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STAR SHINE HOLDINGS GROUP LIMITED

應星控股集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1440)

DISCLOSEABLE TRANSACTIONS IN RELATION TO (1) FORMATION OF A JOINT VENTURE AND (2) PROVISION OF FINANCIAL ASSISTANCE TO A JOINT VENTURE

Financial adviser to the Company



FORMATION OF THE JV

Reference is made to the announcement of the Company dated 2 October 2024 in relation to the MOU in respect of a possible cooperation to host a travelling exhibition in Hong Kong for the museum brand of an iconic Portuguese footballer. The Board is pleased to announce that the parties to the MOU have entered into the Subscription Agreement, the JV Agreement and the Loan Agreement in relation to the organization and development of the CR7 Museum HK through the JV.

On 25 October 2024, Asia Partners and the JV entered into the Subscription Agreement, pursuant to which Asia Partners agreed to subscribe for and the JV agreed to issue and allot 100 ordinary shares of the JV, representing 50% of the enlarged issued shares of the JV at a subscription price of HK\$100.

Upon completion of the Subscription Agreement, (i) the equity interest in the JV will be owned as to 50% by Circle Time and as to 50% by Asia Partners; (ii) the JV will cease to be a subsidiary of the Company and its financial results will no longer be consolidated into the consolidated financial statement of the Group; and (iii) the JV will be recognized as a jointly control entity of the Group.

On 25 October 2024, Circle Time, the JV, Asia Partners and the Warrantor entered into the JV Agreement in respect of the Formation of the JV pursuant to the Subscription Agreement. The parties to the JV Agreement agreed to collaborate on hosting the Event which involves the organization and development of the CR7 Museum HK.

PROVISION OF FINANCIAL ASSISTANCE TO A JOINT VENTURE

On 25 October 2024, Circle Time entered into the Loan Agreement with the JV. Pursuant to the Loan Agreement, Circle Time has committed to provide the Loan Facility of not more than HK\$70,000,000 to the JV for the set-up and operation of the JV.

LISTING RULES IMPLICATION

Upon completion of the Subscription Agreement, Circle Time's equity interest in the JV would decrease from 100% to 50%. As such, the Subscription Agreement will constitute a deemed disposal under Chapter 14 of the Listing Rules. As all the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the deemed disposal are less than 5%, the deemed disposal is exempt from reporting and announcement requirements under the Listing Rules.

As one or more of the applicable percentage ratios pursuant to Rule 14.07 of the Listing Rules in relation to the Formation of the JV exceed 5% but all are less than 25%, the Formation of the JV constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

The provision of the Loan Facility constitutes the provision of financial assistance under the Listing Rules. As one or more of the applicable percentage ratios pursuant to Rule 14.07 of the Listing Rules in relation to the Loan Facility exceed 5% but all are less than 25%, the provision of the Loan Facility constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

FORMATION OF A JOINT VENTURE

(1) Subscription Agreement

On 25 October 2024, Asia Partners and the JV entered into the Subscription Agreement, pursuant to which Asia Partners agreed to subscribe for and the JV agreed to issue and allot 100 ordinary shares of the JV, representing 50% of the enlarged issued shares of the JV at a subscription price of HK\$100. The principal terms of the JV Agreement are summarized below.

Date

25 October 2024

Parties

- (1) the JV (an indirect wholly-owned subsidiary of the Company)
- (2) Asia Partners (an Independent Third Party of the Company)

Subject Matter

Asia Partners shall subscribe for and the JV shall issue and allot to Asia Partners 100 ordinary shares of the JV, representing 50% of the enlarged issued shares of the JV, at a subscription price of HK\$100 payable in cash.

The subscription price of HK\$100 was determined based on the par value of the ordinary shares of the JV.

Closing

The purchase, sale, allotment and issuance of 100 ordinary shares of the JV to Asia Partners shall take place on or immediately after the effective date of the Subscription Agreement (i.e. 25 October 2024) on which Asia Partners shall pay the subscription amount of HK\$100 by bank transfer to the JV.

Upon completion of the Subscription Agreement, (i) the equity interest in the JV will be owned as to 50% by Circle Time and as to 50% by Asia Partners; (ii) the JV will cease to be a subsidiary of the Company and its financial results will no longer be consolidated into the financial statement of the Group; and (iii) the JV will be recognized as a jointly control entity of the Group.

(2) JV Agreement

On 25 October 2024, Circle Time, the JV, Asia Partners and the Warrantor entered into the JV Agreement, pursuant to which, among other things, Circle Time and Asia Partners will collaborate in organizing and developing the CR7 Museum HK in 2025 and 2026 through the JV. The principal terms of the JV Agreement are summarized below.

As at the date of this announcement, the JV has not yet commenced any operation and business from the date of its incorporation on 2 July 2024.

Parties

- (1) Circle Time
- (2) the JV
- (3) Asia Partners
- (4) the Warrantor

Establishment of the JV

The parties to the JV Agreement agree to form the JV pursuant to the Subscription Agreement. Upon completion of the Subscription Agreement, the equity interest in the JV will be owned as to 50% by Circle Time and as to 50% by Asia Partners. The JV shall be a business entity specifically and exclusively for the purpose of the Event.

Scope of the JV

The parties to the JV Agreement agree to collaborate on hosting the Event which involves the organization and development of the CR7 Museum HK for the 2025/2026 edition with the primary objective of creating a premier event within the football industry and generating mutual benefits through this collaboration.

The exact date of opening and location of the Event shall be agreed by the parties to the JV Agreement based on the availability of the museum venue, and the Event shall last for 365 days, with its opening being held no later than 30 June 2025 and ending no later than 1 July 2026.

The scope of collaboration also includes, but is not limited to, the setup and operation of one merchandise store within or nearby the CR7 Museum HK. The JV shall have the exclusive right to set up, manage and operate the merchandise store within the CR7 Museum HK or within the real property complex where the CR7 Museum HK is located. The parties to the JV Agreement agree that the merchandise store is authorized to sell CR7 Museum Merchandises as well as other products approved by Asia Partners.

Funding and Other Commitments for the JV

Circle Time shall provide not more than HK\$70,000,000 funding in the form of shareholder loans to the JV for the setup and operation of the CR7 Museum HK. In this regard, Circle Time entered into the Loan Agreement with the JV for the provision of the Loan Facility.

Asia Partners agrees to grant all licenses needed for the setup and operation of the CR7 Museum HK and provide support throughout the setup and operation of the CR7 Museum HK. Asia Partners shall use its best efforts in good faith to cause Mr. Cristiano Ronaldo dos Santos Aveiro (referred to as Mr. Cristiano Ronaldo) to visit the CR7 Museum HK during the first three months from the opening of the CR7 Museum HK and assist the promotion of the CR7 Museum HK on major social media channels.

Board Composition

The board of the JV shall consist of two directors, with one director to be appointed by Asia Partners (who shall initially be the Warrantor) and one director to be appointed by Circle Time (who shall initially be Ms. Tsoi Lam Ki, an executive Director of the Company). All decisions relating to the Event, including but not limited to the budget plan for the Event, the use of fund and the entering into any agreement with any third parties, shall be made by the mutual approval of two directors to be appointed by Asia Partners and Circle Time. If any deadlock happens between the two directors appointed by Asia Partners and Circle Time and they are unable to be resolved within five days after the occurrence of such deadlock, the matter shall be submitted to an independent person to be nominated by Circle Time for decision, which shall be final and binding on the JV.

Management of the JV

Asia Partners and Circle Time shall each appoint personnel to support the daily operations of CR7 Museum HK. The personnel of Asia Partners and Circle Time should jointly perform their duties as stipulated in the JV Agreement.

Refundable Deposit

The JV agrees to provide the Refundable Deposit in the amount of HK\$30,000,000 to Asia Partners in the following manner:

- a. A related party of Circle Time has already paid to Asia Partners a deposit in the amount of HK\$2,500,000 pursuant to the MOU;
- b. Within three business days from the effective date of the JV Agreement, the JV shall pay an initial deposit in the amount of HK\$20,000,000 to Asia Partners. In the event that the payment is not made within three business days from the date of the JV Agreement for reasons not attributable to Circle Time or the JV, the JV Agreement shall be deemed to be rescinded;
- c. Within sixty days from the effective date of the JV Agreement, the JV shall provide another deposit in the amount of HK\$7,500,000 to Asia Partners.

The Refundable Deposit shall be returned by Asia Partners to the JV as follows:

- a. In the event that the CR7 Museum HK fails to be opened by 30 June 2025 due to reasons attributable to Asia Partners or any person alleging to have any rights granted by Asia Partners, the Refundable Deposit shall be repaid by Asia Partners to the JV within 30 days after the date the parties to the JV Agreement decided that the CR7 Museum HK will not open, which amount shall be forthwith used by the JV to repay the shareholder loan of Circle Time;

- b. In the event that the CR7 Museum HK fails to open due to reasons solely attributable to Circle Time, the Refundable Deposit shall not be refunded by Asia Partners;
- c. Upon the opening of the CR7 Museum HK, the Refundable Deposit shall be deducted by JV from the dividends distributable to Asia Partners, and in the event the distribution amount eligible for deduction is less than HK\$30,000,000 by the end of the Event, Asia Partners shall repay the remaining balance to the JV to cover the shortfall within 30 days following the end of the Event;
- d. In the event that the CR7 Museum HK is required to suspend during the event period due to a claim of intellectual property infringement with respect to any intellectual properties used by the CR7 Museum HK as licensed by Asia Partners pursuant, Asia Partners shall repay the remaining balance of the Refundable Deposit within 30 days after the suspension of the Event.

In consideration of the Warrantor receiving economic benefits under the JV Agreement, the Warrantor guarantees the obligations of Asia Partners to repay the Refundable Deposit in the event described above. If Asia Partner fails to repay the Refundable Deposit or the remaining balance of the Refundable Deposit within the prescribed time limit, the Warrantor shall pay such amount to the JV within 30 days thereafter.

Income and Dividend Distribution

Pursuant to the JV Agreement, the JV is expected to mainly generate its revenue, among others, from the sale of tickets of the CR7 Museum HK, the sale of the CR7 Museum Merchandises and the sponsorship program.

Once the Refundable Deposit is fully repaid by way of dividend deduction and the shareholder loan of HK\$30,000,000 from Circle Time is repaid to Circle Time, no further dividends shall be declared or paid until the closing of the CR7 Museum HK and the completion of the statutory audit of the financial statement of the JV for the year ending 31 December 2026.

After the completion of the statutory audit of the financial statement of the JV for the year ending 31 December 2026, the JV will first repay all outstanding shareholder loans on a pro rata basis and then distribute the remaining amount in dividends to Asia Partners and Circle Time. The dividends will be paid out to Asia Partners and Circle Time based on their shareholding interests in the JV.

Term and Renewal

The JV Agreement will take effect on the date of the JV Agreement and will expire on the day the Event ends in 2026, unless otherwise specified to continue to be effective after such date.

Circle Time shall have the right to renew the JV Agreement for successive years with respect to the organization and development of the CR7 Signature Museums in Asia, subject to further negotiation between Asia Partners and Circle Time.

Termination

The JV Agreement may only be terminated under the circumstances stipulated in the JV Agreement.

(3) Loan Agreement

On 25 October 2024, Circle Time entered into the Loan Agreement with the JV. The principal terms of the Loan Agreement are summarized as below.

Date	: 25 October 2024
Lender	: Circle Time
Borrower	: the JV
Loan facility	: a principal amount of not more than HK\$70,000,000, to be provided in tranches on an as-needed basis as demanded by the JV
Purpose of the principal amount	: the setup and operation of the CR7 Museum HK
Interest Rate	: Interest-free
Security	: Nil
Drawdown schedule	: Within two business days from the date of the Loan Agreement, Circle Time shall wire HK\$20,000,000 to the JV as the first drawdown.

Within 60 calendar days from the date of the Loan Agreement, Circle Time shall wire HK\$10,000,000 to the JV as the second drawdown.

Before the conclusion of the Event, the JV may submit a drawdown notice to Circle Time for a drawdown date of not less than twenty calendar days from such notice for HK\$5,000,000 or any multiples of HK\$5,000,000, so long as such proposed drawdown amount does not exceed the remaining principal amount made available to the JV under the Loan Agreement.

Repayment : the JV shall begin repaying the outstanding loan under the Loan Agreement in cash by bank transfer periodically at a reasonable amount following the CR7 Museum HK is operational and Circle Time determines that the CR7 Museum HK has generated free cash flow.

Notwithstanding the above, the JV shall repay all outstanding loan under the Loan Agreement on or before 31 May 2026.

The Group will finance the Loan Facility with the Group's internal resources.

INFORMATION OF CIRCLE TIME

Circle Time is a company incorporated in the British Virgin Island and is principally engaged in investment holding. Circle Time is a direct wholly-owned subsidiary of the Company.

INFORMATION OF THE JV

The JV is a company incorporated in Hong Kong on 2 July 2024 with limited liability. The JV has not commenced any operation and business since its incorporation. As at the date of this announcement, the JV has issued 100 ordinary shares of HK\$100 and is wholly-owned by Circle Time. The JV is an indirect wholly-owned subsidiary of the Company.

INFORMATION OF ASIA PARTNERS

Asia Partners is a company incorporated in Hong Kong. Based on the information provided by Asia Partners, Asia Partners is the rightful owner of the rights pertaining to the CR7 Signature Museum and its relevant merchandises in Hong Kong.

Asia Partners operates as a sports investment company specializing in the management, promotion, development, and commercial exploitation of intellectual property and image rights associated with CR7 Museum and CR7 Museum Merchandises. Asia Partners also provides intermediary and agency services for sports events, sponsorships, branding, licensing and image rights agreements, executing these activities on a professional, continuous and systematic basis.

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, Asia Partners and its ultimate beneficial owners are independent third parties of the Company under the Listing Rules.

INFORMATION OF THE WARRANTOR

Being one of the shareholders of Asia Partners who will personally benefit from the JV Agreement, the Warrantor agrees to provide personal guarantee for obligations of Asia Partners under the JV Agreement.

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, the Warrantor is an independent third party of the Company under the Listing Rules.

REASONS AND BENEFITS OF FORMATION OF THE JV AND PROVISION OF THE LOAN FACILITY

The Group is engaged in the footwear business, including design, research and development, sourcing, merchandising, quality control and sales of shoes and has been successfully solicited international shoe brands as the Group's customers. The Group has been actively exploring suitable business cooperation with well-recognized brands and celebrities to develop its own merchandise products (including shoes) with a view to enrich the Group's customer portfolio.

The JV is formed to establish the CR7 Museum HK and a merchandise store in or nearby the CR7 Museum HK. CR7 Museum HK is one of the travelling exhibitions of the CR7 Signature Museum which record the life and career history of Mr. Cristiano Ronaldo. The CR7 Signature Museum is located in Funchal, Portugal and exhibits the football career of Mr. Cristiano Ronaldo as well as displays the trophies of the most important moments of Mr. Cristiano Ronaldo, through photographs, videos and interactive content. Through the collaboration with Asia Partners, the CR7 Museum HK will highlight the milestones of Mr. Cristiano Ronaldo; to offer an interactive and informative experience with fans that highlights Mr. Cristiano Ronaldo's journey from a young athlete to a global icon; and a space where fans can connect with the CR7 Signature Museum through the merchandise store, immersive exhibits, memorabilia and interactive displays. The Board believes that the CR7 Museum HK will become a world-class sport and cultural event of Hong Kong which aligns with Hong Kong's brand identity as Asia's World City and Events Capital and helps promote the sport tourism industry of Hong Kong. CR7 Museum HK is poised to be a new tourist attraction in Hong Kong.

The Formation of the JV represents a valuable opportunity for the Group to establish a strategic relationship with the brand owner of CR7 Signature Museum. The cooperation will not only enhance the corporate image and elevate the market position of the Group, but also provide a channel for the Group to expand its business with a world-renowned brand. The Group will leverage on the business relationship with Asia Partners to further develop businesses relating to the merchandise products of CR7 Signature Museum in the worldwide market.

Being the organizer of CR7 Museum HK, the project will expand the Group's source of income and promote the Group's corporate image and reputation in the worldwide market. After the opening of CR7 Museum HK and its merchandise store, the JV is expected to generate revenue from the sale of tickets of the CR7 Museum HK and the CR7 Museum Merchandises, as well as the sponsorship program. In the meantime, the Group has built up a business tie and trust with Asia Partners, Mr. Cristiano Ronaldo and his related entities. The Group will explore further cooperation with the CR7 Signature Museum in other locations in the future.

In order to support and finance the initial setup of the CR7 Museum HK, Circle Time will provide the Loan Facility of not more than HK\$70,000,000 to the JV. Upon the JV generating cash from the Event, the JV will finance its on-going operations of the CR7 Museum HK with its internal resources. Pursuant to the Loan Agreement, the JV will repay the outstanding loan to Circle Time from time to time when the JV generates sufficient cash flow and the remaining outstanding loan will be repaid by the JV on or before 31 May 2026. Having considered the initial funding needs to establish the CR7 Museum HK and the contributions and commitments from Asia Partners to the JV, the Directors consider that the terms of the Loan Agreement are fair and reasonable and are in the best interest of the Group and its Shareholders as a whole.

In view of the reasons and benefits as aforesaid and as a whole, the Directors are of the view that the Subscription Agreement, the JV Agreement and the Loan Agreement are fair and reasonable, and are in the best interest of the Group and the Shareholders as a whole.

LISTING RULES IMPLICATION

Upon completion of the Subscription Agreement, Circle Time's equity interest in the JV would decrease from 100% to 50%. As such, the Subscription Agreement will constitute a deemed disposal under Chapter 14 of the Listing Rules. As all the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the deemed disposal are less than 5%, the deemed disposal is exempt from reporting and announcement requirements under the Listing Rules.

As one or more of the applicable percentage ratios pursuant to Rule 14.07 of the Listing Rules in relation to the Formation of the JV exceed 5% but all are less than 25%, the Formation of the JV constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

The provision of the Loan Facility constitutes the provision of financial assistance under the Listing Rules. As one or more of the applicable percentage ratios pursuant to Rule 14.07 of the Listing Rules in relation to the Loan Facility exceed 5% but all are less than 25%, the provision of the Loan Facility constitutes a discloseable transaction for 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 when used herein:

“Asia Partners”	Asia Partners IFBD Limited
“Board”	the board of Directors
“Circle Time”	Circle Time Limited, a direct wholly-owned subsidiary of the Company
“Company”	Star Shine Holdings Group Limited, formerly known as Deyun Holding Ltd., a company incorporated in the Cayman Islands with limited liability and the Shares of which are listed on the Main Board of the Stock Exchange (stock code: 1440)
“CR7 Museum HK”	a museum to be established in Hong Kong under the name of CR7 Signature Museum pursuant to the terms of the JV Agreement
“CR7 Museum Merchandises”	the merchandises with the “CR7 Signature Museum Merchandise” notices
“Director(s)”	the director(s) of the Company
“Event”	the event to be hosted by the JV in relation to the organization and development of the CR7 Museum HK for the 2025/2026 edition pursuant to the terms of the JV Agreement
“Formation of the JV”	the formation of the JV contemplated under the JV Agreement
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong

“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Parties”	any person or company and their respective ultimate beneficial owner(s), to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are not connected persons of the Company and are third parties independent of the Company and its connected persons in accordance with the Listing Rules
“JV”	Star Power Development Limited, being an indirect wholly-owned subsidiary of the Company as at the date of this announcement. Upon the completion of the Subscription Agreement, the enlarged issued shares of Star Power Development Limited will be owned as to 50% by Circle Time and as to 50% by Asia Partners
“JV Agreement”	the joint venture agreement dated 25 October 2024 and entered into between Circle Time, the JV, Asia Partners, and the Warrantor to govern the rights and obligations of the JV
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited
“Loan Agreement”	the loan agreement dated 25 October 2024 entered into between Circle Time and the JV in respect of the provision of the Loan Facility
“Loan Facility”	the loan facility in the principal amount of not more than HK\$70,000,000 granted by Circle Time to the JV under the Loan Agreement
“MOU”	the non-legally binding memorandum of understanding dated 2 October 2024 entered into between Hope Faith Limited (an indirect wholly-owned subsidiary of the Company) and Asia Partners
“Refundable Deposit”	a deposit of HK\$30,000,000 payable by the JV to Asia Partners and is refundable to the JV by Asia Partner pursuant to the JV Agreement
“PRC”	the People’s Republic of China, which, for the purpose of this announcement, does not include Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“Share(s)”	ordinary share(s) of the Company

“Shareholders”	holders of the shares of the Company
“Stock Exchange”	the Stock Exchange of Hong Kong Limited
“Subscription Agreement”	the subscription agreement dated 25 October 2024 and entered into between Asia Partners and the JV in relation to the subscription of 100 ordinary shares of the JV by Asia Partners
“Warrantor”	Mr. Filipe Alexandre TRIGO LOPES GONCALVES, who is one of the shareholders of Asia Partners
%	per cent

By the Order of the Board
Star Shine Holdings Group Limited
Tsoi Wing Sing
Chairman

Hong Kong, 28 October 2024

As at the date of this announcement, the Board comprises of Mr. Tsoi Wing Sing, Mr. Lin Minqiang, Mr. Larry Stuart Torchin, and Ms. Tsoi Lam Ki as executive Directors, and Mr. Chow Kit Ting, Dr Chiu Kwok Hung, Justin, and Mr. Mak Ming Hoi as independent non-executive Directors.