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 IN RELATION TO THE ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2025

Reference is made to the annual report (the "**Annual Report**") of the Star Shine Holdings Group Limited (the "**Company**" together with its subsidiaries, the "**Group**") for the year ended 31 December 2025 dated 30 March 2026.

As disclosed in the Annual Report, in December 2025, the joint venture of the Group which principally engaged in events management (the "**JV**") commenced legal proceedings (the "**Legal Proceedings**") in the High Court of the Hong Kong Special Administrative Region against 3 defendants, including Asia Partners in relation to disputes arising from the JV. Due to the alleged breach of the joint venture agreement by the defendants (the "**Breach of Contract**") which caused excessive expenditure and costs incurred to the Group and the resulting deterioration in the operations of the JV, the management of the Group has assessed the recoverable amount of its loan to the JV (the "**Loan**") and determined that the Loan is not recoverable. Accordingly, an impairment loss of approximately RMB44,377,000 has been recognised for the year ended 31 December 2025. The purpose of this supplemental announcement is to provide additional information in respect of impairment loss of the Loan. Unless otherwise specified, capitalized terms used herein shall have the same meanings as those defined in the Annual Report.

Proactive measures on IP communication and museum operations

The senior management of the Group has implemented immediate corrective measures to expedite the communication process on IP matters.

The senior management of the Group maintains active weekly monitoring of the financial position and performance of the museum, including continuing analysis on the ticketing trends, market conditions and cost efficiency in relation to operation of the museum. Identified issues were promptly addressed to maintain financial stability and enhance operational performance of the JV, through the measures, improvements and adjustments such as various cost-cutting approaches, new ticket packages, and marketing efforts including the featured football star's in-person visit and additional online and offline promotional campaigns.

Further details on basis of the impairment

The Loan was composed of refundable deposits to Asia Partners of HK$30,000,000 and general working capital for operation of the JV HK$19,131,000.

In recognition of the impairment, the following circumstances were considered: (i) the JV started a legal action against Asia Partners while Asia Partners denied obligation to repay HK$30,000,000 refundable deposits to the JV through the solicitor correspondence; and (ii) the JV experienced losses arising from the opening and operation of the museum.

According to the HKFRS 9 <Financial Instruments> paragraph 5.5.4, the entity shall recognize lifetime expected credit losses for all financial instruments for which there have been significant increases in credit risk since initial recognition – whether assessed on an individual or collective basis – considering all reasonable and supportable information, including that which is forward-looking. Since the change of the circumstances mentioned above, the senior management of the Group performed assessment on the recoverability of the Loan at the end of the reporting period.

The JV is a private company and there was no quoted market price available for investment. Given its unique business operation, no market comparison is available either. Since the museum is only a one-year project from July 2025 to June 2026, the cash flow projection used the actual performance in January to February 2026 and forecasted the remaining March to June 2026 cash flow based on the expected average visitor volume of January to February 2026. The management of the Group considers that the museum has not yet reached breakeven point and still requires working capital support from the Group for its daily operation in the remaining period from March to June 2026. The JV was at the position of net liabilities of approximately RMB46 million as at 31 December 2025. Based on the net liabilities position and the cashflow forecast up to June 2026, the senior management of the Group considered the JV would not be able to generate sufficient profit and cash for distribution of dividend or repayment of the Loan.

The management of the Group obtained independent external legal advice from an independent legal advisor on the legal action against Asia Partners. In view of Aisa Partners' breach of contract about their responsibilities and their change of stance, it is in doubt whether Asia Partners would comply with their contractual obligation to refund. In this circumstance, the Board considered that the recoverability of the refundable deposit from Asia Partners is low.

Due to the Breach of Contract and the resulting deterioration in the JV's operations, the senior management of the Group has assessed the recoverable amount of the Loan and determined that the Loan is not recoverable. Accordingly, an impairment loss of approximately RMB44,377,000 has been recognised for the year ended 31 December 2025. Any potential recoveries from the Legal Proceedings will be recognized only when they become virtually certain.

The Board has carefully reviewed and considered the assessment of the impairment loss of the Loan. In doing so, the Board has (i) reviewed the cash flow projection and actual performance of the museum; (ii) reviewed the external legal advice in relation to the refundable deposit and the Legal Proceedings; and (iii) discussed with the auditor of the Company and senior management of the Company to understand detailed basis of the impairment assessment. The Board also noted that the impairment was consistent with the accounting policies adopted by the Group. Taking the above into account, the Board is satisfied that the impairment recognised is fair and reasonable.

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

By order of the Board
STAR SHINE HOLDINGS GROUP LIMITED
Tsoi Wing Sing
Chairman

Hong Kong, 17 June 2026

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