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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)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED JUNE 30, 2025

Our Board announces the unaudited consolidated results of our Company, its subsidiaries and consolidated affiliated entities (collectively referred to as our “**Group**”) for the six months ended June 30, 2025 (the “**Reporting Period**”) together with the comparative figures for the six months ended June 30, 2024. These interim results have been reviewed by our Board’s audit committee together with our management.

	For the six months ended June 30,		Change
	2025	2024	
	(Unaudited)	(Unaudited)	
	<i>(RMB in millions, except percentages)</i>		
Revenue	59.0	71.1	(17.0%)
Gross profit	22.0	6.6	233.3%
Loss before tax	(10.4)	(55.3)	(81.2%)
Loss for the period	(11.1)	(56.0)	(80.2%)

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended June 30, 2025

	Notes	2025 (Unaudited) RMB'000	2024 (Unaudited) RMB'000
Revenue	5	59,035	71,113
Cost of sales		<u>(37,065)</u>	<u>(64,521)</u>
Gross profit		<u>21,970</u>	<u>6,592</u>
Other income and gains		8,373	8,270
Selling and distribution expenses		(8,338)	(7,817)
Administrative expenses		(21,705)	(42,504)
Reversal of impairment losses on trade receivables, net		1,403	3,572
(Impairment losses)/reversal of impairment losses on other receivables		(259)	634
Reversal of impairment loss on loans to a joint venture		1,838	—
Other expenses		(2,651)	(387)
Changes in fair value of financial assets at fair value through profit or loss		12,878	(5,594)
Finance costs		(113)	(221)
Share of losses of:			
Joint ventures		(8,478)	(14,873)
Associates		<u>(15,316)</u>	<u>(3,012)</u>
LOSS BEFORE TAX	6	(10,398)	(55,340)
Income tax expense	7	<u>(751)</u>	<u>(635)</u>
LOSS FOR THE PERIOD		<u>(11,149)</u>	<u>(55,975)</u>
Attributable to:			
Owners of the Company		(11,002)	(56,796)
Non-controlling interests		<u>(147)</u>	<u>821</u>
		<u>(11,149)</u>	<u>(55,975)</u>
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT		RMB	RMB
Basic and diluted	9	<u>(0.03)</u>	<u>(0.14)</u>

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended June 30, 2025

	2025 (Unaudited) RMB'000	2024 (Unaudited) RMB'000
LOSS FOR THE PERIOD	<u>(11,149)</u>	<u>(55,975)</u>
OTHER COMPREHENSIVE (LOSS)/INCOME		
Item that may be subsequently reclassified to profit or loss:		
Exchange differences on translation of foreign operations	<u>(1,381)</u>	<u>2,576</u>
OTHER COMPREHENSIVE (LOSS)/INCOME FOR THE PERIOD, NET OF TAX	<u>(1,381)</u>	<u>2,576</u>
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	<u>(12,530)</u>	<u>(53,399)</u>
Attributable to:		
Owners of the Company	(12,383)	(54,220)
Non-controlling interests	<u>(147)</u>	<u>821</u>
	<u>(12,530)</u>	<u>(53,399)</u>

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At June 30, 2025

		At June 30, 2025 (Unaudited) RMB'000	At December 31, 2024 (Audited) RMB'000
	<i>Notes</i>		
NON-CURRENT ASSETS			
Property, plant and equipment		179,874	179,023
Other intangible assets		125,881	131,260
Right-of-use assets		92,899	92,627
Goodwill		255,621	256,585
Interests in a joint venture		499,015	507,766
Interests in associates		849,370	865,458
Financial assets at fair value through profit or loss		65,342	52,464
Restricted deposits		28,531	68,549
Deferred tax assets		35,909	33,801
Total non-current assets		2,132,442	2,187,533
CURRENT ASSETS			
Inventories		21	21
Program copyrights		180	202
Trade receivables	10	68,994	98,957
Prepayments, other receivables and other assets		71,349	74,394
Due from related parties		26,736	112,498
Cash and cash equivalents		532,884	425,251
Total current assets		700,164	711,323
CURRENT LIABILITIES			
Trade payables	11	101,935	117,117
Other payables and accruals		28,582	39,460
Contract liabilities		5,616	3,693
Provisions	12	6,623	35,423
Tax payable		23,545	25,525
Lease liabilities		5,752	4,582
Total current liabilities		172,053	225,800
NET CURRENT ASSETS		528,111	485,523
TOTAL ASSETS LESS CURRENT LIABILITIES		2,660,553	2,673,056

	At June 30, 2025 (Unaudited) RMB'000	At December 31, 2024 (Audited) RMB'000
NON-CURRENT LIABILITIES		
Lease liabilities	911	2,309
Deferred tax liabilities	3,694	3,731
Other payables and accruals	6,867	7,021
Contract liabilities	13,782	12,347
	<hr/>	<hr/>
Total non-current liabilities	25,254	25,408
	<hr/> <hr/>	<hr/> <hr/>
Net assets	2,635,299	2,647,648
	<hr/>	<hr/>
EQUITY		
Share capital	3	3
Reserves	2,643,863	2,656,246
	<hr/>	<hr/>
Equity attributable to owners of the Company	2,643,866	2,656,249
	<hr/>	<hr/>
Non-controlling interests	(8,567)	(8,601)
	<hr/>	<hr/>
Total equity	2,635,299	2,647,648
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NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

1. CORPORATE AND GROUP INFORMATION

The Company is a limited liability company incorporated in the Cayman Islands on March 29, 2021. The registered office address of the Company is PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands.

The shares of the Company were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on December 29, 2022.

The Company is an investment holding company. The Company’s subsidiaries were principally involved in variety program intellectual property (“IP”) production, operation and licensing, music IP operation and licensing, drama series and film IP operation and licensing and other IP-related business.

In the opinion of the directors, the immediate and ultimate holding company is Unionstars Investment Holdings Limited and the ultimate controlling shareholders of the Company are Chinese Culture (Shanghai) Equity Investment Center (L.P.), Chinese Culture (Tianjin) Investment Management Co., Ltd., Mr. Tian Ming, Mr. Jin Lei and Mr. Xu Xiangdong (“Controlling Shareholders”).

2. BASIS OF PREPARATION

The unaudited condensed consolidated interim financial statements for the six months ended June 30, 2025 have been prepared in accordance with the applicable disclosure requirements of Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “Listing Rules”), IFRS Accounting Standards and International Accounting Standard (“IAS”) 34 “Interim Financial Reporting” issued by the International Accounting Standards Board (“IASB”).

The unaudited condensed consolidated interim financial statements do not include all of the information required for a complete set of financial statements in accordance with IFRS Accounting Standards and should be read in conjunction with the Group’s annual financial statements for the year ended December 31, 2024.

3. CHANGES IN ACCOUNTING POLICIES

The accounting policies and basis of preparation adopted in the preparation of the unaudited condensed consolidated interim financial statements are consistent with those used in the Group’s annual financial statements for the year ended December 31, 2024, except as described below.

In the current interim period, the Group has applied the following amendments to IFRS Accounting Standards issued by the IASB, for the first time, which are mandatorily effective for the Group’s annual period beginning on January 1, 2025 for the preparation of the Group’s condensed consolidated financial statements:

Amendments to IAS 21	<i>Lack of Exchangeability</i>
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The application of the amendments to IFRS Accounting Standards in the current interim period has had no material impact on the Group’s financial positions and performance for the current and prior periods and/or on the disclosures set out in the unaudited condensed consolidated interim financial statements. The Group has not applied any new standard or interpretation that is not yet effective for this current accounting period.

4. OPERATING SEGMENT INFORMATION

For management purposes, the Group is not organised into business units based on their products and services and only has one reportable operating segment. Management monitors the operating results of the Group's operating segment as a whole for the purpose of making decisions about resource allocation and performance assessment.

Geographical information

(a) Revenue from external customers

	For the six months ended June 30,	
	2025 (Unaudited) RMB'000	2024 (Unaudited) RMB'000
Chinese Mainland	36,788	54,674
Other regions	22,247	16,439
Total	59,035	71,113

The revenue information above is based on the locations of the customers.

(b) Non-current assets

	At June 30, 2025 (Unaudited) RMB'000	At December 31, 2024 (Audited) RMB'000
Chinese Mainland	1,635,118	1,610,638
Hong Kong	367,542	422,081
Total	2,002,660	2,032,719

The non-current asset information above is based on the locations of the assets and excludes financial assets at fair value through profit or loss, restricted deposits and deferred tax assets.

5. REVENUE

An analysis of revenue is as follows:

	For the six months ended June 30,	
	2025 (Unaudited) RMB'000	2024 (Unaudited) RMB'000
Revenue from contracts with customers	59,035	71,113

Revenue from contracts with customers

(i) Disaggregated revenue information

	For the six months ended June 30,	
	2025 (Unaudited) RMB'000	2024 (Unaudited) RMB'000
Types of goods or services		
Variety program IP production, operation and licensing	13,557	25,453
Music IP operation and licensing	6,444	7,566
Drama series and film IP operation and licensing	25,434	16,393
Other IP-related business	13,600	21,701
Total revenue from contracts with customers	59,035	71,113
Geographical markets		
Chinese Mainland	36,788	54,674
Other regions	22,247	16,439
Total revenue from contracts with customers	59,035	71,113
Timing of revenue recognition		
At a point in time	28,751	41,805
Over time	30,284	29,308
Total revenue from contracts with customers	59,035	71,113

6. LOSS BEFORE TAX

The Group's loss before tax is arrived at after charging/(crediting):

	For the six months ended June 30,	
	2025 (Unaudited) RMB'000	2024 (Unaudited) RMB'000
Cost of variety program IP production, operation, and licensing	10,422	35,934
Cost of music IP operation and licensing	3,404	3,707
Cost of drama series and film IP operation and licensing	10,162	6,211
Cost of other IP-related business	13,077	18,669
Reversal of impairment losses on trade receivables, net	(1,403)	(3,572)
Impairment losses/(reversal of impairment losses) on other receivables	259	(634)
Reversal of impairment loss on loans to a joint venture and an associate	(1,838)	—

7. INCOME TAX

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group operate.

Pursuant to the rules and regulations of the Cayman Islands, the Company is not subject to any income tax in the Cayman Islands.

Pursuant to the relevant tax law of the Hong Kong Special Administrative Region, Hong Kong profits tax has been provided at the rate of 16.5% (2024: 16.5%) on the estimated assessable profits arising in Hong Kong during the period.

Pursuant to the relevant tax law of the Macau Special Administrative Region, Macau profits tax has been provided at the rate of 12% (2024: 12%) on the estimated assessable profits arising in Macau during the period.

The provision for current income tax in Chinese Mainland is based on a statutory tax rate of 25% (2024: 25%) of the assessable profits of the PRC subsidiaries of the Group as determined in accordance with the PRC Corporate Income Tax Law.

Shanghai CanXing Culture & Media Co., Ltd. is qualified as High and New Technology Enterprises and was entitled to a preferential income tax rate of 15% (2024: 15%) during the period, which will expire on December 12, 2026.

The major components of income tax expense of the Group during the period are analysed as follows:

	For the six months ended June 30,	
	2025	2024
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Current – Charge for the period	72	611
Overprovision in prior year	2,809	–
Deferred tax	(2,130)	24
Income tax expense	751	635

8. DIVIDENDS

The Board did not declare any interim dividend for the six months ended June 30, 2025 (six months ended June 30, 2024: Nil).

9. LOSS PER SHARE

The calculation of the basic loss per share amounts is based on the loss for the six months ended June 30, 2025 attributable to ordinary equity shareholders of the Company, and the weighted average number of ordinary shares of 398,538,168 (six months ended on June 30, 2024: 398,538,168) in issue during the six months ended June 30, 2025. The Company does not have any no potentially dilutive ordinary shares outstanding during the six months ended June 30, 2025 and 2024.

The calculations of basic and diluted loss per share are based on:

	For the six months ended June 30,	
	2025 (Unaudited) RMB'000	2024 (Unaudited) RMB'000
Loss		
Loss attributable to ordinary equity shareholders of the Company, used in the basic loss per share calculation	<u>(11,002)</u>	<u>(56,796)</u>
	Number of Shares For the six months ended June 30,	
	2025	2024
Shares		
Weighted average number of ordinary shares in issue during the period	<u>398,538,168</u>	<u>398,538,168</u>

10. TRADE RECEIVABLES

	At June 30, 2025 (Unaudited) RMB'000	At December 31, 2024 (Audited) RMB'000
Trade receivables	399,124	434,344
Less: Impairment loss	<u>(330,130)</u>	<u>(335,387)</u>
Total	<u>68,994</u>	<u>98,957</u>

The Group's trading terms with its customers are mainly on credit. The credit period is generally 30 days depending on the specific payment terms in each contract. Each customer has a maximum credit limit. Overdue balances are reviewed regularly by senior management. The Group does not hold any collateral or other credit enhancements over its trade receivable balances.

An ageing analysis of the trade receivables as at the end of each reporting period, based on the transaction dates and net of loss allowance, is as follows:

	At June 30, 2025 (Unaudited) RMB'000	At December 31, 2024 (Audited) RMB'000
Within 3 months	18,474	38,570
3 to 6 months	3,047	3,157
6 to 12 months	12,282	23
1 to 2 years	27	54,278
2 to 3 years	32,934	84
Over 3 years	2,230	2,845
	<hr/>	<hr/>
Total	68,994	98,957
	<hr/> <hr/>	<hr/> <hr/>

Included in the Group's trade receivables were amounts due from the Group's related parties of RMB4,000 (December 31, 2024: RMB4,000), which were repayable on credit terms similar to those offered to the major customers of the Group.

11. TRADE PAYABLES

An ageing analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	At June 30, 2025 (Unaudited) RMB'000	At December 31, 2024 (Audited) RMB'000
Within 1 year	18,158	47,663
1 to 2 years	17,624	45,191
2 to 3 years	43,354	14,180
Over 3 years	22,799	10,083
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Total	101,935	117,117
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The trade payables are non-interest-bearing and are normally settled on 90 to 180 days' terms.

Included in the trade payables are trade payables of RMB Nil as at June 30, 2025 (December 31, 2024: RMB2,783,000) due to the Group's related parties which are repayable within 30 days, which represented credit terms similar to those offered by the related parties to their major customers.

12. PROVISIONS

During the period, some subsidiaries of the Group were defendants in lawsuits. The Group has accrued the probable liabilities for these lawsuits. The movements of the provisions are as follows:

For the six months ended June 30, 2025 (unaudited)

	At January 1, 2025 <i>RMB'000</i>	Additional provisions made <i>RMB'000</i>	Provisions utilised <i>RMB'000</i>	At June 30, 2025 <i>RMB'000</i>
MBC-Guess the Singer! 2016	24,371	–	(24,371)	–
Entity A	1,435	–	–	1,435
Entity B	4,257	–	(4,257)	–
Entity C	4,165	–	–	4,165
Others	1,195	–	(172)	1,023
Total	<u>35,423</u>	<u>–</u>	<u>(28,800)</u>	<u>6,623</u>

For the year ended December 31, 2024 (audited)

	At January 1, 2024 <i>RMB'000</i>	Additional provisions made <i>RMB'000</i>	Provisions utilised <i>RMB'000</i>	At December 31, 2024 <i>RMB'000</i>
MBC-Guess the Singer! 2016	11,900	12,471	–	24,371
Entity A	1,435	–	–	1,435
Entity B	1,663	2,594	–	4,257
Entity C	–	4,165	–	4,165
Entity D	–	8,000	(8,000)	–
Others	1,169	1,463	(1,437)	1,195
Total	<u>16,167</u>	<u>28,693</u>	<u>(9,437)</u>	<u>35,423</u>

13. COMMITMENTS

The Group had the following contractual commitments at the end of the reporting period:

	At June 30, 2025 (Unaudited) <i>RMB'000</i>	At December 31, 2024 (Audited) <i>RMB'000</i>
Leasehold land and construction in progress	<u>800,431</u>	<u>799,903</u>

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS OVERVIEW AND PROSPECTS

Business Analysis by Business Segment

(i) Variety Program IP Production, Operation and Licensing

As always, the programs produced by our Group have earned the trust of major broadcasting platforms and popularity among audience for the high quality production contents.

For the six months ended June 30, 2025, our Group participated in the directing and post-production service of several variety programs, namely, “Singing for the Central Axis of Beijing” (最美中軸線) on Beijing Radio & Television Station, “Sing! Asia” (亞洲新聲) on iQIYI platform and “The Top Racer” (風馳賽車手) on Youku platform. Partial episodes of “Sing! Asia” and “The Top Racer” will be broadcast in the second half of 2025, and we expect to launch a small-scale AI music show as well as a mid-sized dance show in the same period.

For the same period, our Group, together with iQIYI and Hainan Happy Hour Films Company Limited* (海南歡樂時光影業有限公司) formally and jointly launched the “100 Hong Kong Films and Short Dramas Project” (百部港片微短劇計劃). The project is to select 100 classic Hong Kong film IPs and reproduce them in the form of short drama through in-depth cooperation, covering a wide range of genres, such as action, comedy, romance and police and crime, to recreate the unique style and sentiment of the golden age of Hong Kong films. For the details of the “100 Hong Kong Films and Short Dramas Project”, please refer to our voluntary announcement dated March 24, 2025.

The revenue, gross profit and gross profit margin of our variety programs are affected by multiple factors, including but not limited to (i) the cooperation model we adopted for programs, (ii) our negotiations with investing media platforms, (iii) overall economic environment, and (iv) shifts in audience preferences. As a result, our financial performance may fluctuate from year to year due to the inherent risk in the business model of our variety program IP production, operation and licensing. For details, see the section headed “Financial Review” in this announcement.

(ii) Music IP Operation and Licensing

As of June 30, 2025, our Group had a music library of 9,835 IPs, consisting of 3,765 live music recordings we produced during the creation of our music variety programs, 3,754 songs we produced for our managed artists, and 2,316 lyrics and music compositions.

(iii) Film and Drama Series IP Operation and Licensing

At its disposal, our Group has taken the opportunity of our extensive film library, experienced in-house professional teams and long-term cooperative relationships with media platforms, actively making inroads into the fields of film licensing and drama series production and licencing. As of June 30, 2025, our Group owned and operated a large library consisting of 757 Chinese film IPs and one drama series “Reading class (閱讀課)” produced by our Group.

Our Group generally licenses our films to domestic and overseas TV networks and online video platforms for reruns in exchange for a fixed licensing fee during a specified term. The licensing fee is usually determined on factors including the number of films licenced and the length of the licensing period.

(iv) Other IP-related Business

Our Group's other IP-related business primarily includes (i) artist management; (ii) concert organization and production; (iii) art education and training; (iv) mobile apps; (v) consumer products; and (vi) themed attractions. As of June 30, 2025, we had a total number of 69 managed artists.

PROSPECTS AND FUTURE DEVELOPMENT

Looking ahead, leveraging our strengths and experience, our Group is dedicated to creating more entertainment IPs to accommodate the fast-changing market demands and audience preferences in the industry. Our development initiatives include:

- Further strengthening our IP creation and operation capabilities: We will continue to operate our music IP library and film IP library. We will further enhance our content production capabilities in the field of variety programs, music, films and drama series, and enrich the genres and themes of our IPs. We will also actively participate in the secondary creation business of short dramas, activate the value of more than 700 old movies we own, develop short drama content that meets the needs of users in the short video era, and revitalize classic IPs;
- Further expanding our audience outreach and brand influence to enhance our monetization capabilities: We will continue to set up distribution channels to reach wider audience. We will increase the number of partner TV networks, online video platforms and music service providers and diversify our distribution channels and offer onsite experience through IP centered experience halls, electronic music centers and street dance centers. Leveraging the growth of the global entertainment industry, we will intensify our efforts to recruit content production professionals in the overseas entertainment market and attract talented artists globally in order to further enhance the influence and value of our entertainment IPs in the global market;
- Further expanding our business through mergers and acquisitions: We will keep a close watch on and continuously evaluate high-quality merger and acquisition targets that are complementary to our business and in line with our strategies. We aim to effectively integrate premium industry resources along the upstream and downstream of the entertainment market value chain, to further accelerate the expansion of our Group; and
- Continuing to attract talents and build our team: We provide excellent training and highly competitive compensation and incentive plan for our employees. We plan to attract top talents in the fields of IP production, operation and management via continuous improvement in our talent acquisition and retention system.

We are of the view that the development of the cultural and entertainment IP industry and the business environment in which our Group operates will remain promising in the future. Our Group remains confident that, with our vision and our experienced management team in the entertainment industry, we will continue to rise to prominence and deliver contents that are well enjoyed by our audience in the field of variety programs.

FINANCIAL REVIEW

Overview

During the six months ended June 30, 2025, we recorded a revenue of RMB59.0 million and a gross profit of RMB22.0 million. Our net loss amounted to RMB11.1 million for the six months ended June 30, 2025, as compared with a net loss of RMB56.0 million for the same period last year. The decrease in net loss was mainly due to (i) our Group recorded gross profit from variety program IPs production, operation and licensing as compared to a gross loss in the same period last year. During the six months ended June 30, 2025, our Group shifted its focus to the directorial team and post-production aspects of variety shows, allowing for a certain level of gross profit; and (ii) our Group's administrative expenses decreased compared with the corresponding period in 2024.

Revenue by Business Segment

During the six months ended June 30, 2025 and 2024, we generated our revenues primarily from (i) variety program IP production, operation and licensing, (ii) music IP operation and licensing, (iii) film and drama series IP operation and licensing, and (iv) other IP-related business. The table below sets forth a breakdown of our revenues by business segments for the six months ended June 30, 2025 and 2024:

	For the six months ended June 30,	
	2025	2024
	<i>(RMB in millions)</i>	
Variety program IP production, operation and licensing	13.6	25.5
Music IP operation and licensing	6.4	7.6
Film and drama series IP operation and licensing	25.4	16.4
Other IP-related business	13.6	21.6
	<hr/>	<hr/>
Total	59.0	71.1

(i) Variety Program IP Production, Operation and Licensing

Our revenue generated from variety program IP production, operation and licensing consists primarily of (i) revenue from advertising sales; (ii) commission received from producing variety programs; (iii) licensing fees received from licensing the broadcasting rights of our variety programs; and (iv) licensing fees received from licensing the right to host offline entertainment events.

Our Group's revenue generated from variety program IP production, operation and licensing decreased by 46.7% from RMB25.5 million for the six months ended June 30, 2024 to RMB13.6 million for the six months ended June 30, 2025, primarily due to a reduction in the scale of variety programs as compared with the corresponding period of last year.

(ii) Music IP Operation and Licensing

Our revenue generated from music IP operation and licensing consists primarily of the royalties or licensing fees received from licensing the music IPs we produced to music service providers such as (i) online music platforms; (ii) media companies and (iii) karaoke operators. Revenue generated from music IP operation and licensing decreased by 15.8% from RMB7.6 million for the six months ended June 30, 2024 to RMB6.4 million for the six months ended June 30, 2025, primarily due to a mild decrease in the number of songs delivered for production.

(iii) Film and Drama Series IP Operation and Licensing

Our revenue generated from film and drama series IP operation and licensing consists primarily of the licensing fees received from licensing the broadcasting rights of the films in our film IP library. Revenue generated from film and drama series IP operation and licensing increased by 54.9% from approximately RMB16.4 million for the six months ended June 30, 2024 to approximately RMB25.4 million for the six months ended June 30, 2025, primarily due to an increase in revenue generated from film IPs licensing.

(iv) Other IP-related Business

Our revenue generated from other IP-related business consists primarily of (i) service fees received from customers who engaged our artists for concerts, tours, in-person appearances and endorsement deals, and (ii) ticket sales from the concerts that we organized. Revenue generated from other IP-related business decreased by 37.0% from approximately RMB21.6 million for the six months ended June 30, 2024 to approximately RMB13.6 million for the six months ended June 30, 2025, which is primarily due to a decrease in the revenue generated from commercial performances due to the decrease in number of our managed artists.

Cost of Sales

The following table sets forth our cost of sales by business segment for the six months ended June 30, 2025 and 2024:

	For the six months ended June 30,	
	2025	2024
	<i>(RMB in millions)</i>	
Variety program IP production, operation and licensing	10.4	35.9
Music IP operation and licensing	3.4	3.7
Film and drama series IP operation and licensing	10.2	6.2
Other IP-related business	13.0	18.7
Total	<u>37.0</u>	<u>64.5</u>

(i) Variety Program IP Production, Operation and Licensing

Cost of sales associated with variety program IP production, operation and licensing decreased by 71.0% from RMB35.9 million for the six months ended June 30, 2024 to RMB10.4 million for the six months ended June 30, 2025, which is in line with the decrease in revenue driven by a reduction in the scale of variety programs compared to the same period last year.

(ii) Music IP Operation and Licensing

Cost of sales associated with music IP operation and licensing decreased by 8.1% from RMB3.7 million for the six months ended June 30, 2024 to RMB3.4 million for the six months ended June 30, 2025, which is in line with the decrease in revenue for the same business segment.

(iii) Film and Drama Series IP Operation and Licensing

Cost of sales associated with film and drama series IP operation and licensing increased by 64.5% from RMB6.2 million for the six months ended June 30, 2024 to RMB10.2 million for the six months ended June 30, 2025, which is in line with the increase in revenue for the same business segment.

(iv) Other IP-related Business

Cost of sales associated with other IP-related business decreased by 30.5% from RMB18.7 million for the six months ended June 30, 2024 to RMB13.0 million for the six months ended June 30, 2025, which is in line with the decrease in revenue for the same business segment.

Gross (Loss)/Profit and Gross (Loss)/Profit Margin

The following table sets forth our gross (loss)/profit and gross (loss)/profit margin by each business segment for the six months ended June 30, 2025 and 2024:

	For the six months ended June 30,			
	2025		2024	
	Gross Profit	Gross Profit Margin	Gross (Loss)/Profit	Gross (Loss)/Profit Margin
	<i>(RMB in millions except in percentage)</i>			
Variety program IP production, operation and licensing	3.2	23.5%	(10.4)	(40.8%)
Music IP operation and licensing	3.0	46.9%	3.9	51.3%
Film and drama series IP operation and licensing	15.2	59.8%	10.2	62.2%
Other IP-related business	0.6	4.4%	2.9	13.4%
Total	22.0	37.3%	6.6	9.3%

As a result of the foregoing, our gross profit increased by 233.3% from RMB6.6 million for the six months ended June 30, 2024 to RMB22.0 million for the six months ended June 30, 2025.

(i) Variety Program IP Production, Operation and Licensing

Our Group recorded a gross profit for variety program IP production, operation and licensing of RMB3.2 million for the six months ended June 30, 2025, as compared to gross loss of RMB10.4 million for the six months ended June 30, 2024. The turnaround from gross loss to gross profit was primarily due to our Group shifted its focus to the directorial team and post-production aspects of variety shows for the six months ended June 30, 2025, which helped sustain a relatively stable gross profit level. Accordingly, our Group recorded a gross profit margin of 23.5% for this segment for the six months ended June 30, 2025, as compared to a gross loss margin of 40.8% for the same period last year.

(ii) Music IP Operation and Licensing

Our gross profit for music IP operation and licensing decreased by 23.1% from RMB3.9 million for the six months ended June 30, 2024 to RMB3.0 million for the same period this year. Our gross profit margin also decreased from 51.3% for the six months ended June 30, 2024 to 46.9% for the six months ended June 30, 2025.

(iii) Film and Drama Series IP Operation and Licensing

Our gross profit for film and drama series IP operation and licensing increased by 49.0% from RMB10.2 million for the six months ended June 30, 2024 to RMB15.2 million for the same period this year. Our gross profit margin decreased to 59.8% for the six months ended June 30, 2025 from 62.2% for the six months ended June 30, 2024. The increase in our gross profit for this segment is in line with the increase in revenue for the Reporting Period.

(iv) Other IP-related Business

Our gross profit for other IP-related business decreased by 79.3% from RMB2.9 million for the six months ended June 30, 2024 to RMB0.6 million for the same period this year. Our gross profit margin decreased from 13.4% for the six months ended June 30, 2024 to 4.4% for the same period this year. The decrease was primarily due to the decrease in the revenue generated from commercial performances.

Other Income and Gains

Our other income and gains remained relatively stable at RMB8.3 million and RMB8.4 million for the six months ended June 30, 2024 and June 30, 2025, respectively.

Selling and Distribution Expenses

Our selling and distribution expenses remained relatively stable at RMB7.8 million and RMB8.3 million for the six months ended June 30, 2024 and 2025, respectively.

Administrative Expenses

Our administrative expenses decreased by 48.9% from RMB42.5 million for the six months ended June 30, 2024 to RMB21.7 million for the same period this year, primarily due to (i) the decrease in professional service fees, (ii) the reduction in depreciation of right-of-use assets and fixed assets, and (iii) the decrease in research and development expenses, as compared to the same period last year.

Reversal of Impairment Losses on Financial Assets, Net

We recognized a reversal of impairment losses on financial assets, net of RMB1.1 million for the six months ended June 30, 2025, primary due to the receipt of the outstanding balance of trade receivables.

Increase in Fair Value of Financial Assets at Fair Value Through Profit or Loss

We recorded a gain in changes in fair value of financial assets at fair value through profit or loss of RMB12.9 million for the six months ended June 30, 2025, compared to a loss in changes in fair value of financial assets at fair value through profit or loss of RMB5.6 million for the six months ended June 30, 2024, primarily due to fluctuations in the stock prices of listed companies in which we invested.

Other Expenses

Our other expense increased by 575.0% from RMB0.4 million for the six months ended June 30, 2024 to RMB2.7 million for the six months ended June 30, 2025, primarily due to (i) the late payment surcharges incurred in the Reporting Period; and (ii) the increase in the exchange losses.

Finance Costs

Our finance costs were relatively stable at RMB0.2 million and RMB0.1 million for the six months ended June 30, 2024 and 2025, respectively.

Share of Profits and Losses of Joint Ventures and Associates

Our share of losses of joint ventures decreased to RMB8.5 million for the six months ended June 30, 2025 from RMB14.9 million for the same period last year, primarily because of the reduction in operating losses of Mengxiang Qi'an, a joint venture of our Group. Our share of losses from associates for the six months ended June 30, 2025 increased to RMB15.3 million from RMB3.0 million for the same period last year, primarily due to the increase in operating losses of Shaanxi Shuolan and Shaanxi Yuanlv, associates of our Group.

Income Tax Credit/(Expenses)

Our income tax expenses remained relatively stable at RMB0.6 million and RMB0.8 million for the six months ended June 30, 2024 and 2025 respectively.

Loss for the Period

As a result of the above, we recorded a net loss of RMB11.1 million for the six months ended June 30, 2025 as compared with a net loss of RMB56.0 million for the same period last year.

FINANCIAL POSITION

Property, Plant and Equipment

Our property, plant and equipment remained stable at RMB179.0 million as of December 31, 2024 and RMB179.9 million as of June 30, 2025, respectively.

Goodwill

Our goodwill remained stable at RMB256.6 million as of December 31, 2024 and RMB255.6 million as of June 30, 2025, respectively.

The carrying amounts of goodwill allocated to each of the cash-generating units are as follows:

	As at	
	June 30, 2025	December 31, 2024
	<i>(RMB in millions)</i>	
Unit of Mengxiang Qiangyin Culture Broadcast (Shanghai) Company Ltd.	24.0	24.0
Unit of Fortune Star Media Limited	231.6	232.6
	255.6	256.6

Interests in Associates

Our interests in associates decreased slightly by 1.9% from RMB865.5 million as at December 31, 2024 to RMB849.4 million as at June 30, 2025, primarily due to the increase of operating losses from our associates.

The following table sets forth our interests in associates as at June 30, 2025 and December 31, 2024:

	June 30, 2025	December 31, 2024
	<i>(RMB in millions)</i>	
Cost of investment plus share of post-acquisition profits or loss and other comprehensive income, net of dividend received	588.9	605.4
Loans to an associate*	260.5	260.1
Total	849.4	865.5

* The loans to an associate were advanced to Shanghai Binqiao Enterprise Management Co., Ltd. (上海濱橋企業管理有限公司) (“Shanghai Binqiao”). The loans are unsecured of which RMB250,811,000 is interest-free and without fixed terms of repayment; and the remaining balances bear interest at the rate of 6% per annum and repayable in three years from the date of drawdown of the respective loans. In the opinion of the Directors, the loans are not expected to be settled within the next twelve months from the end of the Reporting Period.

Interests in Joint Ventures

Our interests in joint ventures remained relatively stable at RMB507.8 million as at December 31, 2024 and RMB499.0 million as at June 30, 2025.

The following table sets forth our interests in joint ventures as at June 30, 2025 and December 31, 2024:

	June 30, 2025	December 31, 2024
	<i>(RMB in millions)</i>	
Cost of investment plus share of post-acquisition profits or loss and other comprehensive income, net of dividend received	375.2	383.7
Loans to joint venture*	123.8	124.1
Total	499.0	507.8

* The loan to a joint venture was advanced to Mengxiang Qi'an. The loan is unsecured, interest-free and without fixed terms of repayment. In the opinion of the Directors, the loan is not expected to be settled within the next twelve months from the end of the Reporting Period.

Significant Investments

Save as disclosed in this announcement, we did not make or hold any significant investments (including any investment in an investee company with a value of 5.0 percent or more of our Company's total assets) during the Reporting Period.

Amounts Due from Related Parties

Amounts due from related parties decreased by RMB85.8 million or 76.3% to RMB26.7 million as of June 30, 2025 from RMB112.5 million as of December 31, 2024, primarily due to Mengxiang Qi'an and CMC Asia Group Holdings Ltd. have repaid portion of their loans, resulting in a decrease in the balance.

Other Intangible Assets

Our other intangible assets decreased by RMB5.4 million or 4.1% from RMB131.3 million as of December 31, 2024 to RMB125.9 million as of June 30, 2025, primarily due to the normal amortization of films IP licensing.

Financial Assets at Fair Value Through Profit or Loss

Our financial assets at fair value through profit or loss amounted to RMB65.3 million as of June 30, 2025, representing an increase of RMB12.8 million or 24.4% from RMB52.5 million as of December 31, 2024, primarily due to the fluctuations in the stock prices of listed companies in which we invested.

Restricted Cash

Our restricted cash amounted to RMB28.5 million as of June 30, 2025, representing a decrease of RMB40.0 million or 58.4% from RMB68.5 million as of December 31, 2024, which was primarily due to the release of previously provisions as certain litigation cases were resolved.

Program Copyrights

Our program copyright remained relatively stable at RMB0.2 million as of June 30, 2025 and RMB0.2 million as of December 31, 2024, respectively.

Trade Receivables

Our trade and notes receivables amounted to RMB69.0 million as of June 30, 2025, representing a decrease of RMB30.0 million or 30.3% from RMB99.0 million as of December 31, 2024, which is in line with the decrease in our revenue.

Prepayments, Other Receivables and Other Assets

Our prepayment, other receivables and other assets remained relatively stable at RMB71.3 million as at June 30, 2025 and RMB74.4 million as at December 31, 2024, respectively.

Trade Payables

Our trade payables amounted to RMB101.9 million as of June 30, 2025, representing a decrease of RMB15.2 million or 13.0% from RMB117.1 million as of December 31, 2024, which is in line with the decrease in our cost of sales.

Other Payables and Accruals

Our other payables and accruals amounted to RMB35.4 million as of June 30, 2025, representing a decrease of RMB11.1 million or 23.9% from RMB46.5 million as of December 31, 2024, primarily due to settlement of certain other payables.

Contract liabilities

Our contract liabilities amounted to RMB19.4 million as at June 30, 2025, representing an increase of RMB3.4 million or 21.3% from RMB16.0 million as at December 31, 2024 which was primarily due to an increase in contract liabilities pending recognition.

Provisions

Our provisions amounted to RMB6.6 million as at June 30, 2025, representing a decrease of RMB28.8 million or 81.4% from RMB35.4 million as at December 31, 2024, which was primarily attributable to the payment of the litigation provisions.

Lease Liabilities

Our lease liabilities remained relatively stable at RMB6.7 million as at June 30, 2025 and RMB6.9 million as at December 31, 2024, respectively.

Liquidity and Capital Resources

As of June 30, 2025, we funded our cash requirements primarily from cash flows mainly through equity financing and the retained earnings of our Company. We had cash and cash equivalents of RMB532.9 million and RMB425.3 million as of June 30, 2025 and December 31, 2024, respectively.

Our principal uses of cash have been for our business operations and expansion plans which require a significant amount of capital, including costs for variety program production, costs for music IPs production, and other working capital requirements. In the foreseeable future, our Company believes that our liquidity requirements will be satisfied by a combination of cash flow generated from our operating activities, the net proceeds received from our Company's Global Offering, and other funds raised from capital markets from time to time.

Gearing Ratio

As of June 30, 2025, our gearing ratio was 0.25% (December 31, 2024: 0.26%).

Material Acquisitions and Disposals

Save as disclosed in this announcement, we did not have any material acquisitions or disposals of subsidiaries, consolidated affiliated entities or associated companies during the six months ended June 30, 2025.

Pledge of Assets

As of June 30, 2025, pledged time deposit amounting to RMB28.5 million was pledged for the purchase of leasehold land and litigation.

Contingent Liabilities

As of June 30, 2025, except for the lawsuits set out in note 12 under "Notes to the Financial Statements" as stated above, our Group had no other significant contingent liabilities.

Foreign Exchange Exposure

Our Group's businesses are principally conducted in RMB. We have transactional currency exposures. Such exposures arise from sales or purchases by operating units in currencies other than the units' functional currencies. As of June 30, 2025, major non-RMB assets are cash and cash equivalents which denominated in HK\$ or US\$. Fluctuation of the exchange rate of RMB against HK\$ or US\$ could affect our Group's results of operations. Our Group does not intend to hedge its exposure to foreign exchange fluctuations. We will constantly monitor the economic situation and our Group's foreign exchange risk profile and will consider appropriate hedging measures in the future should the need arise.

FUTURE PLANS FOR MATERIAL INVESTMENTS

Our Company has no other plans for material investments or capital assets, except the intended use of proceeds as disclosed in our Prospectus.

EMPLOYEE AND REMUNERATION POLICY

As of June 30, 2025, our Group had 116 employees. Total staff remuneration expenses including Directors' remuneration in the first half of 2025 amounted to RMB19.8 million. Remuneration is determined in accordance with prevailing industry practice and employees' educational backgrounds, experiences and performance. The remuneration policies of our Group are determined based on prevailing market levels and performance of the respective Group companies and individual employees. These policies are reviewed on a regular basis. Our Group strongly believes that our staff is an invaluable asset to our Group and is significant to our Group's business. Therefore, our Group recognizes the importance of maintaining a good relationship with employees. In addition to salary, our Group also offers to its employees other fringe benefits, including year-end bonus, discretionary bonus, allowances and benefits in kind and pension scheme contributions.

MATERIAL LITIGATIONS

Our Company was not involved in any material litigation or arbitration during the six months ended June 30, 2025. The Directors are also not aware of any material litigation or claims that are pending or threatened against our Group during the six months ended June 30, 2025.

EVENTS AFTER THE REPORTING PERIOD

Save as already disclosed, as of the date of this announcement, there were no significant events that might affect our Group since the six months ended June 30, 2025.

CORPORATE GOVERNANCE AND OTHER INFORMATION

Our Board is committed to achieving high corporate governance standards. Our Board believes that high corporate governance standards are essential in providing a framework for our Group to safeguard the interests of Shareholders and to enhance corporate value and accountability.

Compliance with the Code on Corporate Governance Practices

Our Company has adopted the principles and code provisions of the Corporate Governance Code as the basis of our Company's corporate governance practices.

Code provision C.2.1 of the Corporate Governance Code recommends that the roles of chairman and chief executive be separate and not be performed by the same person. Our Company deviates from this provision as Mr. Tian Ming performs both the roles of chairman of our Board and the chief executive officer of our Company. As Mr. Tian has been managing our Group's business and overall strategic planning for several years, our Directors consider that vesting the roles of chairman and chief executive officer in Mr. Tian is beneficial to the business prospects and management of our Group by ensuring consistent leadership within our Group. Taking into account all the corporate governance measures that we implemented during the Reporting Period, our Board considers that the balance of power and authority for the present arrangement will not be impaired, and this structure will enable our Company to make and implement decisions promptly and effectively. Accordingly, our Company had not segregated the roles of its chairman and chief executive officer. Our Board will continue to review and consider splitting the roles of chairman of our Board and the chief executive officer of our Company at an appropriate time if necessary, taking into account the circumstances of our Group as a whole.

Save as disclosed above, our Company has complied with the code provisions set out in the Corporate Governance Code during the six months ended June 30, 2025. Our Company will continue to regularly review and monitor its corporate governance practices to ensure compliance with the Corporate Governance Code and maintain a high standard of corporate governance practices of our Company.

Compliance with the Model Code for Securities Transactions by Directors

Our Company adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules as the code of conduct regarding our Directors' dealings in the securities of our Company. Having made specific enquiries with our Directors, our Directors have confirmed that they have strictly complied with the required standards set out in the Model Code for the six months ended June 30, 2025.

Audit Committee

We have established an audit committee with written terms of reference in compliance with Rule 3.21 of the Listing Rules and the Corporate Governance Code. The audit committee comprises three members, namely Mr. Chen Rehao, Mr. Li Liangrong and Mr. Sheng Wenhao, with Mr. Chen Rehao (being our independent non-executive Director with the appropriate professional qualifications) as chairman of the audit committee.

Our audit committee has reviewed our unaudited condensed consolidated financial information in this announcement for the six months ended June 30, 2025, and has discussed with the senior management of our Company, on matters with respect to the accounting policies, financial reporting matters and practices adopted by our Company and internal control. There is no disagreement between the Board and the audit committee regarding the accounting treatment adopted by our Company.

Other Board Committees

In addition to our audit committee, our Board has also established a nomination committee and a remuneration committee.

Purchase, Sale or Redemption of our Company's Listed Securities

During the Reporting Period, neither our Company nor any of our subsidiaries has purchased, sold or redeemed any of our Company's securities listed on the Stock Exchange. As at June 30, 2025, the Company did not hold any treasury shares.

Use of Proceeds from the Global Offering

Our Company completed the Global Offering on December 29, 2022. The net proceeds from the Global Offering (including the partial exercise of the over-allotment option) amounted to approximately HK\$328.3 million (equivalent to approximately RMB293.0 million), after deducting the underwriting commissions, fees and expenses payable by us in connection with the Listing which will be used in a manner consistent with that mentioned in the section headed "Future Plans and Use of Proceeds" as set out in our Prospectus. As of June 30, 2025, we had approximately HK\$74.8 million (equivalent to approximately RMB66.9 million) remaining in net proceeds.

INTERIM DIVIDEND

Our Board does not recommend the payment of an interim dividend for the six months ended June 30, 2025.

PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This interim results announcement is published on the website of the Stock Exchange at www.hkexnews.hk and the website of our Company at www.starcmgroup.com. The interim report for the six months ended June 30, 2025 will be published on the aforesaid websites of the Stock Exchange and our Company and will be despatched to our Shareholders (where applicable) in due course.

DEFINITIONS

“Board”	the board of directors of our Company
“China” or the “PRC”	the People’s Republic of China, but for the purpose of this announcement and for geographical reference only, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan, China
“Company”	STAR CM Holdings Limited, an exempted company with limited liability incorporated in the Cayman Islands on March 29, 2021
“Corporate Governance Code”	the Corporate Governance Code set out in Appendix C1 to the Listing Rules
“Director(s)”	the director(s) of our Company
“Global Offering”	has the meaning ascribed to it in the Prospectus
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“IFRS”	International Financial Reporting Standards, as issued from time to time by the International Accounting Standards Board
“iQIYI”	Beijing iQIYI Science & Technology Co., Ltd.* 北京愛奇藝科技有限公司
“Listing”	the listing of Shares of our Company on the Main Board of the Stock Exchange on December 29, 2022
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Main Board”	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operates in parallel with the GEM of the Stock Exchange

“Mengxiang Qi’an”	Mengxiang Qi’an Culture Development (Shanghai) Co., Ltd.* 夢響啟岸文化發展(上海)有限公司
“Prospectus”	our Company’s prospectus dated December 15, 2022, a copy of which is available on the Stock Exchange’s website at www.hkexnews.hk
“RMB”	Renminbi yuan, the lawful currency of the People’s Republic of China
“Shaanxi Shuolan”	Shaanxi Star Shuolan Real Estate Co., Ltd.* 陝西星空碩藍置業有限公司
“Shaanxi Yuanlv”	Shaanxi Star Yuanlv Real Estate Co., Ltd.* 陝西星空原綠置業有限公司
“Share(s)”	ordinary share(s) in the share capital of our Company with a par value of US\$0.000001 each
“Shareholder(s)”	holder(s) of our Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“US\$” or “US dollar(s)”	United States dollar, the lawful currency for the time being of the United States

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

Hong Kong, August 22, 2025

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

* For identification purposes only