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STAR CM Holdings Limited

星空華文控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 6698)

PROFIT WARNING

This announcement is made by STAR CM Holdings Limited (the “**Company**”, together with its subsidiaries and consolidated affiliated entities, collectively the “**Group**”) pursuant to Rule 13.09 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 under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that based on a preliminary assessment of the unaudited consolidated management accounts of the Group for the year ended December 31, 2023 (“**FY2023**”), the Group is expected to have a net loss in the range of RMB1,600 million to RMB1,700 million for FY2023, turning from profit to loss as compared with a net profit of approximately RMB84.6 million for the year ended December 31, 2022. Based on the information currently available to the Board, a net loss for FY2023 was primarily attributable to the following reasons:

- (i) the Board expects that there will be a significant shrink in music copyright licensing, offline activities and other businesses of the Group in the future. Therefore, an impairment of goodwill of approximately RMB1,200 million is estimated to be recorded for FY2023;
- (ii) some of the Group’s variety programs have incurred losses or experienced delays; and
- (iii) program copyrights of the Group’s drama series were impaired due to aging.

The information contained in this announcement is based only on a preliminary assessment of the information currently available to the Board and the unaudited consolidated management accounts of the Group for FY2023, which have not been reviewed by the audit committee of the Company nor audited or reviewed by the independent auditor of the Company and are subject to adjustments. As the Company is finalizing the consolidated financial results of the Group for FY2023, the actual information and data may differ from the information contained in this announcement.

Shareholders and potential investors are advised to refer to the annual results announcement of the Group for FY2023, which is expected to be published on or after March 28, 2024. Shareholders and potential investors are advised to exercise caution when dealing in the ordinary shares of the Company.

By order of the Board
STAR CM Holdings Limited
Mr. Tian Ming
Chairman and Chief Executive Officer

Hong Kong, March 18, 2024

As at the date of this announcement, the Board comprises (i) Mr. Tian Ming, Mr. Jin Lei, Mr. Xu Xiangdong, Mr. Lu Wei and Ms. Wang Yan as executive Directors, (ii) Mr. Lee Wei Choy as non-executive Director, and (iii) Mr. Li Liangrong, Mr. Chen Rehao and Mr. Sheng Wenhao as independent non-executive Directors.