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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)

CHANGE OF AUDITOR

This announcement is made by STAR CM Holdings Limited (the “**Company**”, together with its subsidiaries and consolidated affiliated entities, the “**Group**”) pursuant to Rule 13.51(4) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

RESIGNATION OF AUDITOR

The board of directors (the “**Board**”) of the Company hereby announces that the Company’s auditor, Ernst & Young (“**EY**”), has resigned as the auditor of the Company with effect from January 3, 2025 as both parties failed to reach an agreement on the audit fee for the year ended December 31, 2024 in consideration of the Company’s operating and cost reduction strategy.

EY was appointed as the Company’s auditor for the year ended December 31, 2024 at the Company’s last annual general meeting held on June 20, 2024 (the “**Appointment**”). After the Appointment, a fee letter was signed between both parties on November 14, 2024. However, having considered the Company’s operating and cost reduction strategy, the management of the Company made comprehensive audit fee comparisons and actively sought other audit firms to provide quotations that better fit the Company’s operating budget, and as a result, identified a prospective audit firm whose proposed fee was below the amount stipulated in the said fee letter. As EY was unable to adjust its fee to match the lower rate proposed by the prospective audit firm, as the reduced fee was not commensurate with the audit workload and associated risks, and the parties failed to reach a mutual consensus, EY has resigned as the auditor of the Company with effect from January 3, 2025.

EY has confirmed that there is no any other matter in relation to its resignation as the auditor that, in its opinion, needs to be reported to the shareholders of Company except for the effects of the matter described in the “Basis for qualified opinion” section of the independent auditor’s report dated March 28, 2024. The Board confirms that, except the audit fee for the year ended December 31, 2024, there is no disagreement between EY and the Company, and that there is no any other matter in relation to the resignation of EY that needs to be brought to the attention of the shareholders of the Company.

As at date of this announcement, EY has not commenced any substantive review or audit work except for preliminary planning work in relation to the consolidated financial statements of the Group for the year ended December 31, 2024. The Board therefore believes that the change of auditor will not have any significant impact on the annual audit and the release of annual results of the Group for the year ended December 31, 2024.

The Board would like to take this opportunity to express its sincere gratitude to EY for its professional and quality services rendered to the Company during its tenure of services.

APPOINTMENT OF AUDITOR

The Board further announces that, with the recommendation of the audit committee of the Company (the “**Audit Committee**”), the Board has resolved to appoint Crowe (HK) CPA Limited (“**Crowe**”) as the auditor of the Company to fill the casual vacancy following the resignation of EY with effect from January 3, 2025 and to hold office until the conclusion of the next annual general meeting of the Company.

The Audit Committee has considered a number of factors in assessing the appointment of Crowe as the Company’s auditor, including but not limited to (i) the professional competence and the calibre of Crowe, including but not limited to its experience in handling audit work for companies listed on The Stock Exchange of Hong Kong Limited and its familiarity with the requirements under the Listing Rules and the International Financial Reporting Standards; (ii) its independence and objectivity; (iii) its audit proposal, including audit fee; (iv) its reputation in the market; (v) its resources and capability of completing the audit work within stipulated schedule; and (vi) the Guidelines for Effective Audit Committees – Selection, Appointment and Reappointment of Auditors and the Guidance Notes on Change of Auditors issued by the Accounting and Financial Reporting Council.

The Board would like to take this opportunity to express its welcome to Crowe on its appointment as the auditor of the Company.

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

Hong Kong, January 3, 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.