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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)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED DECEMBER 31, 2025

Our Board hereby announces the audited consolidated results of our Company, its subsidiaries and consolidated affiliated entities (collectively referred to as our “**Group**”) for the year ended December 31, 2025 (the “**Reporting Period**”) together with the comparative figures for the year ended December 31, 2024. These annual results have been reviewed by our Board’s audit committee together with our management.

	Year ended December 31, 2025	2024	Change
	<i>(RMB in millions, except percentages)</i>		
Revenue	168.3	163.1	3.2%
Gross profit	88.1	40.0	120.3%
Loss before tax	(90.4)	(231.1)	(60.9%)
Loss for the year	(118.8)	(230.0)	(48.3%)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	<i>Notes</i>	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Revenue	<i>4</i>	168,276	163,147
Cost of sales		<u>(80,151)</u>	<u>(123,162)</u>
Gross profit		88,125	39,985
Other income and gains		17,534	24,434
Increase/(decrease) in fair value of financial assets at fair value through profit or loss		9,779	(2,813)
Selling and distribution expenses		(14,944)	(17,333)
Administrative expenses		(49,620)	(90,432)
Other expenses		(6,146)	(17,542)
Impairment loss on goodwill		(3,008)	(48,536)
Impairment loss on trade and other receivables		(14,022)	(50,200)
Impairment loss reversed/(recognised) on loans to a joint venture and an associate		1,838	(10,727)
Impairment loss on property, plant and equipment		–	(16,000)
Impairment loss on right-of-use assets		–	(5,000)
Finance costs		(178)	(402)
Share of losses of:			
A joint venture		(16,282)	(29,025)
Associates		<u>(103,515)</u>	<u>(7,528)</u>
LOSS BEFORE TAX	<i>5</i>	(90,439)	(231,119)
Income tax (expense)/credit	<i>6</i>	<u>(28,353)</u>	<u>1,073</u>
LOSS FOR THE YEAR		<u>(118,792)</u>	<u>(230,046)</u>
Loss attributable to:			
Owners of the Company		(118,153)	(232,541)
Non-controlling interests		<u>(639)</u>	<u>2,495</u>
		<u>(118,792)</u>	<u>(230,046)</u>
LOSS PER SHARE		<i>RMB</i>	<i>RMB</i>
Basic and diluted	<i>8</i>	<u>(0.30)</u>	<u>(0.58)</u>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	2025 RMB'000	2024 <i>RMB'000</i>
LOSS FOR THE YEAR	<u>(118,792)</u>	<u>(230,046)</u>
OTHER COMPREHENSIVE (LOSS)/INCOME Item that may be subsequently reclassified to profit or loss:		
Exchange differences on translation of foreign operations	<u>(10,840)</u>	<u>8,595</u>
OTHER COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR, NET OF TAX	<u>(10,840)</u>	<u>8,595</u>
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	<u>(129,632)</u>	<u>(221,451)</u>
Total comprehensive loss attributable to:		
Owners of the Company	<u>(128,993)</u>	<u>(223,946)</u>
Non-controlling interests	<u>(639)</u>	<u>2,495</u>
	<u>(129,632)</u>	<u>(221,451)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	<i>Notes</i>	At 31 December 2025 <i>RMB'000</i>	At 31 December 2024 <i>RMB'000</i>
NON-CURRENT ASSETS			
Property, plant and equipment		179,484	179,023
Other intangible assets		107,762	131,260
Right-of-use assets		91,509	92,627
Goodwill		248,414	256,585
Interests in a joint venture		492,960	507,766
Interests in associates		876,159	865,458
Financial assets at fair value through profit or loss ("FVTPL")		22,907	52,464
Restricted deposits		14,609	68,549
Deferred tax assets		31,847	33,801
Total non-current assets		2,065,651	2,187,533
CURRENT ASSETS			
Inventories		53,463	21
Program copyrights		605	202
Trade and bill receivables	9	69,678	98,957
Prepayments, other receivables and other assets		84,654	74,394
Due from related parties	10	500	112,498
Cash and cash equivalents		427,385	425,251
Total current assets		636,285	711,323
CURRENT LIABILITIES			
Trade payables	11	73,863	117,117
Other payables and accruals		32,012	39,460
Contract liabilities		6,961	3,693
Provisions	12	5,281	35,423
Tax payable		47,822	25,525
Lease liabilities		2,590	4,582
Total current liabilities		168,529	225,800
NET CURRENT ASSETS		467,756	485,523
TOTAL ASSETS LESS CURRENT LIABILITIES		2,533,407	2,673,056

	At 31 December 2025 <i>RMB'000</i>	At 31 December 2024 <i>RMB'000</i>
NON-CURRENT LIABILITIES		
Lease liabilities	479	2,309
Deferred tax liabilities	3,627	3,731
Other payables and accruals	6,784	7,021
Contract liabilities	5,751	12,347
	<u>16,641</u>	<u>25,408</u>
Total non-current liabilities	16,641	25,408
Net assets	2,516,766	2,647,648
EQUITY		
Share capital	3	3
Reserves	2,527,253	2,656,246
	<u>2,527,256</u>	<u>2,656,249</u>
Equity attributable to owners of the Company	2,527,256	2,656,249
Non-controlling interests	(10,490)	(8,601)
	<u>2,516,766</u>	<u>2,647,648</u>
Total equity	2,516,766	2,647,648

NOTES TO FINANCIAL STATEMENTS

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 29 December 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 of the Company (the “Directors”), the ultimate controlling shareholders of the Company are Mr. Tian Ming, Mr. Jin Lei and Mr. Xu Xiangdong (“Controlling Shareholders”).

2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for notes receivable and certain financial assets stated at fair value. These financial statements are presented in Renminbi and all values are rounded to the nearest thousand except when otherwise indicated.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The following is a list of amendments to IFRS Accounting Standards, issued by IASB, which are mandatorily effective for financial statements for the year ended 31 December 2025:

Amendments to IAS 21 Lack of Exchangeability

The amendments have no material impact on the Group’s consolidated financial statements for the current and prior years.

2.3 NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS IN ISSUED BUT NOT YET EFFECTIVE

The Group has not applied the following new and amendments to IFRS Accounting Standards, that have been issued but are not yet effective, in these financial statements. The Group intends to apply these new and amendments to IFRS Accounting Standards, if applicable, when they become effective.

The following is a list of new and amendments to accounting standards, issued by IASB, which are not mandatorily effective for financial statements for the year ended 31 December 2025:

Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments ¹
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity ¹
Annual Improvements to IFRS Accounting Standards – Volume 11	Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7 ¹
IFRS 18 and consequential amendments to other IFRS Accounting Standards	Presentation and Disclosure in Financial Statements ²
IFRS 19 and subsequent amendments	Subsidiaries without Public Accountability: Disclosures ²
Amendments to IAS 21	Translation to a Hyperinflationary Presentation Currency ²
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³

¹ Effective for annual periods beginning on or after 1 January 2026

² Effective for annual periods beginning on or after 1 January 2027

³ Effective for annual periods beginning on or after a date to be determined

The Group is in the process of making an assessment of what the impact of these developments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements except for the following:

IFRS 18, Presentation and disclosure in financial statements

IFRS 18 will replace IAS 1 Presentation of financial statements and aims to improve the transparency and comparability of information about an entity's financial statements. IFRS 18 is effective for annual reporting periods beginning on or after 1 January 2027 and is to be applied retrospectively. Among other changes, under IFRS 18, entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to provide specific disclosures about management defined performance measures in a single note in the financial statements. The Group does not plan to early adopt IFRS 18 and is still in the process of assessing the impact of the adoption.

3. 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.

Revenue from external customers

	2025 RMB'000	2024 <i>RMB'000</i>
Chinese Mainland	111,141	102,283
Other regions	57,135	60,864
Total revenue	168,276	163,147

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

4. REVENUE

Revenue from contracts with customers

(i) Disaggregated revenue information

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Types of goods or services		
Variety program IP production, operation and licensing	39,082	33,897
Music IP operation and licensing	31,472	13,970
Drama series and film IP operation and licensing	62,169	60,578
Other IP-related business	35,553	54,702
	<hr/>	<hr/>
Total revenue from contracts with customers	168,276	163,147
	<hr/> <hr/>	<hr/> <hr/>
Timing of revenue recognition		
At a point in time	97,899	90,853
Over time	70,377	72,294
	<hr/>	<hr/>
Total revenue from contracts with customers	168,276	163,147
	<hr/> <hr/>	<hr/> <hr/>

5. LOSS BEFORE TAX

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

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Cost of variety program IP production, operation and licensing	14,425	56,918
Cost of music IP operation and licensing	12,833	4,858
Cost of drama series and films IP operation and licensing	21,823	20,242
Cost of other IP related business	31,070	41,144
	<hr/>	<hr/>
	80,151	123,162
	<hr/> <hr/>	<hr/> <hr/>
Impairment loss on trade and other receivables	14,022	50,200
Impairment loss (reversed)/recognised on loans to a joint venture and an associate	(1,838)	10,727
Impairment loss on goodwill	3,008	48,536
Impairment loss on property, plant and equipment	–	16,000
Impairment loss on right-of-use assets	–	5,000
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6. 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 are 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 year.

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 year.

The provision for current income tax in Mainland China 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.

Canxing Culture a subsidiary of the Group is qualified as High and New Technology Enterprises and was entitled to a preferential income tax rate of 15% (2024: 15%) during the year, which will expire on 12 December 2026.

The income tax expense/(credit) in the consolidated statement of profit or loss analysed as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Current tax		
– charge/(credit) for the year	11,634	(772)
– under provision of prior years	14,789	1,990
	26,423	1,218
Deferred tax	1,930	(2,291)
Income tax expense/(credit)	28,353	(1,073)

7. DIVIDENDS

No dividend has been paid or declared by the Company during the years ended 31 December 2025 and 2024. The Board does not recommend the payment of any dividend for the year ended 31 December 2025 (2024: Nil).

8. LOSS PER SHARE

The calculation of the basic loss per share is based on the loss of RMB118,153,000 (2024: RMB232,541,000) for the year attributable to owners of the Company, and the weighted average number of ordinary shares of 398,538,168 (2024: 398,538,168) in issue during the year. Diluted loss per share is equal to the basic loss per share as the Company does not have any potentially dilutive ordinary shares outstanding for both years.

9. TRADE AND BILL RECEIVABLES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Trade receivables	390,998	434,344
Bill receivables	4,512	–
Less: impairment of trade receivables	(325,832)	(335,387)
	69,678	98,957

The Group's trading terms with its customers are mainly on credit. The credit period granted to customers 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 aging analysis of the trade receivables based on the transaction dates and net of loss allowance is as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Within 3 months	27,807	38,570
3 to 6 months	383	3,157
6 to 12 months	1,301	23
1 to 2 years	2,201	54,278
2 to 3 years	32,526	84
Over 3 years	948	2,845
Total	<u>65,166</u>	<u>98,957</u>

10. DUE FROM RELATED PARTIES

	<i>Notes</i>	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Shanghai Xingkongshui'an Enterprise Development Co., Ltd. ("SH Xingkongshui'an")	<i>(i)</i>	500	500
CMC Asia Group Holdings Limited ("CMC Asia")	<i>(ii)</i>	–	32,590
Mengxiang Qi'an Culture Development (Shanghai) Co., Ltd. ("Mengxiang Qi'an")	<i>(iii)</i>	–	79,408
Total		<u>500</u>	<u>112,498</u>

Notes:

- (i) SH Xingkongshui'an is a subsidiary of an associate of the Group. The loan to SH Xingkongshui'an of RMB500,000 is unsecured, interest-free and repayable on demand. In the opinion of the directors, the loans is expected to be settled within the next twelve months from the end of the reporting period.
- (ii) In January 2024, the Group made a loan of HK\$28,000,000 (equivalent to RMB25,485,600) to CMC Asia, a company controlled by Mr. Tian Ming, a director and controlling shareholder of the Company. The loan is unsecured, interest-free and repayable within one year. On 1 March 2024, the loan was partially settled by offsetting against the trade payable of RMB8,716,000 due to Star China Media Limited, a subsidiary of CMC Asia. After the offsetting the remaining balance of the loan was RMB16,770,000. On 1 October 2024, the Group entered into a supplementary agreement with CMC Asia to extend the loan maturity date to 1 October 2025. The loan accrues interest at a rate of 5% per annum, retroactively effective from 1 March 2024.

On 21 October 2024, 5 November 2024 and 26 November 2024, the Group made additional three loans of US\$850,000, US\$500,000 and US\$700,000 to CMC Asia, respectively. These loans are unsecured, bear interest at 5% per annum and repayable within one year after the drawdown date. The maximum outstanding debit balances of the loans due from CMC Asia during the year ended 31 December 2024 was RMB32,590,000.

The loans were fully settled on 21 October 2025.

- (iii) Mengxiang Qi'an is a joint venture of the Group. The loans to Mengxiang Qi'an bear interest at 5.39% per annum, unsecured and are repayable on demand.

The loans were fully settled on 30 April 2025.

11. TRADE PAYABLES

An aging analysis of the trade payables based on the invoice date is as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Within 1 year	17,384	47,663
1 to 2 years	7,564	45,191
2 to 3 years	27,002	14,180
Over 3 years	21,913	10,083
Total	<u>73,863</u>	<u>117,117</u>

The credit terms of the trade payables are normally within 90 to 180 days.

12. PROVISIONS

During the year, certain 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 year ended 31 December 2025

	<i>Notes</i>	At 1 January 2025 <i>RMB'000</i>	Additional provisions made <i>RMB'000</i>	Reversals <i>RMB'000</i>	Provisions utilized <i>RMB'000</i>	At 31 December 2025 <i>RMB'000</i>
MBC-Guess the Singer! 2016	<i>(i)</i>	24,371	109	-	(24,480)	-
Entity A	<i>(ii)</i>	1,435	-	(1,435)	-	-
Entity B	<i>(iii)</i>	4,257	32	-	(4,289)	-
Entity C	<i>(iv)</i>	4,165	-	(2,165)	(2,000)	-
Entity E	<i>(vi)</i>	-	2,628	-	-	2,628
Entity F	<i>(vii)</i>	-	1,590	-	-	1,590
Others		1,195	40	-	(172)	1,063
		<u>35,423</u>	<u>4,399</u>	<u>(3,600)</u>	<u>(30,941)</u>	<u>5,281</u>

For the year ended 31 December 2024

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

- (i) In 2020, Munhwa Broadcasting Corporation (“MBC”) initiated legal proceedings against the Group for breach of contract and claiming an aggregate amount of RMB124,400,000. In November 2022, the court rendered a judgement in favour of MBC for RMB11,900,000. Both parties subsequently filed appeals against the first-instance judgement in 2023. In October 2024, the court upheld the judgement in favour of MBC and therefore a further provision of RMB12,471,000 was recognised in these consolidated financial statements. During the year ended 31 December 2025, the final judgement was issued, and the Group paid approximately RMB24,480,000 to MBC in full settlement of the lawsuit.
- (ii) Entity A claimed that a subsidiary of the Group should reimburse Entity A’s expenses and revenue sharing derived from the music copyright protection activities, amounting to RMB3,038,000. Based on the advice from the Group’s legal counsel, the directors believe the subsidiary has a valid defence against the allegation. Accordingly, the Group has only provided RMB1,435,000 as at 31 December 2024 and 2023, representing management’s best estimate of the potential liability. In December 2025, the court issued a judgment stating that the Group has no liability in this matter.
- (iii) Entity B claimed that a subsidiary should pay Entity B’s expenses and ticket fee sharing arising from a music festival amounting to RMB7,981,000. For the year ended 31 December 2023, the directors, based on the advice from the Group’s legal counsel, believe that the subsidiary has a valid defence against the allegation and, accordingly, have only provided RMB1,663,000 arising from the litigation based on their best estimation. During the year ended 31 December 2024, the Group resolved the dispute with Entity B through arbitration. As a result of the arbitration decision, an additional provision of RMB2,594,000 was made in these consolidated financial statements. In 2025, the Group paid approximately RMB4,289,000 to Entity B to settle the claim.
- (iv) Entity C claimed that one of the Group’s subsidiaries should pay RMB4,165,000 to Entity C for expenses incurred in organizing the variety show. The Group, based on the advice from the legal counsel, provided RMB4,165,000 arising from the litigation as at 31 December 2024. In 2025, the Group reached a settlement with Entity C and paid approximately RMB2,000,000 to Entity C.
- (v) For the year ended 31 December 2023, a subsidiary of the Group was still a defendant in a lawsuit brought by Entity D alleging that the subsidiary should pay the remuneration for its artistes’ performances in the variety programs. The amount claimed is RMB16,500,000. The directors, based on the advice from the Group’s legal counsel, believe that the subsidiary has a valid defence against the allegation and, accordingly, have not provided for any claim arising from the litigation. During the year ended 31 December 2024, the result of judgement came out and the Group paid approximately RMB8,000,000 to Entity D for settlement of the lawsuit.
- (vi) For the year ended 31 December 2025, Entity E claimed that one of the Group’s subsidiaries should reimburse Entity E’s expenses and default interest incurred for and revenue sharing from the music copyright protection activities amounting to approximately RMB4,035,000. During the year ended 31 December 2025, the Group resolved the dispute with Entity E through mediation. As a result of the mediation, provision of approximately RMB2,628,000 was made in these consolidated financial statements.
- (vii) For the year ended 31 December 2025, Entity F claimed that one of the Group’s subsidiaries should reimburse Entity F’s expenses incurred for and revenue sharing from the music copyright protection activities amounting to approximately RMB1,590,000. The directors, based on the advice from the Group’s legal counsel, believe that the subsidiary has a valid defence against the allegation, accordingly, have provided approximately RMB1,590,000 arising from the litigation based on their best estimation as at 31 December 2025.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS OVERVIEW

Business Analysis by Business Line

(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 year ended December 31, 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, “The Top Racer” (風馳賽車手) on Youku platform and “Let’s Go! Singing Tour Crew” (出發吧唱遊團) on Tencent platform. In addition, we participated in the directing services for an AI music variety show, which is scheduled to air in 2026. Our Group has been actively exploring strategic cooperation opportunities with other broadcasting platforms.

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 the programs; (ii) our negotiations with investing media platforms; (iii) the overall economic environment; and (iv) shift in audience preferences. As a result, due to the inherent risks in the business model of our variety program intellectual property (“IP”) production, operation and licensing, our financial performance may fluctuate from year to year. For details, see the section headed “Financial Review” in this announcement.

(ii) Music IP Operation and Licensing

As at December 31, 2025, our Group’s music library contained 9,948 IPs, consisting of 3,765 live music recordings produced during the creation of our music variety programs, 3,859 songs produced for our managed artists, and 2,324 lyrics and music compositions.

(iii) Film and Drama Series IP Operation and Licensing

Our Group has leveraged our extensive film library, experienced in-house professional teams and long-term cooperative relationships with media platforms to actively expand into the fields of film licensing and drama series production.

As at December 31, 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 rebroadcasting in exchange for a fixed licensing fee during a specified timeframe. The licensing fee is usually determined based on certain factors, including the number of films licensed 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 at December 31, 2025, we had a total number of 65 managed artists.

FUTURE DEVELOPMENT

Looking ahead, our Group is dedicated to leveraging our strengths and experience to create more cultural and 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 are deeply aware that AI is exerting a profound impact on the entertainment industry, with the potential to fundamentally reshape the market landscape. In response, we have adopted a proactive approach, continuously exploring the effective integration of AI technologies with our core content assets. Currently, we are collaborating with partners to advance the application of AI in content creation, and are in the process of developing our first interactive film-game and our first AI-powered comic series, with initial outcomes expected by mid-2026. In addition, at the end of 2025, we established a joint venture with a partner focusing on AI-driven music, further strengthening our presence in the music sector.

At the same time, we firmly believe that no matter how AI evolves, IP, along with the core creativity and content it embodies, will always represent a source of value that technology cannot replace. We will continue to enrich our IP portfolio and remain committed to becoming a creator and operator of IP, driving long term growth through high quality content.

- Further expanding our audience outreach and brand influence, and enhance our monetization capabilities: We will continue to establish and expand distribution channels to reach wider audience. We will increase the number of our partner television platforms, online video platforms, and music service providers, while diversifying our distribution channels. Music and songs produced for our artists have also been released on numerous overseas streaming platforms. At the same time, we will prudently develop IP-centered experience centers, electronic music hubs, and street dance centers to offer immersive offline experiences. We will continue to attract talented artists from around the world to further enhance the influence and value of our cultural and entertainment IP in the global market.
- Further expanding our business through acquisitions and joint ventures with partner companies: We will closely monitor and continuously evaluate high-quality acquisition targets and equity partners that are complementary to our business and aligned with our strategy. Our goal is to effectively integrate premium industry resources along the upstream and downstream of the entertainment market value chain, so as to further accelerate our Group's business expansion.
- Continuing to attract talents and build our team: We provide excellent training, highly competitive compensations and incentive plans for our employees. We plan to attract top talents in the fields of IP production, operation and management via continuous improvements in our talent acquisition and retention system.

We believe that, despite certain challenges in the market environment, the overall prospects of China's cultural and entertainment IP industry, as well as the business environment in which the Group operates, remain underpinned by solid growth potential. The Group is confident that, leveraging our vision in the entertainment industry and our experienced management team, we will continue to strengthen our competitive position in the variety show segment and deliver high-quality content to our audiences.

PROSPECTS

Our Directors are of the view that, in recent years, despite a reduction in the number of large-scale variety shows and sustained pressure on the market environment, our Group's performance during the Reporting Period remained at a low level. Nevertheless, we have consistently remained committed to content creation and have stayed at the forefront of the entertainment industry. We firmly believe that the overall prospects of China's cultural and entertainment IP industry, as well as the business environment in which our Group operates, will continue to offer broad development opportunities in the future.

Leveraging our vision in the entertainment industry and our experienced management team, our Group will continue to strengthen our leading position in the variety show segment and is dedicated to delivering high-quality content to audiences. At present, our Group owns a library of over 700 film titles, which have been distributed globally over the years, while our overall business remains relatively stable in terms of market and sales performance.

In parallel, our Group is actively expanding into emerging sectors such as short-form dramas, comic series, and interactive film-games, and is continuously exploring the integration of short-form video with e-commerce, content industries, and social platforms, with the aim of converting these opportunities into commercial prospects and revenue streams. Although achieving significant results in the short term presents challenges, our Group remains steadfast in its strategy of revitalizing our existing film library resources through formats such as micro-dramas and comic series, striving to produce short-form content that meets the needs of today's users and breathing new life into classic IP.

Our Group also owns an extensive music library and a roster of signed artists. We will carefully assess the impact of artificial intelligence on the music industry and actively explore commercialization pathways in the field of AI-driven music in collaboration with our partners.

Furthermore, our Group places great emphasis on the in-depth application of AIGC technologies in the entertainment sector, with a view to reducing costs and enhancing user experience through technological empowerment, thereby further strengthening the efficiency and innovation capabilities of content creation.

Notwithstanding the challenges outlined above, our Group will continue to maintain a prudent approach toward the overall outlook of both the Chinese economy and the global economy, and will proactively take appropriate measures to address any changes that may affect our Group's business, financial condition, operating results, and future development.

FINANCIAL REVIEW

Overview

For the year ended December 31, 2025, we recorded revenue of RMB168.3 million, a slightly increase from RMB163.1 million in 2024. This was primarily due to an increase in revenue from license renewals of the old songs in our Group's music library, which offset a decline in other IP-related business. Our gross profit increased to RMB88.1 million in 2025 from RMB40.0 million in 2024, with the gross profit margin improving to 52.3% in 2025 from 24.5% in 2024. This improvement was largely attributable to a strategic shift in our variety program business towards higher-margin directing and post-production services.

Our net loss amounted to RMB118.8 million in 2025 as compared to the net loss of RMB230.0 million in 2024. The reduction in net loss in 2025 was primarily attributable to (a) an increase in our gross profit margin from 24.5% in 2024 to 52.3% in 2025, through enhanced cost control measures and improved operational efficiency; (b) a significant decrease in impairment loss on goodwill from RMB48.5 million in 2024 to RMB3.0 million in 2025, following a large impairment recognized by our Group in the prior year; and (c) a decrease in administration expenses from RMB90.4 million in 2024 to RMB49.6 million in 2025, driven by cost control measures and a reduction in staff numbers. Nevertheless, our Group still recorded a net loss in 2025, primarily due to impairment charges on properties held by certain associates of the Group which led to a significant change in the carrying value of these investments.

Revenue by Business Line

During the years ended December 31, 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 revenue by business segment for the years ended December 31, 2025 and 2024:

	For the year ended	
	December 31,	
	2025	2024
	<i>(RMB in millions)</i>	
Variety program IP production, operation and licensing	39.1	33.9
Music IP operation and licensing	31.5	14.0
Film and drama series IP operation and licensing	62.2	60.6
Other IP-related business	35.5	54.6
Total	168.3	163.1

(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 increased by 15.3% from RMB33.9 million for the year ended December 31, 2024 to RMB39.1 million for the year ended December 31, 2025, primarily due to a slight increase in the scale of variety programs as compared to that in 2024.

(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 increased by 125.0% from approximately RMB14.0 million in 2024 to approximately RMB31.5 million in 2025. The increase was primarily due to a significant increase in revenue from license renewals of the old songs in our Group's music library in 2025.

(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 remained stable, and recorded approximately RMB60.6 million and RMB62.2 million in 2024 and in 2025 respectively.

(iv) Other IP-related Business

Our revenue generated from other IP-related business primarily consists 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 35.0% from approximately RMB54.6 million in 2024 to approximately RMB35.5 million in 2025, primarily due to (i) the expiration of contracts with several contracted artists, resulting in a decline in commercial performance income, and (ii) a decrease in the number of offline events, leading to reduced revenue.

Cost of Sales

The following table sets forth our cost of sales by business segment for the years ended December 31, 2025 and 2024:

	For the year ended	
	December 31,	
	2025	2024
	<i>(RMB in millions)</i>	
Variety program IP production, operation and licensing	14.4	56.9
Music IP operation and licensing	12.8	4.9
Film and drama series IP operation and licensing	21.8	20.2
Other IP-related business	31.2	41.1
Total	<u>80.2</u>	<u>123.1</u>

(i) Variety Program IP Production, Operation and Licensing

Cost of sales associated with variety program IP production, operation and licensing significantly decreased by 74.7% from RMB56.9 million in 2024 to RMB14.4 million in 2025, which was primarily due to (i) the provision of directing and post-production services for variety program IPs, which led to a decrease in production costs; and (ii) the reduction in the number of production team members, which led to a corresponding decrease in staff costs.

(ii) Music IP Operation and Licensing

Cost of sales associated with music IP operation and licensing increased by 161.2% from RMB4.9 million in 2024 to RMB12.8 million in 2025, primarily because of the cost recognition associated with the license renewals of our legacy music library, and such increase was in line with the increase in revenue.

(iii) Film and Drama Series IP Operation and Licensing

Cost of sales associated with film and drama series IP operation and licensing increased by 7.9% from RMB20.2 million in 2024 to RMB21.8 million in 2025, primarily due to a slight increase in film-related rights protection costs.

(iv) Other IP-related Business

Cost of sales associated with other IP-related business decreased by 24.1% from RMB41.1 million in 2024 to RMB31.2 million in 2025, which was in line with a decrease in revenue generated from other IP-related business.

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 years ended December 31, 2025 and 2024:

	For the year ended December 31,			
	2025	2024	2025	2024
	Gross (Loss)/ Profit	Gross (Loss)/ Profit	Gross (Loss)/ Profit	Gross (Loss)/ Profit
		Margin (%)		Margin (%)
	<i>(RMB in millions except in percentage)</i>			
Variety program IP production, operation and licensing	24.7	63.2	(23.0)	(67.8)
Music IP operation and licensing	18.7	59.4	9.1	65.0
Film and drama series IP operation and licensing	40.4	65.0	40.4	66.7
Other IP-related business	4.3	12.1	13.5	24.7
Total	88.1	52.3	40.0	24.5

As a result of the foregoing, our gross profit increased by 120.3% from RMB40.0 million in 2024 to RMB88.1 million in 2025.

(i) Variety Program IP Production, Operation and Licensing

We recorded the gross profit for variety program IP production, operation and licensing of RMB24.7 million in 2025 and the gross loss of RMB23.0 million in 2024, and recorded a gross profit margin of 63.2% in 2025 as opposed to a gross loss margin of 67.8% in 2024. The shift was primarily due to (i) the variety programs in 2025 primarily involved directing and post-production services, which enabled us to maintain a certain level of gross profit margin, and (ii) a reduction in the number of production team members which lowered our costs.

(ii) Music IP Operation and Licensing

Our gross profit for music IP operation and licensing increased by 105.5% from RMB9.1 million in 2024 to RMB18.7 million in 2025. Our gross profit margin for music IP operation and licensing decreased from 65.0% in 2024 to 59.4% in 2025, primarily due to the significant increase in gross profit resulting from the licence renewals of our legacy music library in 2025, while the gross profit margin slightly declined mainly because of a slightly increase in production costs associated with new songs licensing.

(iii) Film and Drama Series IP Operation and Licensing

Our gross profit from film and drama series IP operation and licensing remained stable at RMB40.4 million in 2024 and RMB40.4 million in 2025. Our gross profit margin for film and drama series IP operation and licensing decreased from 66.7% in 2024 to 65.0% in 2025, which was due to a slight increase in film-related rights protection costs.

(iv) Other IP-related Business

As a result of the foregoing, our gross profit for other IP-related business decreased by 68.1% from RMB13.5 million in 2024 to RMB4.3 million in 2025. Our gross profit margin decreased from 24.7% in 2024 to 12.1% in 2025. The decrease was in line with the decrease in commercial performance income.

Other Incomes and Gains

Our other incomes and gains decreased by 28.3% from RMB24.4 million in 2024 to RMB17.5 million in 2025, which was primarily due to a decrease in interest income.

Selling and Distribution Expenses

Our selling and distribution expenses decreased by 13.9% from RMB17.3 million in 2024 to RMB14.9 million in 2025, primarily due to a decrease in staff costs resulting from the reduction in the number of our sales staff.

Administrative Expenses

Our administrative expenses decreased by 45.1% from RMB90.4 million in 2024 to RMB49.6 million in 2025, primarily due to (i) a decrease in staff costs resulting from the reduction in the number of our administrative and R&D staff; (ii) a decrease in depreciation expenses for the year as impairment losses on right-of-use assets and property, plant and equipment were recognized in the prior year; and (iii) a decrease in professional services fees and expenses.

Impairment Loss on Goodwill

We recorded an impairment loss on goodwill of RMB3.0 million in 2025 (2024: RMB48.5 million), primarily due to the recognition of goodwill impairment in the prior year following an expected decline in future revenue from our film broadcasting rights licensing, with only a minor adjustment recorded in 2025.

Impairment Loss on Trade and Other Receivables

We recorded an impairment loss on trade and other receivables of RMB14.0 million in 2025 (2024: RMB50.2 million), primarily due to a significant increase in credit risk for certain customers assessed in the prior year did not persist.

Impairment Loss (reversed)/Recongised on Loans to a Joint Venture and an Associate

We recorded a reversal of impairment loss on loans to a joint venture and an associate of RMB1.8 million in 2025 as compared to an impairment loss of RMB10.7 million in 2024, which was primarily due to some related balances of loans were recovered.

Impairment Loss on Property, Plant and Equipment and Right-of-use Assets

We recorded no impairment loss on property, plant and equipment and right-of-use assets in 2025 as compared to an impairment loss of RMB21.0 million in 2024. The impairment loss in the prior year was primarily due to the recoverable amount of the cash-generating unit engaged in the business of variety program IP production, operation and licensing being lower than its carrying amount, as the unit was operating at a loss in prior year, while no such impairment loss was required in 2025.

Increase/(Decrease) 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 RMB9.8 million in 2025, compared to a loss in changes in fair value of financial assets at fair value through profit or loss of RMB2.8 million in 2024, primarily due to fluctuations in the stock prices of listed companies in which we invested.

Other Expenses

Our other expenses decreased significantly by 65.1% from RMB17.5 million in 2024 to RMB6.1 million in 2025. The decrease was primarily due to a reduction in litigation compensation expenses, partially offset by an increase in exchange losses resulting from fluctuations in foreign exchange rates.

Finance Costs

Our finance costs decreased from RMB0.4 million in 2024 to RMB0.2 million in 2025.

Share of Losses of a Joint Venture and Associates

Our share of losses of a joint venture decreased by 43.8% from RMB29.0 million in 2024 to RMB16.3 million in 2025, primarily because of a decrease in loss in connection with the investment in Mengxiang Qi'an. Our share of losses from associates significantly increased by 1,280.0% from RMB7.5 million in 2024 to RMB103.5 million in 2025, which was primarily attributable to impairment provisions recognized against properties held by our associates, Shaanxi Star Shuolan Real Estate Co., Ltd. (陝西星空碩藍置業有限公司) (“**Shaanxi Shuolan**”) and Shaanxi Star Yuanlv Real Estate Co., Ltd. (陝西星空原綠置業有限公司) (“**Shaanxi Yuanlv**”), resulting in a material reduction in the carrying value of these investments.

Income Tax Credit/(Expenses)

We recorded income tax expenses of RMB28.4 million in 2025 as compared to income tax credit of RMB1.1 million in 2024, primarily due to (i) an increase in income tax arising from the disposal of certain stocks by a subsidiary, and (ii) a supplementary provision for income tax resulting from the reassessment of the film IP licensing business of Fortune Star Media Limited (“FSML”) under the foreign source income exemption (FSIE) regime.

Loss for the Years

As a result of above, we recorded reduction of a net loss from RMB230.0 million in 2024 to RMB118.8 million in 2025.

FINANCIAL POSITION

Property, Plant and Equipment

Our property, plant and equipment remained relatively stable at RMB179.0 million as at December 31, 2024 and RMB179.5 million as at December 31, 2025.

Goodwill

Our goodwill decreased by RMB8.2 million or 3.2% from RMB256.6 million as at December 31, 2024 to RMB248.4 million as at December 31, 2025, primarily due to (i) the impact of foreign exchange translation on the goodwill of FSML, and (ii) an impairment loss resulting from a slight decline in the expected future earnings of MXQY.

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

	For the year ended December 31,	
	2025	2024
	<i>(RMB in millions)</i>	
MXQY unit	21.0	24.0
FSML unit	227.4	232.6
	<hr/>	<hr/>
At end of year	248.4	256.6
	<hr/> <hr/>	<hr/> <hr/>

Interests in Associates

Our interests in associates remained stable at RMB865.5 million and RMB876.2 million as at December 31, 2024 and 2025, respectively. During the Reporting Period, our Group made an investment of RMB115 million in a newly established associate. Reference is made to the announcement of the Company dated 13 November 2025 in relation to the formation of joint venture company. This increase was offset by impairment provisions recognised against properties held by our associates, Shaanxi Shuolan and Shaanxi Yuanlv, which resulted in a material reduction in the carrying value of these investments.

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

	As at December 31,	
	2025	2024
	<i>(RMB in millions)</i>	
Cost of investments plus share of post-acquisition profits or loss and other comprehensive income, net of dividend received	615.6	605.4
Loans to an associate*	260.6	260.1
Total	876.2	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 a Joint Venture

Our interests in a joint venture remained stable at RMB507.8 million and RMB493.0 million as at December 31, 2024 and 2025.

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

	As at December 31,	
	2025	2024
	<i>(RMB in millions)</i>	
Cost of investments plus share of post-acquisition profits or loss and other comprehensive income, net of dividend received	367.5	383.7
Loan to a joint venture*	125.5	124.1
Total	493.0	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 2025.

Amount Due from Related Parties

Our Group recorded amounts due from related parties of RMB0.5 million as at December 31, 2025 (December 31, 2024: RMB112.5 million). For details, please refer to note 10 under “Notes to Financial Statements” above.

Other Intangible Assets

Our other intangible assets decreased by RMB23.5 million or 17.9% from RMB131.3 million as at December 31, 2024 to RMB107.8 million as at December 31, 2025, primarily due to (i) regular amortization of film IP licensing, and (ii) the transfer of intangible assets resulting from the licence renewals of our legacy music library in 2025.

Financial Assets at Fair Value Through Profit or Loss

Our financial assets at fair value through profit or loss amounted to RMB22.9 million as at December 31, 2025, representing a decrease of RMB29.6 million or 56.4% from RMB52.5 million as at December 31, 2024, which was primarily due to (i) the disposal of listed shares, and (ii) fluctuations in the stock prices of the remaining shares held.

Restricted Cash

Our restricted cash decreased by RMB53.9 million or 78.7% from RMB68.5 million as at December 31, 2024 to RMB14.6 million as at December 31, 2025, primarily due to the release of restricted cash following the conclusion of certain litigation cases.

Inventories

In 2025, the inventories of our Group amounted to RMB53.5 million, compared with RMB0.02 million in 2024. The increase in 2025 was primarily due to our Group’s acquisition of scripts which require adaptation before they can be sold.

Trade and Bill Receivables

Our trade and bill receivables amounted to RMB69.7 million as at December 31, 2025, representing a decrease of RMB29.3 million or 29.6% from RMB99.0 million as at December 31, 2024, which was due to the collection of trade receivables from prior years.

Prepayments, Other Receivables and Other Assets

Our prepayments, other receivables and other assets amounted to RMB84.7 million as at December 31, 2025, representing an increase of RMB10.3 million or 13.8% from RMB74.4 million as at December 31, 2024, which was primarily due to an increase in prepayments for concert collaboration.

Trade Payables

Our trade payables amounted to RMB73.9 million as at December 31, 2025, representing a decrease of RMB43.2 million or 36.9% from RMB117.1 million as at December 31, 2024, which was primarily due to the settlement of program-related payables from prior years in 2025.

Other Payables and Accruals

Our other payables and accruals amounted to RMB38.8 million as at December 31, 2025, representing a decrease of RMB7.7 million or 16.6% from RMB46.5 million as at December 31, 2024, primarily due to settlement of certain other payables.

Contract Liabilities

Our contract liabilities amounted to RMB12.7 million as at December 31, 2025, representing an decrease of RMB3.3 million or 20.6% from RMB16.0 million as at December 31, 2024, which was primarily due to a decrease in contract liabilities received in advance.

Provisions

Our provisions amounted to RMB5.3 million as at December 31, 2025, representing a significant decrease of RMB30.1 million or 85.0% from RMB35.4 million as at December 31, 2024. This decrease was primarily attributable to payment of provisions following the conclusion of litigation proceedings in 2024.

Lease Liabilities

Our lease liabilities amounted to RMB3.1 million as at December 31, 2025, representing a decrease of RMB3.8 million or 55.1% from RMB6.9 million as at December 31, 2024, which was primarily due to shorter lease terms and a reduction in leased area.

Liquidity and Capital Resources

As at December 31, 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 RMB427.4 million and RMB425.3 million as at December 31, 2025 and 2024, respectively. Meanwhile, our Group had no borrowings as at December 31, 2025 and 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 and other funds raised from capital markets from time to time.

Gearing Ratio

As at December 31, 2025, our gearing ratio was 0.12% (2024: 0.26%). The gearing ratio is calculated as total debts (consisting of interest-bearing bank loans, lease liabilities, and amounts due to related parties) divided by total equity. Our Group had no bank loans as at December 31, 2025 and 2024. The ratio is presented as a key measure of our Group's financial leverage. In comparison to industry peers who often utilize debt to fund content production, the Group's current position with no borrowings reflects a conservative financial management strategy.

Material Acquisitions and Disposals

On November 13, 2025, Shanghai Jiuwu Yisheng Culture & Media Co., Ltd.* (上海久吾一生文化傳媒有限公司) (“**Shanghai Jiuwu Yisheng**”), our indirect wholly-owned subsidiary, entered into a joint venture agreement with Beijing Unbounded Sound Field Culture Media Co., Ltd.* (北京無界音場文化傳媒有限公司) (the “**Joint Venture Partner**”), to establish an AI music business in the PRC. The registered capital of the joint venture company is RMB1 million. After the registered capital of the Joint Venture Agreement has been fully paid up, Shanghai Jiuwu Yisheng will contribute further investment amount of RMB114,680,00, and the Joint Venture Partner will contribute further investment amount of RMB243,700,000 upon satisfaction of certain conditions as set out in the joint venture agreement. The joint venture company is owned by Shanghai Jiuwu Yisheng and the Joint Venture Partner as to 32% and 68% respectively. For further details, please refer to the announcement of the Company dated November 13, 2025.

Save as disclosed above, we did not have any material acquisitions or disposals of subsidiaries, consolidated affiliated entities or associated companies during 2025.

Pledge of Assets

As at December 31, 2025, pledged time deposit amounting to RMB14.6 million were pledged for litigation.

Contingent Liabilities

As at December 31, 2025, except for the lawsuits set out in note 12 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 at December 31, 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, save as disclosed in this announcement/except the intended use of proceeds as disclosed in our Prospectus. However, the Group will continue to explore investment opportunities that would benefit the shareholder of the Company as a whole.

EMPLOYEE AND REMUNERATION POLICY

As at December 31, 2025, our Group had 116 employees. Total staff remuneration expenses including Directors' remuneration in 2025 amounted to RMB38.2 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 our 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

The Directors are not aware of any material litigations or claims that are pending or threatened against our Group during the Reporting Period and up to the date of this announcement.

EVENTS AFTER THE REPORTING PERIOD

As at the date of this announcement, there were no significant events that might affect our Group since the year ended December 31, 2025.

CORPORATE GOVERNANCE AND OTHER INFORMATION

Our Board is committed to achieve 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 to 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 upon Listing, 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 complied with the code provisions set out in the Corporate Governance Code during the Reporting Period. 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 during the Reporting Period.

Scope of work for Annual Results Announcement by Auditor

The financial information set out in this announcement does not constitute our Group's audited accounts for the year ended December 31, 2025, but represents an extract from the consolidated financial statements for the year ended December 31, 2025 which have been audited by the auditor of our Company, Crowe (HK) CPA Limited, in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants.

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 audited consolidated financial statements for the year ended December 31, 2025 and has discussed with the senior management of our Company, on matters with respect to the accounting policies and practices adopted by our Company and internal control.

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 purchased, sold or redeemed any of our Company's securities listed on the Stock Exchange (including sale of treasury shares). As at December 31, 2025, the Company did not hold any treasury shares.

FINAL DIVIDEND

Our Board does not recommend the payment of a final dividend for the year ended December 31, 2025 (2024: Nil).

PUBLICATION OF THE 2025 ANNUAL RESULTS ANNOUNCEMENT AND 2025 ANNUAL REPORT

This annual 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. Our annual report for 2025 financial year 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.

ANNUAL GENERAL MEETING

AGM will be held on Thursday, June 18, 2026 and the notice of the AGM will be published and dispatched to the Shareholders (where applicable) in accordance with our Company's articles of association and the Listing Rules in due course.

CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the AGM, the register of members of our Company will be closed from Monday, June 15, 2026 to Thursday, June 18, 2026, both dates inclusive, during which period no transfer of Shares will be registered. The record date for determining the entitlements of the Shareholders to attend and vote at the forthcoming AGM is Thursday, June 18, 2026. In order to be eligible to attend and vote at the AGM, all Share transfer forms accompanied by the relevant Share certificates must be lodged with our Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration not later than 4:30 p.m. on Friday, June 12, 2026.

DEFINITIONS

“AGM”	the annual general meeting of our Company
“AIGC”	AI-generated content
“Board”	the board of directors of our Company
“Canxing Culture”	Shanghai CanXing Culture & Media Co., Ltd. (上海燦星文化傳媒股份有限公司)
“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
“Listing”	the listing of Shares 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)
“MXQY”	Mengxiangqiangyin Culture Broadcast (Shanghai) Company Ltd. (夢響強音文化傳播(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
“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, March 27, 2026

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*