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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)**

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

References are made to (i) 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; and (ii) the announcement of the Company dated 28 October 2024 (the “**Announcement**”) in relation to the disclosable transactions in relation to the formation of a joint venture and provision of financial assistance to a joint venture. Unless otherwise specified, capitalized terms used herein shall have the same meanings as those defined in the Announcement.

The Company would like to provide the Shareholders and potential investors of the Company with further information in relation to the Subscription Agreement, the JV Agreement and the Loan Agreement.

### **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. The issued shares of Asia Partners are held as to 31% by the Warrantor; 24% by Ms. Ibis Cristina VARAS SALAVARRIA, 15% by Ms. Paula Valeria, CAICEDO VARAS, 15% by Ms. Carla Cristina, CAICEDO VARAS and 15% by Mr. Goncalo Martim, ALVES TRIGO GONCALVES.

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 the CR7 Museum HK 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**

The Warrantor, who is a Portuguese citizen and has resided in Hong Kong for over 25 years, is the sole director of Asia Partners and is actively engaged in the daily operation of Asia Partners. With more than 20 years of experience in private equity and venture capital, the Warrantor specializes in consumer-facing industries and the management of sports and athletes' intellectual property and is actively engaged in various investment initiatives across Europe and Asia.

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.

Having assessed the business background and reputation of the Warrantor and in view of his successful track record of pursuing and managing a portfolio of intellectual property in the sports sector, the Directors consider that the Warrantor, being a successful entrepreneur, should have enough standing to provide the personal guarantee for obligations of Asia Partners under the JV Agreement.

#### **INFORMATION OF CR7 SIGNATURE MUSEUM**

CR7 Signature Museum is a private museum located in Funchal, Portugal (the "**CR7 Signature Museum**"), which is the birthplace of Mr. Cristiano Ronaldo. The CR7 Signature Museum aims to bring a unique experience to visitors and fans who can step into the career and passion of Mr. Cristiano Ronaldo by exploring the collection of trophies, walking through his incredible journey and discovering more about his exceptional achievements and special moments of his life, and engaging in exclusive experiences. The CR7 Signature Museum exhibits the illustrious football career of Mr. Cristiano Ronaldo and displays the trophies of his most important moments through photographs, videos and interactive content. The CR7 Signature Museum also features special interactive areas and games which are ideal for children and adults to enjoy an immersive experience.

## **REASONS AND BENEFITS OF FORMATION OF A JOINT VENTURE AND PROVISION OF LOAN FACILITY**

### **Reasons for the Formation of the JV**

The Group is primarily engaged in the footwear business, including design, research and development, sourcing, merchandising, quality control and sales of all types of shoes and is the authorized manufacturer for a number of international footwear and retail brands for a wide variety of formal, casual and sports shoes. It is the Group's strategy to actively explore suitable business cooperation with well-recognized brands and celebrities, especially sports brands and football clubs, for developing its merchandise products (including shoes) with a view to enriching the Group's customer portfolio and expanding its business scale.

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 the CR7 Museum HK and CR7 Museum Merchandises. Asia Partners also provides intermediary and agency services for sports events, sponsorships, branding, licensing and image rights. As the owner of the rights associated with the CR7 Museum HK and the CR7 Museum Merchandises, Asia Partners has been looking for a solid strategic partner who could organize the travelling exhibition of CR7 Signature Museum in Hong Kong as well as undertake the production of the CR7 Museum Merchandises in the worldwide market.

The Group has extensive experience in the manufacturing and sale of lace products and footwear and provision of dyeing services in the PRC textile industry. The Group has a comprehensive team of professional staff in Hong Kong and the PRC who are capable of providing one-stop supply-chain services from sourcing of raw materials, designing products, production, quality control to international sales and distribution and has an extensive connection with raw material suppliers, manufacturers and international brands. Leveraging on the listing status in Hong Kong, the Group has developed a strong business network and connection with local brand owners. Therefore, Asia Partners recognizes the Group as a suitable partner to form the JV for hosting the Event.

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 and bring the Event to Hong Kong. In recognition of the Group's competitive strengths in the footwear manufacturing, its international sales network and the cultural knowledge of Hong Kong, Asia Partners has chosen to form a strategic partnership with the Group for the purpose of jointly organizing the CR7 Museum HK as well as developing a long-term business relationship with the Group in relation to the CR7 Museum Merchandises. Being widely acclaimed as one of the greatest players of all time in the football field who has won an array of glittering trophies in his football career, Mr. Cristiano Ronaldo plans to visit Hong Kong and mark the pivotal moment of inaugurating the CR7 Museum HK as his first travelling exhibition outside Portugal and Saudi Arabia. The Event, which the JV is hosting, is expected to attract a large number of football fans and international visitors and become a world-class event to be launched in Hong Kong during 2025 and 2026.

## **Business model of the JV**

The JV is the business entity specifically and exclusively established for the purpose of organizing and hosting the Event. The JV is expected to generate revenue mainly from the sale of tickets of the CR7 Museum HK and the CR7 Museum Merchandises, as well as the sponsorship program. The JV is planning to enter into the lease agreement with the landlord of the museum venue and finalize the distribution channels of museum tickets with international online ticketing platforms by the end of 2024. As the Group has been already granted with the exclusive worldwide license for the manufacturing, sale and distribution of the merchandises under the brands of the CR7 Museum HK and the CR7 Signature Museum to the worldwide market, the Group will be the exclusive supplier of the CR7 Museum Merchandises to the JV for selling in the CR7 Museum HK and related merchandising store. Pre-sale of the museum tickets is expected to commence in the first quarter of 2025. In the meantime, the JV is in close discussion with world-renowned enterprises and brands about being the sponsors of the Event which will generate sponsorship income for the JV.

## **Benefits to the Group**

Being an organizer of the CR7 Museum HK, which is the first travelling exhibition of CR7 Signature Museum outside Portugal and Saudi Arabia, the Group will benefit from the Event by enabling the Group's corporate image to go global, which will enhance the Group's position to develop its principal businesses with other international sports brands. The Formation of the JV does not only enable the Group to host the Event and gain a reputation in international sports and cultural fields, but also enables the Group to successfully secure an exclusive worldwide license for the manufacturing, sale and distribution of the merchandises under the brands of the CR7 Museum HK and the CR7 Signature Museum to the worldwide market. As the exclusive worldwide licensed supplier of the merchandises under the brands of the CR7 Museum HK and the CR7 Signature Museum, the Group will take full advantage of its one-stop supply-chain capability to design, manufacture and sell the new products globally through the extensive wholesale channels and retail channels of the Group as well as in the merchandising store of the CR7 Museum HK. The Group has been in discussion with its existing clients and distribution channels as well as new clients for the potential business cooperation in relation to the licensed products of the CR7 Museum HK and the CR7 Signature Museum. The Group will take advantage of the business opportunity arising from the two new brands and generate additional revenue for the Group.

Based on the foregoing corporate and business achievements, the Directors consider that the Formation of the JV does not only achieve the mission of bringing the Event to Hong Kong but also brings about a great synergy to the Group which is in line with the Group's corporate strategy of going global and expanding the international brand portfolio of its products.

## **Rationale of provision of the Loan Facility to the JV and the Refundable Deposit**

The Group recognizes that the JV has to incur certain setup costs during the preparation stage of the CR7 Museum HK. In order to finance the setup costs of the JV before the JV being able to generate revenue, the Group agreed to grant the Loan Facility as a bridging finance to be drawn down in tranches according to the funding requirement of the JV from time to time, including but not limited to, the lease of a museum venue with at least 12,000 square feet, design and setup of the exhibition and related facilities with state-of-the-art technology, international promotion of the Event, transportation and security arrangement of the valuable trophies and memorabilia of Mr. Cristiano Ronaldo, procurement of CR7 Museum Merchandises and collaboration with sponsors etc.

As both Circle Time and Asia Partners have been strongly committed to open the CR7 Museum HK no later than 30 June 2025, the Loan Facility is essential for the planning and preparation work of the CR7 Museum HK without any delay. Notwithstanding that the Loan Facility is due by 31 May 2026, the JV also agreed to make periodic repayments following the CR7 Museum HK becoming operational and the JV generating free cashflow and before the dividend distribution of the JV. From a practical point of view, the Company will review the financial statement of the JV for the year ending 31 December 2025 and assess its cash flow position as at 31 December 2025. Based on the cash balance of the JV as at 31 December 2025 and after considering the working capital requirement of the JV in the remaining term of the Event, the Company will request the JV to make a partial repayment of the Loan Facility before the due date of 31 May 2026.

Notwithstanding that the operation of the JV may inherit normal commercial risks in its ordinary course of business and the Loan Facility may be subject to recoverability risk, the Directors are confident about the business model and the revenue sources of the JV due to the attractiveness of the CR7 Museum HK. The Group will closely monitor the cashflow position of the JV as the Group will undertake the financial management of the JV. Based on the above rationale and commercial assessment, the Directors consider that the provision of the Loan Facility to the JV is commercially justifiable and the inherent risk is acceptable.

On the other hand, Asia Partners, which specializes in the management, promotion, development and commercial exploitation of intellectual property of the CR7 Museum HK and the CR7 Museum Merchandises, has committed and has been contributing a lot of resources to the JV for the purpose of organizing the Event and making it successful. For example, Asia Partners, as the owner of the rights associated with the CR7 Museum HK and the CR7 Museum Merchandises, has granted all licenses required for the setup and operation of the CR7 Museum HK. Asia Partners will also provide extensive support to the JV by sending a management team of the CR7 Signature Museum from Portugal to Hong Kong who will dedicate to assist the JV in all aspects of preparation work including, but not limited to, the design, renovation, exhibition content, assembling and disassembling of the venue for hosting CR7 Museum HK, the coordination work and logistics of shipping a collection of valuable trophies and memorabilia of Mr. Christian Ronaldo to Hong Kong, as well as the launching a global promotion campaign for the CR7 Museum HK. Asia Partners has committed to invite

Mr. Cristiano Ronaldo visiting the CR7 Museum HK and promoting the CR7 Museum HK on major social media platforms. In view of the commitment and contributions of Asia Partners to the JV, the Refundable Deposit (which will be financed by the Loan Facility) serves as a reciprocal commitment of the JV to Asia Partners for making the Event a success. Based on the reasons above and in view that Asia Partners is playing a pivotal role in the JV and the Event, the Directors consider that the making of the Refundable Deposit is commercially justifiable.

## **Conclusion**

In view of the foregoing commercial rationale and benefits of the Formation of the JV which is in line with the corporate and business strategy of the Group and the business synergies arising from the exclusive license granted to the Group for supplying merchandises of the two new brands to the worldwide market, 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.

Saved as disclosed above, all other information as set out in the Announcement remains unchanged. This announcement is supplemental to and should be read in conjunction with the Announcement.

## **General**

Further announcement will be made by the Company to keep the Shareholders and potential investors informed of the latest development of the JV and the Event as and when appropriate and in accordance with the Listing Rules.

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

Hong Kong, 6 November 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.*