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## **Star Plus Legend Holdings Limited**

**巨星傳奇集團有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 6683)**

### **CONNECTED TRANSACTION FORMATION OF JOINT VENTURE COMPANY**

#### **THE JOINT VENTURE AGREEMENT**

The Board is pleased to announce that on 6 June 2024 (after trading hours), Star Odyssey, an indirect wholly-owned subsidiary of the Company, entered into the Joint Venture Agreement with Tower Talent in relation to, among others, the formation of the Joint Venture Company, whereby the Joint Venture Company will be owned as to 40% by Star Odyssey, 40% by Tower Talent and 20% by the Management Team Company upon its incorporation.

#### **LISTING RULES IMPLICATIONS**

As the Management Team Company is expected to be owned as to 50% by Ms. Ma, the Management Team Company will be an associate of Ms. Ma and a connected person of the Company. Therefore, the entering into of the Joint Venture Agreement will constitute a connected transaction of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios under the Listing Rules in respect of the formation of the Joint Venture Company are more than 0.1% but less than 5%, the transaction contemplated under the Joint Venture Agreement constitutes a connected transaction of the Company which is subject to the reporting and announcement requirements but exempt from the shareholders' approval requirements under Chapter 14A of the Listing Rules.

## INTRODUCTION

The Board is pleased to announce that on 6 June 2024 (after trading hours), Star Odyssey, an indirect wholly-owned subsidiary of the Company, and Tower Talent entered into the Joint Venture Agreement in relation to, among others, the formation of the Joint Venture Company with joint contribution by Star Odyssey, Tower Talent and the Management Team Company to develop and commercialise an AI-driven digital rights library for media entertainment content creation, which is intended for the production of media entertainment contents (including but not limited to digital content and virtual humans in metaverses and new media platforms), as well as its commercialisation on a global scale.

## THE JOINT VENTURE AGREEMENT

A summary of the salient terms of the Joint Venture Agreement is set out below:

- Date:** 6 June 2024
- Parties:** (a) Star Odyssey
- (b) Tower Talent

As at the date of this announcement, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, Tower Talent and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

### Formation of the Joint Venture Company and Capital contributions

The Joint Venture Company will be owned as follows upon its establishment:

	<b>Capital contribution</b> <i>(US\$)</i>	<b>Shareholding percentage</b>
Star Odyssey	400,000	40%
Tower Talent	400,000	40%
Management Team Company	200,000	20%
<b>Total</b>	<b>1,000,000</b>	<b>100%</b>

The amount of the initial capital contribution to the Joint Venture Company was determined after arm's length negotiations among the Parties with reference to the Joint Venture Company's capital requirements for its expected business development and in accordance with their respective shareholding proportion and shall be paid in cash.

The shares of the Management Team Company are initially expected to be held as to 50% by Ms. Ma and Mr. Seah, respectively. They will decide jointly the future allocation of shares of the Management Team Company to the staff of the Joint Venture Company. The Management Team Company intends to finance its initial capital commitment in the Joint Venture Company using financial resources of its shareholders.

### **Business of the Joint Venture Company**

The Joint Venture Company will primarily engage in development and commercialisation of an AI-driven digital rights library for media entertainment content creation, which is intended for the production of media entertainment contents (including but not limited to digital content and virtual humans in metaverses and new media platforms), as well as its commercialisation on a global scale. The Joint Venture Company will be the exclusive agent for the Company's digital content production and AIGC across the globe, as well as the exclusive agent for the digital content distribution business of the Company across the globe (excluding the Greater China and Middle East regions). Furthermore, the Joint Venture Company will digitize newly created and licensed IPs, which will be commercialised globally.

The Joint Venture Company will be specifically engaged in production of digital content and AIGC; distribution and commercialisation of digital content projects; creation of additional digital content and virtual idols for its owned or licensed IPs using AI; development and management of a database of customised digital content applicable to various entertainment and media applications. Digital content production services required by the Joint Venture Company are expected to be primarily provided by Digital Domain, and further announcement(s) in relation to the foregoing will be made by the Company as and when appropriate.

### **Management of the Joint Venture Company**

The board of directors of the Joint Venture Company shall consist of three members. For so long as Star Odyssey or Tower Talent holds at least 30% of the shares of the Joint Venture Company, Star Odyssey and Tower Talent shall be entitled to nominate two and one director(s), respectively. The chief executive officer of the Joint Venture Company shall be appointed by Star Odyssey.

Certain reserved matters of the Joint Venture Company such as future financing, issue of new shares, and winding up of the Joint Venture Company, are subject to the approval by shareholders of the Joint Venture Company holding not less than 70% of its issued shares.

### **Restrictions on equity transfers and right of first refusal**

If any shareholder of the Joint Venture Company intends to transfer its equity interests to a third party (except to subsidiaries of the transferor), consent from the other shareholder(s) is required and such other shareholder(s) shall have the right of first refusal under the same terms, such right being subject to compliance with the applicable requirements of the Listing Rules.

## **REASONS FOR AND BENEFITS OF THE TRANSACTION**

The Group is principally engaged in new retail business and IP creation and operation business in the PRC. Digital Domain and its subsidiaries are principally engaged in media entertainment business, including visual effects production and virtual human business.

The Joint Venture Company is intended to enable the Company and Digital Domain to pool their respective strengths towards creating greater value to their respective stakeholders. The Board believes that formation of the Joint Venture Company is in line with the Group's business development strategies and plans, which will be conducive to the future business development of the Group. The Board believes that the Joint Venture Agreement provides the Group with a good opportunity to expand its business scope into digital content and virtual human creation, as well as explore new revenue stream for the Company with a view to bringing stable and sustainable growth in revenue to the Group in the long run.

In addition, the introduction of the Management Team Company which is initially evenly owned by the chairperson of each of the Company and Digital Domain demonstrates commitment not only of the Company and Digital Domain but their core management towards building out the performance of the Joint Venture Company's business. Future allocation of shares of the Management Team Company to its employees of the Joint Venture Company would better align their interests with shareholders of the Joint Venture Company which is expected to generate more value to the Joint Venture Company.

The Group intends to finance its initial capital commitment in the Joint Venture Company using internal financial resources. The Joint Venture Company is expected to be accounted for as a subsidiary of the Company and its financial results will be consolidated into the financial statements of the Company.

In light of the above, the Directors (including the independent non-executive Directors) consider that the terms of the Joint Venture Agreement are fair and reasonable and the Joint Venture Agreement is on normal commercial terms and in the ordinary and usual course of business of the Group, and is in the interests of the Company and the shareholders of the Company as a whole.

## **INFORMATION ON THE PARTIES TO THE JOINT VENTURE AGREEMENT**

Star Odyssey is an indirect wholly-owned subsidiary of the Company and is principally engaged in media content production and licensing business.

Tower Talent is an indirect wholly-owned subsidiary of Digital Domain and is an investment holdings company.

## **LISTING RULES IMPLICATIONS**

As the Management Team Company is expected to be owned as to 50% by Ms. Ma, the Management Team Company will be an associate of Ms. Ma and a connected person of the Company. Therefore, the entering into of the Joint Venture Agreement will constitute a connected transaction of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios under the Listing Rules in respect of the formation of the Joint Venture Company are more than 0.1% but less than 5%, the transaction contemplated under the Joint Venture Agreement constitutes a connected transaction of the Company which is subject to the reporting and announcement requirements but exempt from the shareholders' approval requirements under Chapter 14A of the Listing Rules.

Ms. Ma is considered to be interested in the transactions contemplated under the Joint Venture Agreement by virtue of her interest in the Management Team Company. As a result, Ms. Ma has abstained from approving the relevant Board resolution relating to the Joint Venture Agreement.

## **DEFINITIONS**

In this announcement, the following expressions shall have the meanings set out below unless the context requires otherwise:

“AI”	artificial intelligence
“AIGC”	artificial intelligence generated content
“associate(s)”, “connected person(s)”, “connected transaction”, “percentage ratios” and “subsidiary(ies)”	each has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Company”	Star Plus Legend Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange (stock code: 6683)
“Digital Domain”	Digital Domain Holdings Limited, a company incorporated in Bermuda with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange (stock code: 547)

“Director(s)”	the directors of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“IP”	intellectual properties
“Joint Venture Agreement”	the shareholders’ agreement dated 6 June 2024 entered into between Star Odyssey and Tower Talent in respect of, among others, the formation of the Joint Venture Company
“Joint Venture Company”	Star Plus Domain Limited, a limited liability company to be incorporated under the laws of British Virgin Islands pursuant to the terms of the Joint Venture Agreement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Management Team Company”	a new company to be established by Ms. Ma and Mr. Seah, being the representatives of the management team of the Company and Digital Domain, respectively
“Mr. Seah”	Mr. Seah Ang, chief executive officer and an executive director of Digital Domain and a 50% shareholder of the Management Team Company
“Ms. Ma”	Ms. Ma Hsin-Ting, the chairperson of the Board and an executive Director and a 50% shareholder of the Management Team Company
“Parties”	Star Odyssey and Tower Talent, each of them a “Party”
“PRC”	the People’s Republic of China
“Star Odyssey”	Star Odyssey Limited, an indirect wholly-owned subsidiary of the Company, being a Party

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tower Talent”	Tower Talent Holdings Limited, an indirect wholly-owned subsidiary of Digital Domain, being a Party
“US\$”	the United States dollar(s), the lawful currency of the United States of America
%	per cent

By order of the Board  
**Star Plus Legend Holdings Limited**  
**Ma Hsin-Ting**  
*Chairperson and Executive Director*

Hong Kong, 6 June 2024

*As at the date of this announcement, the Board comprises three executive Directors, namely Ms. Ma Hsin-Ting, Dr. Qian Sam Zhongshan and Mr. Lai Kwok Fai Franki; two non-executive Directors, namely Mr. Yang Chun-Jung and Mr. Chen Chung and three independent non-executive Directors, namely Dr. Xue Jun, Mr. Yang Dave De and Ms. Chung Elizabeth Ching Yee.*