVPL	133	(58,500)	(58,367)	–	(58,367)
Share of results of associates accounted for using the equity method	–	(18,280)	(18,280)	–	(18,280)
Total segment income/(loss)	<u>35,405</u>	<u>(72,683)</u>	<u>(37,278)</u>	<u>47,271</u>	<u>9,993</u>
Reportable segment result	4,079	(77,813)	(73,734)	(2,440)	(76,174)
Depreciation and amortisation	6,342	2,850	9,192	–	9,192
Loan interest income	–	3,510	3,510	–	3,510
Reversal of provision for loss allowances, net	(234)	–	(234)	–	(234)
Reportable segment assets	245,930	476,038	721,968	–	721,968
Additions to non-current segment assets during the year	<u>21</u>	<u>858</u>	<u>879</u>	<u>1,255</u>	<u>2,134</u>

(b) **Reconciliations of reportable segment income, profit or loss and assets**

	<b>2023</b>	2022
	<b>HK\$'000</b>	HK\$'000
<b>Continuing operations</b>		
<b>Income</b>		
Reportable segment income/(loss)	<u>44,036</u>	<u>(37,278)</u>
Consolidated income/(loss)	<u>44,036</u>	<u>(37,278)</u>
<b>Profit/(loss)</b>		
Reportable segment profit/(loss)	47,396	(73,734)
Finance costs	(218)	(1,780)
Amortisation of intangible assets	<u>–</u>	<u>(6,147)</u>
Consolidated profit/(loss) before income tax	<u>47,178</u>	<u>(81,661)</u>
<b>Assets</b>		
Reportable segment assets	718,941	721,968
Cash and cash equivalents	114,585	46,643
Deferred tax assets	<u>383</u>	<u>494</u>
Consolidated total assets	<u>833,909</u>	<u>769,105</u>
	<b>2023</b>	2022
	<b>HK\$'000</b>	HK\$'000
<b>Discontinued operation</b>		
<b>Income</b>		
Reportable segment income	<u>–</u>	<u>47,271</u>
Consolidated income	<u>–</u>	<u>47,271</u>
<b>Loss</b>		
Reportable segment loss	–	(2,440)
Finance costs	<u>–</u>	<u>(75)</u>
Loss before income tax	<u>–</u>	<u>(2,515)</u>
<b>Assets</b>		
Reportable segment assets	–	–
Cash and cash equivalents	<u>–</u>	<u>–</u>
Total assets of discontinued operation	<u>–</u>	<u>–</u>

(c) **Geographical information**

The following tables set out information about the geographical locations of (i) the Group's CRMS services income and IM services income ("Services income") and (ii) the Group's property, plant and equipment, intangible assets, right-of-use assets and non-current financial assets at FVPL ("specified non-current assets"). The geographical location of customers is based on the location at which the services and goods were provided. The geographical location of the specified non-current assets is based on the location of the operation to which they are allocated.

	Continuing operations					Discontinued operation				
	Hong Kong	The People's Republic of China (the "PRC")	The United States of America	Others	Total	Hong Kong	PRC	Macao and others	Total	Group
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>Year ended 31 December 2023</b>										
Services income	<u>21,763</u>	<u>546</u>	<u>-</u>	<u>-</u>	<u>22,309</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>22,309</u>
Specified non-current assets	<u>208,585</u>	<u>709</u>	<u>37,687</u>	<u>8,646</u>	<u>255,627</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>255,627</u>
<b>Year ended 31 December 2022</b>										
Services income	<u>31,767</u>	<u>3,505</u>	<u>-</u>	<u>-</u>	<u>35,272</u>	<u>28,243</u>	<u>18,007</u>	<u>1,021</u>	<u>47,271</u>	<u>82,543</u>
Specified non-current assets	<u>209,610</u>	<u>771</u>	<u>34,667</u>	<u>57,033</u>	<u>302,081</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>302,081</u>

(d) **Disaggregation of revenue from contracts with customers**

The Group derives services income over-time and at point in time for the following types.

	Continuing operations IM business HK\$'000	Discontinued operation CRMS business HK\$'000	Total HK\$'000
<b>For the year ended 31 December 2023</b>			
At point in time	<u>2,659</u>	<u>-</u>	<u>2,659</u>
Over-time	<u>19,650</u>	<u>-</u>	<u>19,650</u>
	<u>22,309</u>	<u>-</u>	<u>22,309</u>
<b>For the year ended 31 December 2022</b>			
At point in time	<u>47</u>	<u>31,215</u>	<u>31,262</u>
Over-time	<u>35,225</u>	<u>16,056</u>	<u>51,281</u>
	<u>35,272</u>	<u>47,271</u>	<u>82,543</u>

## 5. OTHER EXPENSES

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
<b>Continuing operations</b>		
Auditors' remuneration		
– Audit services	2,170	3,232
– Non-audit services	–	150
Information system expenses	3,110	3,533
Exchange differences, net	(710)	4,839
Travelling and entertainment	56	70
Telecommunication	276	301
Fund operation expenses	948	2,090
Staff benefits	153	306
Insurance	357	599
Others	926	1,337
	<u>7,286</u>	<u>16,457</u>

## 6. INCOME TAX EXPENSE/(CREDIT)

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Current income tax:		
Hong Kong corporate income tax	622	73
PRC corporate income tax	–	6,000
Over provision in the prior year	(19)	(34)
	<u>603</u>	<u>6,039</u>
Total current tax expense		
Deferred tax:		
Current year	182	(1,013)
De-recognition of deferred tax asset for share options and awards forfeited	–	385
De-recognition of deferred tax asset due to decrease of intrinsic value of share options	–	1,613
Reversal of provision in prior years	–	(1,646)
	<u>182</u>	<u>(661)</u>
Total deferred tax expense/(credit)		
	<u>785</u>	<u>5,378</u>
Income tax expense		
Income tax expense/(credit) is attributable to:		
Continuing operations	785	(622)
Discontinued operation	–	6,000
	<u>785</u>	<u>5,378</u>

**(i) Hong Kong profits tax**

Hong Kong profits tax of other Hong Kong incorporated entities in the Group has been provided for at the rate of 16.5% (2022: 16.5%) on the estimated assessable profits.

**(ii) PRC corporate income tax**

Subsidiaries located in the PRC are subject to the PRC Corporate income tax rate of 25% (2022: 25%) on its assessable profits.

**(iii) Cayman Islands tax**

Under the current laws of Cayman Islands, the Company is not subject to tax on income or capital gain. In addition, upon payments of dividends by the Company to its shareholders, no Cayman Islands withholding tax will be imposed.

**7. DIVIDENDS**

The board of directors of the Company does not recommend the payment of any final dividend for the year ended 31 December 2023 (2022: Nil).

## 8. EARNINGS/(LOSS) PER SHARE

### (a) Basic earnings/(loss) per share

Basic earnings/(loss) per share is calculated by dividing the profit/(loss) attributable to equity owners of the Company by the weighted average number of ordinary shares outstanding during the year, excluding shares held for employee share scheme.

	2023	2022
Profit/(loss) attributable to owners of the Company ( <i>HK\$'000</i> )		
– Continuing operations	46,393	(81,039)
– Discontinued operation	–	47,642
	<u>46,393</u>	<u>(33,397)</u>
Weighted average number of ordinary shares outstanding ( <i>thousand</i> )	11,495,494	11,433,997
Basic earnings/(loss) per share ( <i>HK cents</i> )		
– Continuing operations	0.40	(0.71)
– Discontinued operation	–	0.42
	<u>0.40</u>	<u>(0.29)</u>
Total basic earnings/(loss) per share attributable to the ordinary equity holders of the Company ( <i>HK cents</i> )	<u>0.40</u>	<u>(0.29)</u>

### (b) Diluted earnings/(loss) per share

For diluted earnings/(loss) per share, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all potentially dilutive ordinary shares.

For the year ended 31 December 2023, the diluted earnings per share was calculated by considering the impact of the Company's share option scheme and share award scheme (the "2020 Share Option Scheme and the Share Award Scheme"), in which certain portion of the Company's share awards was vested and is in the money and has dilutive impact on the earnings per share calculation. The diluted earnings per share would not consider those portion of the Company's share options which are expected to be vested and has anti-dilutive impact on the earnings per share calculation.

For the year ended 31 December 2022, the diluted loss per share equals the basic loss per share since the vesting of the share options and share awards under the 2020 Share Option Scheme and the Share Award Scheme would not have a dilutive effect on the loss per share for continuing operations.

	<b>For the year ended</b>	
	<b>31 December</b>	
	<b>2023</b>	2022
Profit/(loss) attributable to owners of the Company ( <i>HK\$'000</i> )		
– Continuing operations	<b>46,393</b>	(81,039)
– Discontinued operations	–	47,642
	<u>46,393</u>	<u>(33,397)</u>
Weighted average number of ordinary shares outstanding ( <i>thousand</i> )	<u><b>11,501,037</b></u>	<u>11,433,997</u>
Diluted earnings/(loss) per share ( <i>HK cents</i> )		
– Continuing operations	<b>0.40</b>	(0.71)
– Discontinued operations	–	0.42
	<u>0.40</u>	<u>(0.29)</u>
Total diluted earnings/(loss) per share attributable to the ordinary equity holders of the Company ( <i>HK cents</i> )	<u><b>0.40</b></u>	<u>(0.29)</u>

**(c) Weighted average number of shares used as the denominator**

	<b>For the year ended</b>	
	<b>31 December</b>	
	<b>2023</b>	2022
	<b>'000</b>	'000
Weighted average number of ordinary shares used as the denominator in calculating basic earnings/(loss) per share	<b>11,495,494</b>	11,433,997
Adjustments for calculating of diluted earnings/(loss) per share:		
– Share option	–	–
– Share awards	<u>5,543</u>	<u>–</u>
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings/(loss) per share	<u><b>11,501,037</b></u>	<u>11,433,997</u>

## 9. GOODWILL

	<b>2023</b>	2022
	<b>HK\$'000</b>	HK\$'000
At 1 January and 31 December	<b><u>197,965</u></b>	<u>197,965</u>

The goodwill of HK\$197,965,000, arising from the acquisition of Goldstream Capital Management Limited and Goldstream Securities Limited (collectively, the “Goldstream Companies”) in November 2018 and the acquisition of Shenzhen JinCheng Enterprise Management Limited (深圳金晟企業管理有限公司) and its subsidiary (the “JinCheng Acquisition”), is attributable to the synergies expected to arise from the business combination and future growth of IM businesses in Hong Kong and the PRC respectively. None of the goodwill recognised was expected to be deductible for income tax purposes.

Management reviews the business performance of the Group based on the services the respective businesses provide. Goodwill is monitored by management at the operating segment level.

The recoverable amount of goodwill is determined based on value in use. No impairment charge is noted as at 31 December 2023 (2022: Nil). Goodwill arising from the JinCheng Acquisition is considered immaterial by management.

As at 31 December 2023 and 2022, key assumptions used for assessing the recoverable amount of the goodwill arising from the acquisition of the Goldstream Companies are as follows:

### 2023

Estimated services income growth rate from 2023 to 2024	129.7%
Estimated services income growth rate from 2024 to 2025	64.7%
Estimated services income growth rate from 2025 to 2026	39.5%
Estimated services income growth rate from 2026 to 2027	19.7%
Estimated services income growth rate from 2027 to 2028	8.8%
Discount rate	19%
Terminal growth rate	2.5%

### 2022

Estimated services income growth rate from 2022 to 2023	-23.6%
Estimated services income growth rate from 2023 to 2024	97.2%
Estimated services income growth rate from 2024 to 2025	88.0%
Estimated services income growth rate from 2025 to 2026	23.4%
Estimated services income growth rate from 2026 to 2027	12.7%
Discount rate	20%
Terminal growth rate	2.5%

If expected discount rate for the projection period had been 0.5% lower/higher than management's estimates with all other variables held constant, the recoverable amount of goodwill would have been approximately HK\$13,002,000 higher and HK\$12,214,000 lower respectively (2022: HK\$10,368,000 higher and HK\$9,771,000 lower). If the services income growth rate had been increased/decreased by 5% from management's estimate at 31 December 2023 with all other variables held constant, the recoverable amount of goodwill would have been approximately HK\$45,078,000 higher and HK\$42,905,000 lower respectively (2022: HK\$19,472,000 higher and HK\$19,247,000 lower). If the terminal growth rate had been 0.5% higher/lower than management's estimate at 31 December 2023 with all other variables held constant, the recoverable amount of goodwill would have been approximately HK\$6,900,000 higher and HK\$6,494,000 lower respectively (2022: HK\$5,335,000 higher and HK\$5,039,000 lower).

## **10. FINANCIAL ASSETS/(LIABILITIES) AT FAIR VALUE THROUGH PROFIT OR LOSS**

### **(i) Classification of financial assets/(liabilities) at FVPL**

The Group classifies the following financial assets/(liabilities) at FVPL:

- debt investments that do not qualify for measurement at either amortised cost or fair value through other comprehensive income ("FVOCI")
- equity investments that are held for trading, and
- equity investments for which the entity has not elected to recognise fair value gains and losses through other comprehensive income ("OCI").

Financial assets/(liabilities) measured at FVPL include the following:

	<b>2023</b>	2022
	<b>HK\$'000</b>	HK\$'000
<b>Non-current assets</b>		
<b>Investment funds</b>		
– US investment funds	<u>37,687</u>	<u>34,667</u>
<b>Current assets</b>		
<b>Investment funds</b>		
– Cayman Islands investment funds	–	5,404
– PRC funds	–	3,492
<b>Listed equity securities</b>		
– US listed equity securities	<b>99,993</b>	9,981
– PRC listed equity securities	–	6,229
<b>Listed options</b>		
– US options	<b>2,361</b>	1,440
– PRC options	–	911
<b>Index options</b>		
– US Index options	<b>134</b>	–
<b>Exchange traded funds</b>		
– US exchange traded funds	<b>14,457</b>	16,568
– Hong Kong exchange traded funds	–	12,613
– PRC exchange traded funds	–	1,627
<b>Depository receipts</b>		
– PRC depository receipts	<b>1,258</b>	–
– US depository receipts	<u>–</u>	<u>1,272</u>
	<b>118,203</b>	<b>59,537</b>
	<b>155,890</b>	<b>94,204</b>

	<b>2023</b> <i>HK\$'000</i>	2022 <i>HK\$'000</i>
<b>Current liabilities</b>		
<b>Listed equity securities</b>		
– PRC listed equity securities	(574)	(2,206)
– Hong Kong listed equity securities	(1,797)	–
– US listed equity securities	(6,550)	–
<b>Listed options</b>		
– US listed options	(1,158)	(531)
– PRC listed options	(29)	(302)
<b>Index options</b>		
– US Index options	(114)	–
<b>Futures</b>		
– Hong Kong futures	(11)	–
<b>Exchange traded funds</b>		
– US exchange traded funds	(6,123)	–
	<u>(16,356)</u>	<u>(3,039)</u>

(ii) **Amounts recognised in the consolidated income statement**

During the year, the following income/(loss) was recognised in the consolidated income statement:

	<b>2023</b> <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Net fair value gains/(losses) on financial assets and liabilities at FVPL ( <i>Note 3(a)</i> )	21,500	(58,367)
Dividend income from investments ( <i>Note 3(a)</i> )	517	4,097
Interest income from financial assets at FVPL ( <i>Note 3(b)</i> )	–	1,163
Interest expense from financial liabilities at FVPL	(194)	(395)
	<u>(194)</u>	<u>(395)</u>

## 11. INTERESTS IN ASSOCIATES

The Group invested in Goldstream Healthcare Focus Fund SP and Goldstream Macro Fund SP. In January 2023, the Group redeemed its entire equity interest in Goldstream Macro Fund SP (31 December 2022: 19.2%). As at 31 December 2023, the Group held 7.9% (31 December 2022: 21.6%) equity interest in Goldstream Healthcare Focus Fund SP and had the power to participate in the financial and operating policy decision. Accordingly, the Group had significant influence over Goldstream Healthcare Focus Fund SP.

(i) **Details of such investment funds are summarised as follows:**

	Place of incorporation	Interests held		Measurement method	Carrying amount	
		2023 %	2022 %		2023 HK\$'000	2022 HK\$'000
Goldstream Healthcare Focus Fund SP	Cayman Islands	7.9	21.6	Equity method	8,646	32,336
Goldstream Macro Fund SP	Cayman Islands	-	19.2	Equity method	-	24,697
					<u>8,646</u>	<u>57,033</u>

## 12. DISCONTINUED OPERATION

On 22 December 2021, the Company entered into a sale and purchase agreement with Ms. Li Yin (“Ms. Li”) to dispose of the Group’s 100% equity interest in Honor Crest Holdings Limited (together with its subsidiaries, the “Disposal Group”) to Ms. Li at a consideration of HK\$219,464,000 (the “Disposal”). The Disposal was completed on 22 March 2022 and the Disposal Group was reported in the last year as a discontinued operation. Financial information relating to the discontinued operation for the year ended 31 December 2022 is set out below.

(i) **Financial performance and cash flow information**

The financial performance and cash flow information presented are for the year ended 31 December 2022.

	2022 <i>HK\$'000</i>
Revenue	47,271
Other income	4,528
Expenses	
– Employee benefit expenses	(46,707)
– Operating lease charges	(1,464)
– Utilities	(844)
– Sub-contracting charges	(1,622)
– Advertising expenses for customers' projects	(23)
– Other expenses	(3,579)
	<u>(54,239)</u>
Operating loss from discontinued operation	(2,440)
Finance cost	
– Interest expense	<u>(75)</u>
Loss before income tax	(2,515)
Income tax credit	<u>–</u>
Loss after income tax of discontinued operation	(2,515)
Gain on disposal of equity interest in discontinued operation	<u>50,157</u>
Profit from discontinued operation	<u>47,642</u>
Exchange difference on translation of discontinued operation	1,233
Reclassification of foreign currency translation reserve	<u>(15,757)</u>
<b>Other comprehensive loss from discontinued operation</b>	<u>(14,524)</u>
<b>Total comprehensive income from discontinued operation</b>	<u>33,118</u>
Net cash outflow from operating activities	(23,605)
Net cash outflow from investing activities	(184)
Net cash outflow from financing activities	<u>(790)</u>
<b>Net cash used in Disposal Group</b>	<u>(24,579)</u>

(ii) An analysis of gain on the disposal is as follow:

	As at 22 March 2022 HK\$'000
Consideration	
– Cash consideration	4,464
– Set off borrowing to a director at fair value	213,879
Waiver of respective payable owing by the Disposal Group	(4,139)
Less: direct expense	(1,509)
Less: net assets disposed of:	
– Property, plant and equipment	(42,645)
– Right-of-use assets	(7,745)
– Trade receivables and contract assets	(85,790)
– Prepayment, deposits and other receivables	(27,067)
– Cash and cash equivalents	(57,989)
– Other payables and accruals and contract liabilities	41,467
– Lease liabilities	7,474
	<hr/>
Net assets disposed	(172,295)
Reclassification of foreign currency translation reserve on discontinued operations upon disposal	15,757
Less: tax expense	(6,000)
	<hr/>
	<u>50,157</u>

Statutory reserve (which included in other reserve in consolidated statement of changes in equity) of HK\$6,913,000 and capital reserve of HK\$7,156,000 were released to the accumulated losses of the Group upon the completion of disposal of the Disposal Group. Such release of reserves was not included in the gain on disposal as those equity accounts were arising from transaction with owners.

(iii) Net cash outflow on the disposal

	As at 22 March 2022 HK\$'000
Cash consideration received	4,464
Less: Cash and cash equivalents balances disposed	(57,989)
Less: Cost of disposal of CRMS business	<u>(1,509)</u>
Net cash outflow	<u>(55,034)</u>

13. TRADE AND OTHER RECEIVABLES, PREPAYMENT, DEPOSITS, AMOUNTS DUE FROM BROKERS AND LOAN RECEIVABLE FROM A FELLOW SUBSIDIARY

	<i>Note</i>	2023 HK\$'000	2022 HK\$'000
Trade receivables			
– related parties		9,376	13,188
– third parties		<u>7,112</u>	<u>6,870</u>
		16,488	20,058
Loss allowances		<u>(3,561)</u>	<u>(3,561)</u>
Trade receivables, net	(a)	<u>12,927</u>	<u>16,497</u>
Other financial assets at amortised cost			
Amounts due from brokers		<u>65,270</u>	<u>91,985</u>
Loan receivable from a fellow subsidiary		252,201	230,387
Loss allowances		<u>(2,000)</u>	<u>–</u>
Loan receivable from a fellow subsidiary, net	(b)	<u>250,201</u>	<u>230,387</u>
Deposits and other receivables			
– related parties		14,000	14,000
– third parties		764	4,865
Prepayments		<u>1,949</u>	<u>1,991</u>
Prepayments, deposits and other receivables		<u>16,713</u>	<u>20,856</u>
		<u>345,111</u>	<u>359,725</u>

(a) Ageing analysis

Included in trade receivables are trade debtors (net of loss allowance) with the following ageing analysis based on the dates on which the relevant services income was recognised:

	<b>2023</b>	2022
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
Aged within 1 month	<b>6,212</b>	13,428
Aged between 1 to 3 months	<b>2,565</b>	2,525
Aged between 3 to 6 months	<b>1,909</b>	67
Aged between 6 months to 1 year	<b>1,744</b>	175
Aged over 1 year	<b>497</b>	302
	<b><u>12,927</u></b>	<u>16,497</u>

- (b) On 18 November 2022, the Company and Expand Ocean Limited (“Expand Ocean”), a fellow subsidiary of the Company, entered into a facility agreement, pursuant to which, the Company agreed to grant the unsecured facility to Expand Ocean in the principal amount of up to USD30,000,000 (equivalent to approximately HK\$233,897,000) (the “Facility”) at an interest rate of 15% per annum for a term of two years from the date of utilisation of the Facility (the “Utilisation Date”) subject to further extension to a date falling no later than four years from the Utilisation Date. An arrangement fee of USD900,000 (equivalent to approximately HK\$7,017,000) is payable to the Company on the Utilisation Date.

On 30 December 2022, Expand Ocean had fully utilised the Facility of USD30,000,000 and the amount of USD29,100,000 (equivalent to approximately HK\$226,877,000) was paid out by the Group after offsetting by the arrangement fee.

#### 14. OTHER PAYABLES AND AMOUNTS DUE TO BROKERS

	<b>2023</b>	2022
	<b>HK\$'000</b>	HK\$'000
Other payables		
– Related parties	<b>3</b>	–
– Third parties	<b>10,322</b>	10,318
Accruals		
– Accrued salaries	<b>16,036</b>	2,732
– Accrued audit fee	<b>1,803</b>	2,585
– Others	<b>1,758</b>	2,828
	<b>29,922</b>	18,463
Amounts due to brokers	<b>4,785</b>	10,627

The carrying amounts of trade and other payables and amounts due to brokers are considered to be approximated to their fair values, due to their short-term nature.

#### 15. EVENTS AFTER THE REPORTING PERIOD

On 4 March 2024, the Group acquired in aggregate 1,982,000 shares in Meitu, Inc. (“Meitu Shares”) through open market at an aggregate consideration of approximately HK\$5,425,000 (exclusive of transaction costs). Within a 12-month period prior to the said acquisition, the Group acquired in aggregate 6,018,000 Meitu Shares on market for an aggregate consideration of approximately HK\$15,481,000 (exclusive of transaction costs). Such acquisitions, on an aggregated basis, constituted a discloseable transaction of the Company and was subject to the reporting and announcement requirements under Chapter 14 of the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”).

Save as disclosed in this announcement, there were no significant events after the reporting period up to the date of this announcement.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **BUSINESS ENVIRONMENT**

In 2023, the global economy was filled with challenges to strive for a much-needed recovery, including escalating geopolitical tension, Russia-Ukraine and Israel-Palestine wars, and the growing trend of de-globalization and trade protectionism.

The global financial landscape took a major blow as the Federal Reserve announced successive interest rate increases, causing shocks in the global banking industry. This has led to the collapse of the Silicon Valley Bank, Signature Bank and First Republic Bank in the United States.

Despite many signs pointing to poor market performance, the year turned out to be favorable for some parts of the markets. Equity markets in the U.S., Europe, and Japan recorded a strong performance growth. Technology made a major recovery from 2022's loss due to the expectations that the Federal Reserve would start making rate cuts in the second quarter of 2024, along with the phenomenal growth in artificial intelligence technologies.

The Chinese economy started strong in the first quarter of 2023 and was on track to meet the government's 2023 growth target but soon retreated as the recovery after COVID-19 reopening was slower than expected. Chinese stocks, in their third consecutive year of decline due to increased deflationary pressure, financial strains in the real estate sector, reduction in foreign direct investment, decline in international trade, and increased anxiety among some investors regarding geopolitical risks associated with investing in China.

Hong Kong's post-pandemic economic recovery was also short-lived and fell short of expectation. Hong Kong stock market hit a four-year low in 2023, with daily trade averaging HK\$105 billion, representing a drop of 16% from 2022. Funds raised from initial public offerings hit a new low in the same period. The Hang Seng Index dropped almost 14 per cent in 2023 compared with the S&P 500 in the United States which rose by almost 25 per cent the same year.

The Group anticipated that the market would be volatile and challenging, and managed to navigate through these challenges by carefully adjusting its risk-return profile, diversifying its investments and recorded a net profit of approximately HK\$46 million for the year ended 31 December 2023.

## FINANCIAL REVIEW

The Group's operating results from the continuing operations for the year ended 31 December 2023 were primarily contributed by the Group's IM business and SDI business. The financial results of the Disposal Group are presented in the consolidated income statement and consolidated statement of cash flows as "Discontinued Operation" in accordance with IFRS 5 "Non-current Assets Held for Sales and Discontinued Operations".

The table below sets forth the key financial highlights of the continuing operations for the periods or as at the dates indicated (as the case may be):

	<b>2023</b> <i>HK\$'000</i>	2022 <i>HK\$'000</i>	% Change
IM services income	<b>22,309</b>	35,272	-37%
Dividend income from investments	<b>517</b>	4,097	-87%
Net fair value gains/(losses) on financial assets and liabilities at fair value through profit or loss	<b>21,500</b>	(58,367)	137%
Other income	<b>47,288</b>	10,611	346%
Total operating expenses	<b>(43,928)</b>	(53,214)	-17%
Profit/(loss) before income tax from continuing operations	<b>47,178</b>	(81,661)	158%
	<b>As at 31 December 2023 <i>US\$ million</i></b>	<b>As at 31 December 2022 <i>US\$ million</i></b>	<b>% Change</b>
Assets under management ("AUM")	<b>436</b>	515	-15%

As at 31 December 2023, the Group's AUM stood at approximately US\$436 million, compared to approximately US\$515 million as 31 December 2022, representing a drop of approximately US\$79 million during the year ended 31 December 2023 due to (i) redemptions or reduction in investment scale by existing clients as they revised business plans and investment targets; and (ii) the more cautious and selective approach taken by the Group in deploying capital in strategic direct investments and holding cash instead.

### **IM Services Income**

The drop in total services income was caused by the net effect of the decrease in management fees and the increase in performance fees. Management fee dropped by approximately 37% from approximately HK\$35,272,000 to approximately HK\$22,309,000 resulting from the decline in the Group's average AUM. Performance fees are recorded when eligible funds appreciate above their respective high watermarks at agreed performance fee crystallization date. Most of the funds managed by the Group were still under their respective high watermarks carried forward from 2022. Although these funds recorded double-digit year-to-date percentage gains, they have yet to climb back to their respective high watermarks before performance fees can be received. As a result, IM services income was mainly from management fee and hence the 37% reduction compared with 2022. As we catch up with the high water marks, the income is expected to grow steadily.

### **SDI gains/(losses)**

Income from the Group's SDI business mainly comprised (i) net fair value gains/losses on financial assets and liabilities at fair value through profit or loss; and (ii) share of net results of associates accounted for using the equity method. Such gains/losses included fair value changes and realized gains or losses on the Company's capital invested in funds managed by the Group and external investments. Despite the market volatility experienced in the global financial markets in the year of 2023, the Group was able to generate a gain in its SDI business. Based on the factors set out above, the Group's SDI business recorded a change from a loss for last year to a gain for 2023.

## **Other income**

The Group's other income during the year ended 31 December 2023 mainly comprised interest income from term deposit with banks and other financial institutions, and loan interest income from the loan to a fellow subsidiary. Other income increased by approximately HK\$36,677,000 from approximately HK\$10,611,000 for the year ended 31 December 2022 to approximately HK\$47,288,000 for the year ended 31 December 2023, which was mainly due to the increase in interest income from (i) increase of deposit interest rate, (ii) the increase in cash deposited in bank as fixed term bank deposits or invested in money market funds for treasury management during the year ended 31 December 2023, and (iii) loan interest income which amounted to approximately HK\$38,802,000 (2022: approximately HK\$3,510,000) were recognised in 2023 for providing a US\$30,000,000 loan facility to a fellow subsidiary. Details of the loan to fellow subsidiary are set out in Note 13(b) of the consolidated results of the Group above, the Company's announcement and circular dated 18 November 2022 and 13 December 2022 respectively.

## **Expense management**

Total expenses of the Group decreased by approximately 17% to HK\$43,928,000 for the year ended 31 December 2023 (2022: approximately HK\$53,214,000), which was primarily attributable to the net effect of (i) the decrease in amortisation of intangible assets, (ii) the increase in employee benefit expenses and (iii) the decrease in other expenses.

The Group ceased to record amortisation expense for the year ended 31 December 2023 since the customer contracts were fully impaired or amortised in 2022 (2022: approximately HK\$6,147,000). Such expense item had no impact on cash flows.

Employee benefit expenses represent core expenditure of the Group. It increased by approximately HK\$4,909,000 to approximately HK\$27,298,000 for the year ended 31 December 2023 (2022: approximately HK\$22,389,000) because of the net effect of the decline in headcount and the increase in discretionary bonus as a result of the profit recognised in the SDI segment for the year ended 31 December 2023.

Other expenses mainly included audit fee, fund operating expenses, market data and information system fee and other administrative and office expenses. It decreased by approximately HK\$9,171,000 to approximately HK\$7,286,000 for the year ended 31 December 2023 (2022: approximately HK\$16,457,000) because of the decrease in exchange differences, fund operation expenses and audit fee. The Group continued to exercise stringent cost control to improve profitability.

### **Profit/(loss) before income tax from continuing operations**

The Group recorded profit before income tax from continuing operations of approximately HK\$47,178,000 for the year ended 31 December 2023, compared to loss before income tax from continuing operations of approximately HK\$81,661,000 for the year ended 31 December 2022. The profit for the year ended 31 December 2023 was mainly attributable to the net fair value gains on financial assets and liabilities at fair value through profit or loss recorded under the SDI segment which amounted to approximately HK\$21,500,000 (2022: a loss of approximately HK\$58,367,000), and loan interest income from a fellow subsidiary which amounted to approximately HK\$38,802,000 (2022: HK\$3,510,000).

The Group also faced a decrease in services income for the year ended 31 December 2023 driven by the net outflow of AUM. The Group implemented cost management measures proactively. The Group's IM business continued to record operating profit during the year ended 31 December 2023. As the Group has recovered losses brought forward from 2022 in the funds it manages, it expects the income from the IM business to grow steadily.

### **Statement of Financial Position**

The Group's financial position as at 31 December 2023 remained strong. The Company's total asset mainly comprised (i) goodwill and intangible assets; (ii) loan receivable from a fellow subsidiary; (iii) financial assets at fair value through profit or loss; and (iv) other assets including trade and other receivables, amount due from brokers for future investments and cash and cash equivalents.

## **BUSINESS REVIEW**

In the first half of 2023, rising interest rate, inflation, geopolitical tension and market volatility continued to hinder economic recovery, resulting in a challenging environment for both the Group's IM and SDI businesses.

Capital markets faced huge stress in liquidity crisis in the Western countries at the beginning of 2023. Major central banks around the world were focusing on fighting inflation. By the end of 2023, interest rate in the US hit the range of 5% to 5.25%. Despite the rate hikes, recession concern and a series of US bank failures, US market rebounded strongly from 2022's losses, driven mostly by strong growth in leading technology stocks inspired by artificial intelligence (AI) which was an important driver of market sentiment. Overall growth of the US stock market in mega-cap technology stocks was underlined by the NASDAQ Composite Index, which increased by 43.42% during 2023.

In Asia, the markets were mixed in 2023. In Japan, TOPIX increased by 25.09% in 2023. However, for China and Hong Kong, the rebound from zero-COVID policy was short lived and disappointed investors. The Hang Seng Index rebounded in first quarter of 2023 due to market enthusiasm about China's reopening and recovery but gave back its gains since April 2023 to record a total drop of 13.82% by the end of 2023. The CSI 300 index followed a similar trend to the Hang Seng Index which recorded a drop of 11.38% from the beginning of 2023. Geopolitical tension and fierce market competition in the Greater China continued to create a negative sentiment to global investors' confidence in Chinese markets.

The Group continued to adopt a cautious and selective approach in making its investment decisions to navigate through the uncertain market conditions and economic environment to strike a balance between risks and return. While waiting for other appropriate investment opportunities, the Group made a loan facility to a fellow subsidiary at the end of 2022, utilising its idle cash more efficiently to generate an additional income stream in the form of interest income.

Despite the market conditions, the funds managed by the Group recorded strong performances to recover some of the losses from previous year, outperforming comparable benchmarks and stock indices.

Overall, the Group recorded profit before income tax of approximately HK\$47,178,000 for the year ended 31 December 2023, compared to loss before income tax of approximately HK\$81,661,000 for the year ended 31 December 2022.

## **PROSPECTS**

For 2024, the Group anticipates that the dominant themes for 2023 will remain relevant. In the US, inflation remains above the government's long-term targets and uncertainty about its policy is the key factor that would influence market direction.

For China and Hong Kong, the Central Government has vowed to spur growth of private economy by enhancing policy support and has clearly indicated its support for Hong Kong's role as international financial centre and financial hub of the Greater China. Favourable policies (including but not limited to interest rate Swap Connect scheme) were launched in 2023. Leveraging on the Company's RQFII license and the PRC/Hong Kong connectivity schemes (such as the Shanghai and HK Stock Connect and Bond Connect), the Company is able to offer a range of products to its customers, and is capable of serving western investors hoping to access the vast China capital market and Chinese investors hoping to make cross-border investments in the west to diversify their investments.

In 2023, the Group managed to build up a good track record in a turbulent year and is confident it will attract more clients for its IM business and will step up its fund raising effort.

The Group remains positive that it is well-positioned to take advantage of the economy recovery in China and is confident that with its strategies and experiences gained in the past years under the competitive market situations, the Company's IM business will regain its growth momentum in 2024 as investors gradually return to the market in search for investment opportunities as interest rates start coming down.

The Group will also expand its business operation by exploring cooperation with other companies to identify investment opportunities for co-investment.

## **EVENTS AFTER THE REPORTING PERIOD**

On 4 March 2024, the Group acquired in aggregate 1,982,000 shares in Meitu, Inc. ("Meitu Shares") through open market at an aggregate consideration of approximately HK\$5,425,000 (exclusive of transaction costs). Within a 12-month period prior to the said acquisition, the Group acquired in aggregate 6,018,000 Meitu Shares on market for an aggregate consideration of approximately HK\$15,481,000 (exclusive of transaction costs). Such acquisitions, on an aggregated basis, constituted a discloseable transaction of the Company and was subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

Save as disclosed in this announcement, there were no other significant events after the reporting period up to the date of this announcement.

## **CAPITAL STRUCTURE**

As at 31 December 2023, the Group's shareholders' equity was approximately HK\$776,737,000 (2022: HK\$729,282,000) and the total number of shares issued was 11,495,494,321 (2022: 11,495,494,321).

As at 31 December 2023 and 2022, the Company recorded net cash to total equity, the gearing ratio was therefore not applicable.

## **MATERIAL ACQUISITIONS OR DISPOSALS**

The Group did not have any material acquisition and disposal of subsidiaries, associates and joint ventures during the year under review.

## **SIGNIFICANT INVESTMENTS**

The Group provides investment management services to its clients and also makes strategic direct investment on behalf of the Group. As at 31 December 2023, the Group recorded strategic direct investments of approximately HK\$139,534,000. Given that the Group is engaged in making strategic direct investments in various listed and unlisted financial instruments through investment funds, the Board considers investments with a carrying amount that accounted for more than 5% of the Group's total assets as at 31 December 2023 as significant investments.

To mitigate relevant risks, the Group will optimise its investment strategies in response to market conditions. The Group had no significant investments held during the year ended 31 December 2023. Details of the Group's investment objective and strategies are set out in the paragraphs under "Business Review" and "Prospects" in this announcement.

## **DIVIDENDS**

The Board does not recommend the payment of a final dividend for the year ended 31 December 2023 (2022: Nil).

## **DISCLOSURE UNDER CHAPTER 13 OF THE LISTING RULES**

The Directors confirmed that they were not aware of any circumstances which would give rise to a disclosure requirement under Rules 13.13 to 13.19 of the Listing Rules during the year under review.

## **PURCHASE, SALE, REDEMPTION OF THE COMPANY'S LISTED SECURITIES**

During the year ended 31 December 2023, neither the Company nor any of its subsidiaries has redeemed, purchased, sold or cancelled any listed securities of the Company.

## **CORPORATE GOVERNANCE**

The Company has committed to maintaining high standards of corporate governance to protect the interests of the shareholders of the Company. Throughout the year ended 31 December 2023, the Company has complied with all the code provisions as set out in the Corporate Governance Code (the "CG Code") contained in Part 2 of Appendix C1 of the Listing Rules in force during the year.

## **MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS**

The Company has adopted its own code of conduct (the "Code of Conduct") which is not more lenient than the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 of the Listing Rules. Specific enquiry to all Directors has been made and the Company has confirmed that the Directors have complied with the required standard set out in the Model Code and the Code of Conduct during the year ended 31 December 2023.

## **SCOPE OF WORK OF PRICEWATERHOUSECOOPERS**

The figures in respect of the Group's consolidated statement of financial position, consolidated income statement and consolidated statement of comprehensive income and the related notes thereto for the year ended 31 December 2023 as set out in this preliminary announcement have been agreed by the Group's auditor, PricewaterhouseCoopers, to the amounts set out in the Group's draft consolidated financial statements for the year. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by PricewaterhouseCoopers on the preliminary announcement.

## **AUDIT COMMITTEE**

The Company has established an Audit Committee with written terms of reference in accordance with the requirements of the CG Code. The primary duties of the Audit Committee are, among others, to review and supervise the financial reporting processes and internal control procedures of the Group and to provide advice and comments to the Board accordingly. The Audit Committee consists of the three independent non-executive Directors, namely, Mr. Jin Qingjun, Mr. Lee Kin Ping Christophe and Mr. Shu Wa Tung Laurence. Mr. Shu Wa Tung Laurence is the chairman of the Audit Committee.

The Audit Committee has reviewed the consolidated annual results of the Group for the year ended 31 December 2023 and is of the opinion that the consolidated annual results complied with applicable accounting standards, the Listing Rules and that adequate disclosures have been made.

## **PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT**

The results announcement is published on Company's website ([www.goldstreaminvestment.com](http://www.goldstreaminvestment.com)) and the Stock Exchange's website ([www.hkexnews.hk](http://www.hkexnews.hk)). The annual report of the Company for the year ended 31 December 2023 will also be available at the Company's and the Stock Exchange's websites and disseminated to the Company's shareholders in due course.

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

Hong Kong, 26 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.*