

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

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)

PROFIT WARNING

This announcement is made by Star Shine Holdings Group Limited (the “**Company**” together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors of the Company that, based on preliminary review of the unaudited consolidated management accounts of the Group for the year ended 31 December 2025 and information currently available to the Board, the Group estimates to record a net loss of approximately not more than RMB96.0 million, as compared to net loss of approximately RMB12.8 million for the year ended 31 December 2024.

The Board believes that the increase in the estimated loss for the year ended 31 December 2025 was mainly due to, among other things:

- (i) Compliance costs impacting the lace and dyeing business, arising from intensified environmental regulations on industrial emission and energy utilization in the People’s Republic of China. Such intensified regulation includes policies mandating the replacement of own in-house coal-fired boilers with centralized steam supply from a regional third-party supplier. The mandatory switch to third-party steam procurement has resulted in higher ongoing operational losses of approximately not more than RMB8.0 million;
- (ii) Further impairment loss on property, plant and equipment of approximately not more than RMB30.0 million in the lace and dyeing business, primary attributable to the deteriorating business performance triggered by the regulatory and cost pressures described in item (i) above; and

- (iii) The Group's recognition of (a) an impairment loss on its investment on, and (b) a share of operating loss from, its joint venture operating the CR7[®] LIFE Museum Hong Kong, resulting in a combined loss impact of approximately not more than RMB45.0 million to the Group. This combined loss impact was primarily attributable to (i) one-off installation cost incurred mainly in the first half of 2025 ahead of the CR7[®] LIFE Museum Hong Kong's opening in July 2025; (ii) upfront authorization fee of the CR7[®] LIFE Museum Hong Kong; and (iii) the unexpectedly tepid visitor volume and performance of the CR7[®] LIFE Museum Hong Kong following the personal appearance of the international football star around whom the CR7[®] LIFE Museum Hong Kong is themed.

The impairment loss above is non-cash in nature and has no effect on the operating cash flow of the Group. The overall financial position of the Group remains healthy.

Despite the above impacts, footwear business achieved profitability by turning a segment loss into a segment profit, providing support to the overall business of the Group. In terms of the newly engaged intellectual property (“IP”) business, an encouraging result has been achieved through the first phase collaboration with a popular global streaming drama series ended in January 2026. The Group will continue to explore opportunities and leverage the momentum generated by the drama series. The Group is confident in generating more profit by introducing a second wave of merchandise.

To enhance long-term growth and shareholder value, the Group is actively exploring other business opportunities and potential diversification initiatives to mitigate the impact of policy-induced burden and uncertainty. Reference is made to the announcement of the Company dated 13 February 2026, in relation to, among others, continued collaborations with international and reputable IP partners and strategic expansion into artificial intelligence solutions business. The Company has been endeavoring to enhance the business model and operations as well as the financial position of the Group by actively seeking new business opportunities to diversify its income sources and facilitate the development of a sustainable business model with growth potential, which are in the best interests of the shareholders of the Company.

As at the date of this announcement, the Company is in the process of finalizing the consolidated annual results of the Group for the year ended 31 December 2025. The information contained in this announcement is only based on the information currently available to the Company and the preliminary review by the Board on the consolidated management accounts of the Group for the year ended 31 December 2025, which have not been reviewed or audited by the independent auditors and/or the audit committee of the Company, and is subject to further changes and adjustments. The actual financial results of the Group for the year ended 31 December 2025 may differ from what is disclosed in this announcement. Shareholders and potential investors are advised to read carefully the annual results announcement of the Company for the year ended 31 December 2025, which is expected to be published at the end of March 2026.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

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

Hong Kong, 16 March 2026

As of 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.