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)

VERY SUBSTANTIAL ACQUISITION AND VERY SUBSTANTIAL DISPOSAL

THE RESTRUCTURING AGREEMENT

(i) Share Swap Arrangement

The Board announces that on June 2, 2026, Mengxiang Qiangyin, an indirect wholly-owned subsidiary of the Company entered into the Restructuring Agreement with, among others, Binjiang Group, Lianke Shenhuo, as the shareholders of Shanghai Binqiao, Shanghai Binqiao and SH Xingkongshui'an as the target companies, pursuant to which Mengxiang Qiangyin has conditionally agreed to sell its 17.59% equity interest in Shanghai Binqiao for a total consideration of approximately RMB193,460,000 which shall be settled (i) by way of transfer of the entire equity interest in SH Xingkongshui'an valued at approximately RMB193,697,000, and (ii) in a cash settlement for the difference between the valuation amounts, being approximately RMB237,000, on Completion.

(ii) Debt Transfer Arrangement

Pursuant to the Restructuring Agreement, upon Completion, the shareholder's loan to Shanghai Binqiao from Mengxiang Qiangyin in the total sum of approximately RMB266,592,000 will be transferred to and assumed by SH Xingkongshui'an, and as the consideration of the debt assumption, (i) Shanghai Binqiao's loan receivable from SH Xingkongshui'an in the total sum of approximately RMB266,126,000 will be set off against the Assumed Debt and (ii) the remaining balance of approximately RMB466,000 will be settled in cash within 20 business days upon the debt replacement is completed.

LISTING RULES IMPLICATIONS

The Share Swap Arrangement and Debt Transfer Arrangement are inter-conditional and form part of a single restructuring under the Restructuring Agreement, which involve the Acquisition and the Disposal. Accordingly, pursuant to Rule 14.24 of the Listing Rules, they will be classified by reference to the larger of the Acquisition and the Disposal and be subject to the reporting, announcement and/or Shareholders' approval requirements applicable to that classification.

As the highest applicable percentage ratio under Rule 14.07 of the Listing Rules in respect of each of the Acquisition and the Disposal exceeds 100% and 75%, respectively, the Acquisition constitutes a very substantial acquisition and the Disposal constitutes a very substantial disposal for the Company under the Listing Rules and are therefore subject to the reporting, announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

EGM

The EGM will be convened and held by the Company for the purpose of, among other things, seeking the Shareholders' approval for the Restructuring Agreement and the transactions contemplated thereunder.

GENERAL

A circular containing, among other things, (i) further details of the Restructuring Agreement and the transactions contemplated thereunder, (ii) the notice of the EGM, and (iii) other information as required to be disclosed under the Listing Rules, is expected to be despatched to the Shareholders on or before June 24, 2026 in accordance with the Listing Rules as additional time will be required to prepare certain information to be included in the circular.

Shareholders and potential investors should note that Completion is subject to the satisfaction and/or, where applicable, waiver of the conditions precedent. As the Acquisition may or may not proceed, Shareholders and potential investors are reminded to exercise caution when dealing in the securities of the Company.

THE RESTRUCTURING AGREEMENT

The Board announces that on June 2, 2026 (after trading hours), Mengxiang Qiangyin, an indirect wholly-owned subsidiary of the Company, entered into the Restructuring Agreement among others, Binjiang Group, Lianke Shenhuo, as the shareholders of Shanghai Binqiao, Shanghai Binqiao and SH Xingkongshui'an as the target company, in relation to the Share Swap Arrangement and the Debt Transfer Arrangement.

Principal terms of the Restructuring Agreement are set out set below:

Date

June 2, 2026

Parties

Shareholders of Shanghai Binqiao:

(1) Mengxiang Qiangyin, an indirect wholly-owned subsidiary of the Company,

(2) Binjiang Group, and

(3) Lianke Shenhuo;

Binqiao Group:

(1) Shanghai Binqiao,

(2) SH Xingkongshui'an,

(3) SH Shengshi Chuangtuo, and

(4) SH Binxing;

Property Management Company:

SH Yangshupu

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, each of Binjiang Group, Lianke Shenhuo, Shanghai Binqiao, SH Xingkongshui'an, SH Shengshi Chuangtuo, SH Binxing and SH Yangshupu and their respective ultimate beneficial owners are third parties independent of the Company and its connected persons under the Listing Rules. As at the date of this announcement, Mengxiang Qiangyin owns approximately 17.59% interest in the registered capital of Shanghai Binqiao and hence Shanghai Binqiao is considered as an associate of the Company. For details of the parties to the Restructuring Agreement, please refer to the paragraph headed "INFORMATION OF THE PARTIES "below.

(1) Share Swap Arrangement

Subject matter

Pursuant to the Restructuring Agreement, Mengxiang Qiangyin will reduce its shareholding in the registered capital of Shanghai Binqiao (the Sale Shares), and in return of the capital reduction, Shanghai Binqiao will transfer its entire equity interest in SH Xingkongshui'an to Mengxiang Qiangyin.

Upon Completion, Mengxiang Qiangyin shall cease to be a shareholder of Shanghai Binqiao and SH Xingkongshui'an shall become a wholly-owned subsidiary of Mengxiang Qiangyin.

Consideration

The Sale Shares Consideration is approximately RMB193,460,000, which shall be satisfied by (i) the transfer of the entire equity interest in SH Xingkongshui'an, and (ii) cash settlement of valuation difference of approximately RMB237,000 on Completion.

Basis of Consideration

The Sale Shares Consideration was determined after arm's length negotiation among Mengxiang Qiangyin, Binjiang Group and Shanghai Binqiao on normal commercial terms after taking into account the appraised value of 100% equity interest in Shanghai Binqiao as at July 31, 2025 based on the valuation conducted by a PRC independent valuer (the "**Valuer**"), which was approximately RMB1,099,832,000, and applying Mengxiang Qiangyin's 17.59% equity interest in Shanghai Binqiao on a pro-rata basis resulting in approximately RMB193,460,000. The parties further considered the net asset value of Shanghai Binqiao based on its management account as at December 31, 2025 and the capital contribution of approximately RMB193,490,000 made to Shanghai Binqiao by Mengxiang Qiangyin as reference for determining the Sale Share Consideration.

The entire equity interest in SH Xingkongshui'an was valued at approximately RMB193,697,000 which was determined after arm's length negotiation among Mengxiang Qiangyin, Binjiang Group and Shanghai Binqiao on normal commercial terms after taking into account, among other things, (i) the value of SH Xingkongshui'an as at July 31, 2025 based on the valuation conducted by the Valuer, (ii) the registered capital of SH Xingkongshui'an and (iii) the value of property located at land plot of M2-01 at the 85th Street Project in Yangpu District, Shanghai.

The fair values of Shanghai Binqiao and SH Xingkongshui'an were arrived at by the Valuer using asset-based approach. The details of the valuation method adopted in the valuation are summarised as follows:

The Valuation Approach

There are three commonly accepted approaches to appraise the fair value of Shanghai Binqiao and SH Xingkongshui'an, namely the income approach, the market approach and the asset-based approach. In the process of valuing, the Valuer took into account that both Shanghai Binqiao and SH Xingkongshui'an are holding platforms with no actual business operations. The primary value of Shanghai Binqiao lies in its three wholly-owned subsidiaries (including SH Xingkongshui'an), whose core assets are real estate development projects.

The income-based approach was not adopted in the valuation of Shanghai Binqiao and SH Xingkongshui'an because both Shanghai Binqiao and SH Xingkongshui'an have no relevant sales or operational history to reliably estimate future income, and the future operating revenues and risks of SH Xingkongshui'an, SH Shengshi Chuangtuo and SH Binxing were difficult to estimate as of the valuation date. The market approach was also not adopted because it is difficult to identify truly comparable companies or transaction counterparts due to the lack of sufficient publicly available market data and the extreme heterogeneity of real estate development enterprises. The Valuer therefore adopted the asset-based approach in arriving at the appraised value of Shanghai Binqiao and SH Xingkongshui'an.

Scope of work performed by the Valuer and limitation

The scope of valuation under the valuation reports cover all assets and liabilities of Shanghai Binqiao and SH Xingkongshui'an as of July 31, 2025. The asset types and carrying amounts within the valuation scope of the valuation reports have been audited by Zhonghui Certified Public Accountants (Special General Partnership) (中匯會計師事務所(特殊普通合夥)) ("**Zhonghui**"), which issued a special purpose audit report with a standard unqualified opinion.

The Valuer has not identified any limitations in the appraisal process and no corrective measures have been taken by the Valuer.

Source of information

The Valuer has been provided with extracts of copies of relevant documents and financial information relating to Shanghai Binqiao and SH Xingkongshui'an. The valuation was conducted based on the aforesaid information in forming the opinion of the fair values of Shanghai Binqiao and SH Xingkongshui'an as at July 31, 2025.

Key inputs and assumptions

Under the asset-based approach, the fair value of an enterprise as at the valuation date equals to the appraised value of total assets minus the appraised value of total liabilities. For the purpose of this appraisal, the core assets of the subsidiaries, including land use rights, construction in progress, cash and cash equivalents, receivables, other current assets and liabilities were further appraised. No Adjustments were made to the base value.

The key assumptions to the valuations are summarised as follows:

(i). all assets under appraisal are in the course of transaction;

(ii). assets can be traded publicly in the market;

(iii). the subject entity will continue its operations lawfully under its current asset and resource conditions throughout the foreseeable future operating period, without experiencing material adverse changes to its operational status;

(iv). the assets will continue to be used in their current manner for their intended purposes, and it is assumed that the assets within the scope of valuation are in use and will continue to be used for the current purpose and mode of use without considering asset use conversion or optimal utilization conditions;

(v). following the valuation date, there will be no unforeseeable material adverse changes in the external economic environment, including applicable laws, macroeconomic conditions, financial conditions, and industrial policies, nor will there be any material impact resulting from other unforeseeable or unavoidable factors;

(vi). no consideration has been given to the potential impact on the appraisal conclusions of future mortgages or guarantees that may be placed on the subject entity and its assets, or additional costs that may arise from special transaction arrangements;

(vii). there are no significant changes in the socioeconomic environment of the location where the subject entity is situated, as well as in fiscal and tax policies such as tax burdens and tax rates, and that financial policies such as credit policies, interest rates, and exchange rates remain generally stable; and

(viii). the operations of the subject entity are currently and will continue to be lawful and compliant, and adhere to the relevant provisions of its business license and articles of association.

The valuation conclusion could be adopted within one year from July 31, 2025.

Difference between the book value and appraised value

The appraised value of Shanghai Binqiao as at July 31, 2025 using the asset-based approach was approximately RMB1,099,832,000, representing an increase of approximately RMB684,000 as compared with the book value of Shanghai Binqiao as at July 31, 2025 of approximately RMB1,099,148,000. Details of the increase in value are as follows.

Unit: RMB'000

Item	**Book value** A	**Appraised value** B	**Increase in value** C=B-A
Current assets:			
Cash and cash equivalents	987	987	0.0
Other receivables	1,401,822	1,401,822	0.0
Sub-total:	1,402,809	1,402,809	0.0
Non-current assets:			
Long-term equity investments	1,100,000	1,100,684	684
Total assets:	2,502,809	2,503,493	684
Current liabilities:			
Other payables	1,403,661	1,403,661	0.0
Total liabilities:	1,403,661	1,403,661	0.0
Owners' equity (net assets)	1,099,148	1,099,832	684

The difference between the book value and the appraised value arises mainly because the book value only records the actual costs incurred at the current stage. The appraised value reflects the nominal appreciated value of the projects by the Project Companies after taking into account capital investment, planning, design, and construction work that has already progressed to its current stage.

The appraised value of SH Xingkongshui'an as at July 31, 2025 using the asset-based approach was approximately RMB193,697,000, representing an increase of approximately RMB642,000 as compared with the book value of SH Xingkongshui'an as at July 31, 2025 of approximately RMB193,056,000. Details of the increase in value are as follows.

Unit: RMB'000

Item	**Book value** A	**Appraised value** B	**Increase in value** C=B-A
Current assets:			
Cash and cash equivalents	365	365	0.0
Prepayments	2,798	2,798	0.0
Inventories	625,269	625,910	641
Other current assets:	10,624	10,624	0.0
Sub-total:	639,055	639,697	641
Total assets:	639,055	639,697	641
Current liabilities:			
Accounts payables	8,238	8,238	0.0
Other payables	269,012	269,012	0.0
Non-current liabilities due within one year	479	479	0.0
Sub-total:	277,729	277,729	0.0
Non-current liabilities:			
Long-term borrowings	168,271	168,271	0.0
Total liabilities	446,000	446,000	0.0
Owners' equity (net assets)	193,056	193,697	641

The difference between the book value and the appraised value arises mainly because the book value only records the actual costs incurred so far at the current stage. The appraised value reflects the nominal appreciated value of the project by SH Xingkongshui'an after taking into account capital investment, planning, design, and construction work that has already progressed to its current stage.

Identity, qualification and independence of the Valuer

The valuation was carried out by Shanghai Orient Appraisal Co., Ltd. (上海東洲資產評估有限公司), an independent valuer engaged by Binjiang Group, Lianke Shenhuo and Mengxiang Qiangyin. The Valuer holds asset appraisal qualification certificates issued by the Shanghai Municipal Finance Bureau and is a member of the International Valuation Standards Council. It has the professional qualifications to perform the valuations of Shanghai Binqiao and SH Xingkongshui'an.

The Valuer declares that it has provided valuation services in relation to the proposed Disposal and Acquisition, in a manner that is fully independent and impartial.

The Board's assessment

To the best knowledge, information and belief of the Board having made all reasonable enquiries, the Company is not aware of any relationships or interests between the Company, Binqiao Group or any of their respective substantial shareholders, directors or chief executives, or of their respective associates that could reasonably be regarded as relevant to the independence of the Valuer. Apart from normal professional fees payable to the Valuer in connection with the valuation, no arrangement exists whereby the Valuer will receive any fees or benefits from the Company, Binqiao Group or any of their respective substantial shareholders, directors or chief executives, or any of their respective associates, and the Company is not aware of the existence of or change in any circumstances that would affect their independence. The Valuer has confirmed to the Company of their independence. The Board has also reviewed the professional qualifications of the Valuer. Accordingly, the Board considered that the Valuer was eligible to perform the valuation independently and competently.

In addition, the Board has reviewed the valuation reports and independently assessed the bases and assumptions adopted, including discussing with the Valuer on the steps and methodologies applied by the Valuer in relation to the preparation of the valuation reports. The Board has also considered the relevant supporting documents to the valuation reports, such as the special purpose audit report issued by Zhonghui. The Board considered that the appraised results of the Shanghai Binqiao and SH Xingkongshui'an are fair and reasonable for the reasons as follows:

(i) the valuation reports have been prepared in compliance with PRC valuation procedures, standards, laws and regulations by the Valuer who has appropriate qualifications;

(ii) the Valuer had comprehensively reviewed the financial information, operational information and other relevant information of Shanghai Binqiao and SH Xingkongshui'an;

(iii) the reasons for adopting the asset-based approach for the valuation are appropriate considering the operation status of Shanghai Binqiao and SH Xingkongshui'an;

(iv) the methodologies and key assumptions adopted by the Valuer are reasonable and as advised by the Valuer, they are commonly used in valuing similar companies;

(v) the key inputs and calculation process for different kinds of assets and liabilities, as well as the valuation results, are reasonable and consistent with the actual conditions of the relevant assets and liabilities.

Based on the above, the Directors (including the independent non-executive Directors) are of the view that the Sale Shares Consideration is fair and reasonable and in the interests of the Company and its Shareholders as a whole.

As at the date of this announcement, the property valuation under Chapter 5 of the Listing Rules has not been completed, and hence the property valuation report will be provided for inclusion in the circular.

Conditions Precedent

Completion of the Restructuring Agreement is conditional upon the fulfilment of the following conditions precedent:

(a) the Company has obtained the approval of its Shareholders for the Restructuring Agreement and the transactions contemplated thereunder, as required under the Listing Rules; and

(b) the parties have obtained all necessary internal approvals (including board and shareholder approvals) required under their respective constitutional documents.

As at the date of this announcement, none of the conditions have been fulfilled. The Company does not have any intention to waive any of the conditions.

Completion

Upon satisfaction of the conditions, the parties will proceed with the following steps to complete the Restructuring:

(i) signing of the standard version capital reduction agreement and/or equity transfer agreement or other application materials as required by the competent market supervision administration for the registration of the capital reduction and the payment of the capital reduction consideration;

(ii) completion of the statutory procedures for the selective capital reduction of Shanghai Binqiao, followed by the submission of registration applications to the competent market supervision administration of Shanghai Binqiao; and

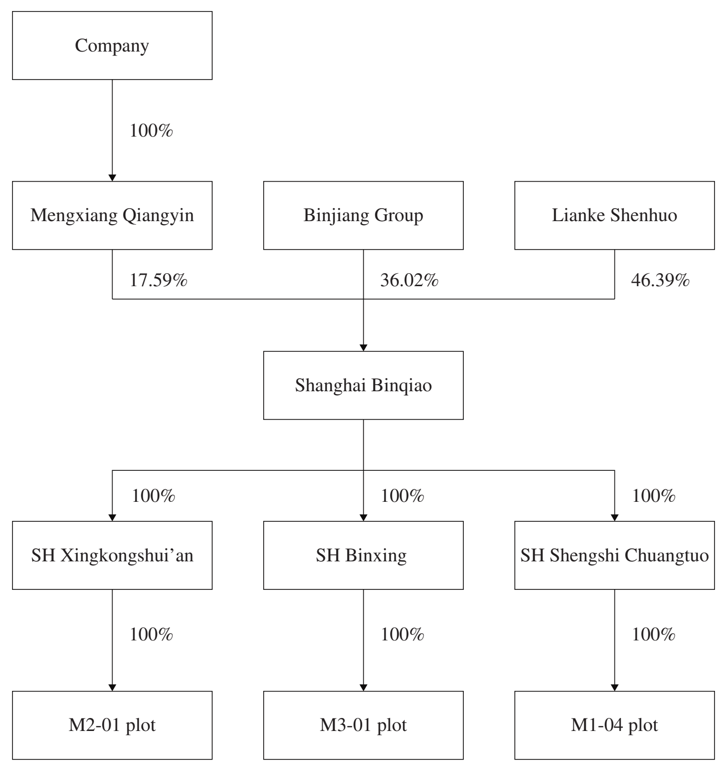
(iii) upon completion of the capital reduction registration, submission of registration applications to the competent market supervision administrations of SH Xingkongshui'an for the transfer of 100% equity interests in SH Xingkongshui'an to Mengxiang Qiangyin.

Upon completion of the above registration procedures with the government authorities, the Company will no longer own any equity interest in Shanghai Binqiao, while SH Xingkongshui'an will become an indirect wholly-owned subsidiary of the Company and its financial results, assets and liabilities will be consolidated into the financial statements of the Group.

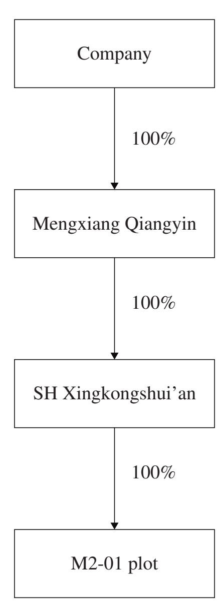
The government registration procedures are expected to be completed within approximately 2 to 3 months from the fulfilment of the conditions. It is expected the Completion will take place within 4 months from the date of the Restructuring Agreement.

Shareholding Structures Immediately Prior to and Following the Completion of the Share Swap Arrangement

The following diagram sets out the simplified shareholding structures of the Company, the shareholders of Shanghai Binqiao and Binqiao Group as at the date of this announcement:



The following diagram sets out the simplified shareholding structures of the Company and SH Xingkongshui'an immediately upon the Completion:



(2) Debt Transfer Arrangement

Background

For purpose of development of the 85th Street Project, in about September 2022, each shareholder, namely, Binjiang Group, Lianke Shenhuo and Mengxiang Qiangyin, has provided shareholder loans on pro rata basis of each shareholder's equity interest in Shanghai Binqiao to finance the project companies in acquisition of the land plots and construction of the properties, and Shanghai Binqiao in turn provided corresponding loans on to the respective project companies, namely SH Shengshi Chuangtuo for the M1-04 plot, SH Binxing for the M3-01 plot, and SH Xingkongshui'an for the M2-01 plot. As at the date of the Restructuring Agreement, the shareholder's loan owing by Shanghai Binqiao to Mengxiang Qiangyin (the Assumed Debt) amounted to approximately RMB266,592,000 in aggregate (comprising principal of RMB264,254,333 and accrued interest of RMB2,337,807), and the corresponding loan receivable by Shanghai Binqiao from SH Xingkongshui'an amounted to approximately RMB266,126,000 (comprising principal of RMB263,910,387 and accrued interest of RMB2,215,858).

The loans to Shanghai Binqiao are divided into two parts: (i) for acquiring the land plots and construction of the properties, which are non-interest bearing, and (ii) for working capital purpose, which are interest-bearing at 6% per annum. The loans provided from the Shanghai Binqiao to the project companies are on the same terms of the loans provided by its shareholders. Binjiang Group and Lianke Shenhuo are third parties independent of the Company and its connected persons. The loans are not secured by any assets of the Group, and no guarantee has been given by the Company or any of its subsidiaries in respect of these loans. The loan to Shanghai Binqiao by the Group has been disclosed in the 2025 annual report of the Company published on April 28, 2026.

The arrangement

As part of the restructuring, upon completion of the registration procedure for capital reduction of Shanghai Binqiao, the shareholder's loan to Shanghai Binqiao from Mengxiang Qiangyin in the total sum of approximately RMB266,592,000 (the Assumed Debt) will be transferred to and assumed by SH Xingkongshui'an.

As the consideration of the debt assumption:

(i) Shanghai Binqiao's loan receivable from SH Xingkongshui'an in the total sum of approximately RMB266,126,000 will be set off against the Assumed Debt; and

(ii) the remaining balance of approximately RMB466,000 will be settled in cash within 20 business days upon the debt replacement is completed.

Mengxiang Qiangyin, Shanghai Binqiao and SH Xingkongshui'an will enter into a separate agreement for the Debt Transfer Agreement.

The set-off arrangement reflects the original funding structure of the joint venture, under which each shareholder's loans were designated for its respective land plot. Following the selective capital reduction, as Mengxiang Qiangyin exits Shanghai Binqiao and takes direct ownership of SH Xingkongshui'an, the set-off eliminates the intermediate on-lending structure. Maintaining the loans separately after the restructuring would be inefficient, as it would create circular payment obligations between parties that are no longer in a parent-subsidiary relationship. The amounts being set off are substantially equal (RMB266.6 million versus RMB266.1 million), with only a small cash balance of RMB466,000 to be settled. The Debt Transfer Arrangement reflects the original commercial bargain among the joint venture partners and eliminates intercompany indebtedness that would no longer serve any meaningful purpose following the restructuring, and further the amounts being set off are substantially equal (a difference of only approximately RMB466,000, which will be settled in cash). The Directors are of the view that the Debt Transfer Arrangement is fair and reasonable and in the interests of the Company and its Shareholders as a whole.

FINANCIAL INFORMATION OF SHANGHAI BINQIAO AND SH XINGKONGSHUI'AN

Set out below is the unaudited consolidated financial information of Shanghai Binqiao for the two years ended December 31, 2024 and 2025:

	For the year ended December 31,	
	2024	**2025**
	(RMB '000)	***(RMB '000)***
Loss before taxation	5,862	**4,486**
Loss after taxation	5,862	**4,486**
Net asset value	1,084,901	**1,080,415**

As at December 31, 2024 and 2025, the unaudited consolidated total assets of Shanghai Binqiao amounted to approximately RMB3,332,481,000 and RMB3,838,088,000, respectively.

Set out below is the unaudited financial information of SH Xingkongshui'an for the two years ended December 31, 2024 and 2025:

	For the year ended December 31,	
	2024	**2025**
	(RMB '000)	***(RMB '000)***
Loss before taxation	68	**117**
Loss after taxation	68	**117**
Net asset value	193,162	**193,045**

As at December 31, 2024 and 2025, the unaudited consolidated total assets of SH Xingkongshui'an amounted to approximately RMB582,300,000 and RMB662,219,000, respectively.

Each of M1-04 plot, M3-01 plot and M2-01 plot is mortgaged to the bank under a fixed asset loan agreement. No guarantees are required in connection with the Restructuring, and Shanghai Binqiao will be released from its shareholder commitment to the bank upon Completion. To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, the Directors are not aware of any ongoing litigation or claim against Shanghai Binqiao, SH Xingkongshui'an or the M2-01 plot.

The expected gain on the Disposal is approximately RMB3.71 million, calculated as the difference between the consideration of RMB193.46 million and the carrying value of the disposed equity interest of approximately RMB189.75 million as at December 31, 2025.

INFORMATION OF THE COMPANY AND GROUP

The Company is an investment holding company incorporated in the Cayman Islands and the Group is principally engaged in the radio and television program production, internet cultural activities, television drama production and value-added telecommunication services.

Mengxiang Qiangyin

Mengxiang Qiangyin is a limited liability company incorporated in the PRC and is principally engaged in the operation and licensing of music IP and artist management. It is an indirect wholly-owned subsidiary of the Company.

INFORMATION OF THE PARTIES

Binjiang Group

Binjiang Group is a limited liability company incorporated in the PRC and is principally engaged in industrial investment. As at the date of this announcement, it is wholly owned by Shanghai Yangpu District State-owned Assets Supervision and Administration Commission* (上海市楊浦區國有資產監督管理委員會).

Lianke Shenhuo

Lianke Shenhuo is a limited liability company incorporated in the PRC and is principally engaged in network technology support and information system integration services. As of the date of this announcement, it is wholly owned by Link Life HongKong Limited, a limited liability incorporated in Hong Kong and its ultimate beneficial owner is Agora, Inc. with its shares listed on Nasdaq (trading symbol: API).

To the best of the directors' knowledge, information and belief having made all reasonable enquiry, there is, and in the past twelve months, there has been, no material loan arrangement between (a) Binjiang Group and Lianke Shenhuo, any of their directors and legal representatives and any ultimate beneficial owner(s) of them who can exert influence on the transaction; and (b) the Company, any connected person at the Company's level, and/or any connected person at the subsidiary level (to the extent that such subsidiary/subsidiaries is/are involved in the transaction).

Shanghai Binqiao and the Project Companies

Shanghai Binqiao is a limited liability company incorporated in the PRC. It is principally engaged in enterprise management and consulting services. As at the date of this announcement, Shanghai Binqiao is owned as to 46.39% by Lianke Shenhuo, 36.02% by Binjiang Group and 17.59% by Mengxiang Qiangyin, respectively.

As at the date of this announcement, Shanghai Binqiao owns the entire equity interest in three Project Companies, namely SH Xingkongshui'an, SH Shengshi Chuangtuo and SH Binxing. Each of SH Xingkongshui'an, SH Shengshi Chuangtuo and SH Binxing respectively owns the land plots M2-01, M1-04 and M3-01 within the 85th Street Project in Yangpu District, Shanghai, the PRC.

SH Yangshupu

SH Yangshupu is a limited liability company incorporated in the PRC, which is wholly owned by Binjiang Group. Its principal activities include real estate development, real estate brokerage, and housing construction engineering.

REASONS FOR AND BENEFITS OF THE ACQUISITION AND DISPOSAL

Background of the Project

The 85th Street Project (the "**Project**") is one of the major undertakings of the Yangpu District Government, strategically located at Daqiao subdistrict in the core southern section of the Yangpu Riverside. The Project is positioned as a heritage renewal zone and riverside central cluster, focusing on technological innovation, cultural creativity and the digital economy. It is also proposed to redevelop the old factory building into modern buildings with supporting facilities along the Huangpu River.

In early 2022, Lianke Shenhuo (a subsidiary of Agora, Inc.), Binjiang Group (a state-owned enterprise) and Mengxiang Qiangyin (an indirect wholly-owned subsidiary of the Company) agreed to cooperate and participate in part of the Project. In mid-2022, they jointly established Shanghai Binqiao as a platform company to hold and manage the project companies for the development and construction of the properties on the land plots.

Latest development status of M1-04 plot and M3-01 plot

Construction of the Project commenced in 2023. The M1-04 plot (held by SH Shengshi Chuangtuo) is being developed into a technology innovation hub focusing on digital economy and technology-related businesses. The M3-01 plot (held by SH Binxing) is being developed into an urban development hub. Both plots are still progressing with the construction timeline.

M2-01 plot (SH Xingkongshui'an)

The M2-01 plot, developed by SH Xingkongshui'an, is located on the south side of Yangshupu Road, adjacent to Yangpu Bridge, in the core area of the southern section of Yangpu Riverside, falling within the first facade scope of the Huangpu River. It is strategically positioned adjacent to the regional headquarters of leading and well-known technology enterprises. The main structural framework of the M2-01 plot development has been completed. This includes the full erection of all major structural components such as columns, beams, and floor slabs. The building has reached its full designed height, and the primary structure is now firmly in place, with remaining work focused on interior finishing and other non-structural elements. The major construction works are expected to be completed by end of this year.

The total construction area of the plot is approximately 31,356.72 sq.m., comprising above-ground construction area of approximately 21,733.72 sq.m. and underground construction area of approximately 9,623.00 sq.m.. The building includes the office spaces of approximately 17,272.11 sq.m., and ancillary spaces totaling approximately 451.09 sq.m. (including property management spaces) and non-motor vehicle ramp areas. The plot provides 159 underground car parking spaces and 350 underground non-motor vehicle spaces, with no above-ground parking.

About 60% of office spaces will be self-hold office area (i.e. not for sale), and the remaining 40% will be saleable office spaces. The arrangement is subject to final approvals by the government authorities. Apart from using part of the self-hold office area as the Company's own regional headquarters, the remaining office area will be leased to enterprises in the culture and media sectors. The Company targets to seek potential tenants from upstream and downstream industry partners within the culture and media ecosystem, as well as companies in the fields of AI technology applications, digital technology and advertising media. The Company plans to procure such partners through its existing industry networks, leveraging the Group's established relationships with content creators, distributors and industry associations, as well as through targeted marketing and direct outreach to potential strategic partners. The government permits a certain portion of the building to be designated as saleable office space, subject to final approvals from the relevant authorities. Currently, the Company has no intention of selling the office space. If such a sale were to take place, it would target upstream and downstream industry partners, subject to both government consents and the Company's intent. The Company expects that having such industry partners located within the same development will create synergies, facilitate collaboration and enhance the overall value of the property.

As at the date of this announcement, the Company has not entered into any legally binding agreements with any potential purchasers or tenants in respect of the M2-01 plot, and there can be no assurance that any such agreements will be entered into in the future.

Alignment with the Group's core business

The Company's core business is the production, operation and licensing of variety show IP, music IP, and film and drama series IP, as well as artist management. The use of the M2-01 plot as an office for the Company's regional headquarters and as a hub for culture and media-related businesses.

Leasing or selling office units to upstream and downstream industry partners (such as music production companies, artist management agencies, content creation studios, and streaming platforms) will create a culture and media ecosystem within the same building. By co-locating upstream and downstream partners within the same building, the Group can foster a complete industry ecosystem, enabling faster project turnaround, shared resources, and cross-promotion, which reduces transaction costs and creates efficiencies that would not be possible if partners were geographically dispersed. Physical proximity allows for spontaneous interactions, regular face-to-face meetings, and easier coordination among partners, and the Group can organise regular networking events, showcase sessions, and collaborative workshops within the building, encouraging partners to explore new business opportunities together, leading to joint ventures, co-productions, and innovative content formats that benefit all parties. A building occupied by a concentrated cluster of industry players becomes more attractive to potential tenants and purchasers, commanding higher rental and sale prices, as the presence of complementary businesses increases the desirability of the remaining units, and the building's reputation as a culture and media centre will appreciate over time, leading to long-term value appreciation. By surrounding itself with industry partners, the Group gains privileged access to talent, content, and distribution channels, allowing it to identify emerging trends earlier, co-develop new IPs, and secure preferential terms from partners who value their physical presence within the Company's headquarters, which directly supports and enhances the Company's core business of variety show production, music IP operation, and artist management.

The current and future usage plans (leasing to culture and media partners) are fully aligned with this original intent. The alignment is demonstrated as follows: the Company will use part of the property as its own regional headquarters for cultural and entertainment IP on the plot; remaining office space will be leased to culture and media enterprises and AI technology, digital technology and advertising media related companies. Collectively, these usages create an active, self-sustaining culture and media ecosystem on the M2-01 plot, which directly fulfills the original intended use.

The Company does not intend to shift its core business focus away from media and entertainment. Rather, the M2-01 plot serves as a physical base to support and expand the Company's existing operations. The Group's core business continues to focus on four major areas in 2026: variety program IP production, operation and licensing; music IP operation and licensing; film and drama series IP operation and licensing; and other IP-related businesses. These include:

1. Variety programs currently in production or planned

    (i) An AI music variety show launched in 2025, for which the Group has been commissioned as the producer. Production has currently reached the fourth episode, with recording ongoing. The show is scheduled to be broadcast in the second half of 2026.

    (ii) A gala event live stream is scheduled for June.

    (iii) A hip-hop program commissioned by an internet platform has commenced production and is currently in the pre-recording preparation stage.

    (iv) The Group has begun negotiations with a client regarding a new season of a small-scale racing outdoor program, which is expected to launch in the second half of the year. A new season of a large-scale dance program is planned for production by the end of the year, for which the Group will provide directing and post-production support services.

2. Music IP operation and licensing: The current music library of 9,948 IPs remains stable, with a slight increase expected by the end of the year. Licensing clients remain stable.

3. Film and drama series IP operation and licensing: During 2026, the Group plans to continue licensing its existing library of over 700 film titles globally, while expanding short-form content offerings including short dramas, comic series, and interactive film-games. These new formats are expected to be launched to the market in the second half of the year in collaboration with partners.

4. Other IP-related businesses: The Group currently manages 65 artists, and it is not expected there will be any significant change in this year.

The Restructuring and its benefits

Binjiang Group is undergoing the restructuring, which is being implemented by way of a selective capital reduction of Shanghai Binqiao for legal, regulatory and tax reasons. Under PRC Company Law, a selective capital reduction is the most direct and compliant method to allow two shareholders, i.e. Lianke Shenhuo and Mengxiang Qiangyin, to exit Shanghai Binqiao while enabling the remaining shareholder, i.e. Binjiang Group, to retain it as a wholly-owned subsidiary. The Company, through its subsidiary Mengxiang Qiangyin, will exit Shanghai Binqiao in exchange for SH Xingkongshui'an (M2-01 plot), and under the same restructuring, Lianke Shenhuo will exit Shanghai Binqiao in exchange for SH Shengshi Chuangtuo (M1-04 plot), while Binjiang Group will retain Shanghai Binqiao as its wholly-owned subsidiary holding SH Binxing (M3-01 plot). This structure also respects the original commercial bargain, as each joint venture partner is effectively taking back the project company corresponding to its contributed capital. Furthermore, the selective capital reduction with in-kind distribution (transferring the project company equity as consideration) is more tax-efficient than a cash-based sale and purchase. The restructuring has also received the preliminary approval from Shanghai Yangpu District Planning and Natural Resources Bureau on October 9, 2025.

The Acquisition represents an opportunity for the Group to acquire direct ownership of a property development project in Yangpu District, Shanghai, which has been structurally completed. The Directors consider that the Acquisition will allow the Group to have direct control over the development and operation of the M2-01 plot, which is intended for cultural and media-related industries, aligning with the Group's core business. The Disposal proceeds offset the consideration for the Acquisition, with the remaining balance to be financed by the Group's internal cash resources, which is not expected to have a material adverse effect on the Group's working capital.

The Directors (including the independent non-executive Directors) are of the view that the Restructuring is fair and reasonable and in the interests of the Company and its Shareholders as a whole for the following reasons:

(i) the consideration for the Acquisition was determined based on independent valuations of Shanghai Binqiao and SH Xingkongshui'an, which have been filed with the State-owned Assets Supervision and Administration Commission of Yangpu District;

(ii) the Company exits Shanghai Binqiao (a minority investment) and acquires direct ownership of SH Xingkongshui'an (a wholly-owned subsidiary), giving the Group direct control over a prime property asset;

(iii) the M2-01 plot is intended for culture and media-related industries, directly aligning with the Group's core business of variety show production, music IP operation and artist management;

(iv) the cash outflow required from the Group is minimal (only a nominal balancing payment of approximately RMB237,000 plus transaction costs), as the consideration is substantially settled by the transfer of SH Xingkongshui'an;

(v) the restructuring allows the Group to establish a physical headquarters and culture and media hub in a prime location in Shanghai, adjacent to leading technology enterprises;

(vi) the ability to lease or sell office units to upstream and downstream partners will create a culture and media ecosystem, fostering collaboration and enhancing property value; and

(vii) the restructuring has received the preliminary approval from the Shanghai Yangpu District Planning and Natural Resources Bureau on October 9, 2025, confirming its compliance with local regulatory requirements.

Following the Restructuring, the Company will also hold the M2-01 plot, part of which will be used as its office and the remainder to be leased or sold to culture and media industry partners. The Company does not intend to shift its core business focus away from media and entertainment.

It is also considered that the proceeds arising from the Disposal will be off-set the consideration for the Acquisition, and the remaining balance of the consideration will be financed by internal cash resources of the Group and is not expected to have material adverse effect of the working capital of the Group.

Save for the Disposal contemplated under the Restructuring Agreement, the Company does not have any plan or intention, nor has it entered into any agreement, arrangement, understanding or negotiation, in relation to the acquisition of new businesses or the downsizing or disposal of its existing businesses within the next 12 months following the completion of the Restructuring.

The Directors are of the view that the terms of the Restructuring Agreement are fair and reasonable and the Acquisition and the Disposal are in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

The Share Swap Arrangement and Debt Transfer Arrangement are inter-conditional and form part of a single restructuring under the Restructuring Agreement, which involve the Acquisition and the Disposal. Accordingly, pursuant to Rule 14.24 of the Listing Rules, they will be classified by reference to the larger of the Acquisition and the Disposal and be subject to the reporting, announcement and/or Shareholders' approval requirements applicable to that classification.

As the highest applicable percentage ratio under Rule 14.07 of the Listing Rules in respect of each of the Acquisition and the Disposal exceeds 100% and 75% respectively, the Acquisition constitutes a very substantial acquisition and the Disposal constitutes a very substantial disposal for the Company under the Listing Rules and are therefore subject to the reporting, announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

GENERAL

The EGM will be convened to consider and, if thought fit, approve, among other things, the Restructuring Agreement and the transactions contemplated thereunder.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, as at the date of the Restructuring Agreement, no Shareholder has a material interest in the Restructuring Agreement and the transactions contemplated thereunder. As such, no Shareholder will be required to abstain from voting on the resolution(s) to be proposed at the EGM to approve the Restructuring Agreement and the transactions contemplated thereunder.

A circular containing, among other things, (i) further details of the Restructuring Agreement and the transactions contemplated thereunder, (ii) the notice of the EGM, and (iii) other information as required to be disclosed under the Listing Rules, is expected to be despatched to the Shareholders on or before June 24, 2026 in accordance with the Listing Rules as additional time will be required to prepare certain information to be included in the circular.

DEFINITIONS

In this announcement, unless the context otherwise requires, capitalised terms used shall have the following meanings:

"Acquisition"	Equity Acquisition and transfer of Assumed Debt
"Assigned Debt"	the shareholder's loan in the total sum of approximately RMB266,126,000 provided by Shanghai Binqiao to SH Xingkongshui'an
"Assumed Debt"	the shareholder's loan in the total sum of approximately RMB266,592,000 owing by Shanghai Binqiao to Mengxiang Qiangyin, which will be transferred to and assumed by SH Xingkongshui'an upon Completion pursuant to the Debt Transfer Arrangement
"Binjiang Group"	Shanghai Yangpu Binjiang Investment and Development (Group) Co., Ltd.* (上海楊浦濱江投資開發(集團)有限公司), a limited liability company incorporated in the PRC
"Binqiao Group"	Shanghai Binqiao, SH Xingkongshui'an, SH Shengshi Chuangtuo and SH Binxing
"Board"	the board of Directors
"Company"	STAR CM Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the issues shares of which are listed on the Main Board of the Stock Exchange (stock code: 6698)
"Completion"	Completion of the Acquisition and the Disposal in accordance with the terms and conditions of the Restructuring Agreement
"connected person(s)"	has the meaning ascribed thereto in the Listing Rules
"Debt Transfer Arrangement"	the transfer of the Assumed Debt from Mengxiang Qiangyin to SH Xingkongshui'an, together with the set-off against Shanghai Binqiao's loan receivable from SH Xingkongshui'an in the sum of approximately RMB266,126,000 and the cash settlement of the remaining balance of RMB465,895.83
"Director(s)"	the director(s) of the Company
"Disposal"	Equity Disposal and transfer of Assigned Debt
"EGM"	the extraordinary general meeting of the Company to be convened for the purposes of considering, and if thought fit, approving the Restructuring Agreement and the transactions contemplated thereunder

"Equity Acquisition"	the acquisition of the entire equity interest in SH Xingkongshui'an by Mengxiang Qiangyin pursuant to the Restructuring Agreement
"Equity Disposal"	the disposal of the Sale Shares pursuant to the Restructuring Agreement
"Group"	the Company and its subsidiaries and Consolidated Affiliated Entities
"Lianke Shenhuo"	Shanghai Lianke Shenhuo Network Technology Co., Ltd.* (上海聯可深活網絡科技有限公司), a limited liability company incorporated in the PRC
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Mengxiang Qiangyin"	Mengxiang Qiangyin Culture Broadcast (Shanghai) Company Ltd.* (夢響強音文化傳播(上海)有限公司), a limited liability company incorporated in the PRC and an indirect wholly-owned subsidiary of the Company
"PRC"	the People's Republic of China
"Project Companies"	SH Xingkongshui'an, SH Shengshi Chuangtuo and SH Binxing
"RMB"	Renminbi, the lawful currency of the PRC
"Restructuring Agreement"	the shareholding restructuring framework agreement dated June 2, 2026 entered into among the Mengxiang Qiangyin, Binjiang Group, Lianke Shenhuo, Binqiao Group and SH Yangshupu in relation to the Acquisition and the Disposal
"Sale Shares"	the 17.59% interest in the registered capital of Shanghai Binqiao held by Mengxiang Qiangyin, which is the subject of the reduction and cancellation pursuant to the Restructuring Agreement
"Sale Shares Consideration"	the aggregate consideration of RMB193,460,391.1 for the reduction and cancellation of the Sale Shares, to be satisfied by way of (i) the transfer of the entire equity interest in SH Xingkongshui'an and (ii) a cash balancing payment, under the Restructuring Agreement
"Shanghai Binqiao"	Shanghai Binqiao Enterprise Management Co., Ltd.* (上海濱橋企業管理有限公司), a limited liability company incorporated in the PRC
"Share Swap Arrangement"	the transaction whereby Mengxiang Qiangyin reduces its entire 17.59% equity interest in Shanghai Binqiao by way of selective capital reduction, and in consideration therefor, Shanghai Binqiao transfers its entire equity interest in SH Xingkongshui'an to Mengxiang Qiangyin and cash balance payment

"Shareholder(s)"	shareholder(s) of the Company
"SH Binxing"	Shanghai Bingxing Construction Development Co., Ltd.* (上海濱星建設發展有限公司), a limited liability company incorporated in the PRC
"SH Shengshi Chuangtuo"	Shanghai Shengshi Chuangtuo Construction Development Co., Ltd.* (上海聲視創拓建設發展有限公司), a limited liability company incorporated in the PRC
"SH Xingkongshui'an"	Shanghai Xingkongshui'an Enterprise Development Co., Ltd.* (上海星空水岸企業發展有限公司), a limited liability company incorporated in the PRC
"SH Yangshupu"	Shanghai Yangshupu Property Management Co., Ltd.* (上海楊樹浦置業有限公司), a limited liability company incorporated in the PRC
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Transactions"	the Share Swap Arrangement and the Debt Transfer Arrangement
"%"	per cent

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

Hong Kong, June 2, 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 purpose only*