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Starrise Media Holdings Limited

星宏傳媒控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1616)

- (1) COMPLETION OF EXTENSION OF MATURITY DATE OF CONVERTIBLE BONDS UNDER SPECIFIC MANDATE;**
- (2) COMPLETION OF ISSUANCE OF CONVERTIBLE BONDS UNDER AIM RIGHT SPECIFIC MANDATE;**
- (3) CONVERSION OF CONVERTIBLE BONDS;**
- AND**
- (4) CHANGE OF SHAREHOLDING STRUCTURE OF THE COMPANY**

Reference is made to (i) the announcement of Starrise Media Holdings Limited (the “**Company**”) dated 7 May 2021 and the circular (the “**Circular**”) dated 28 May 2021 in relation to, among other things, the extension of the Maturity Date of the Outstanding Bonds in aggregate principal amount of HK\$50,000,000 and the issuance of the Aim Right Bonds under the Aim Right Specific Mandate; and (ii) the announcement of the Company dated 16 June 2021 in relation to the poll results of the EGM held on 16 June 2021. Unless the contexts require otherwise, capitalised terms used in this announcement shall have the same meanings as those defined in the Circular.

COMPLETION OF EXTENSION OF MATURITY DATE OF CONVERTIBLE BONDS

The board (the “**Board**”) of directors (the “**Directors**”) of the Company is pleased to announce that all conditions precedent set out in the 3rd Extension Agreement have been fulfilled and the 3rd Extension was completed on 30 June 2021 in accordance with the terms and conditions of the 3rd Extension Agreement and the Terms of 3rd Extension.

Following the completion of the 3rd Extension, the Maturity Date of the Outstanding Bonds will be extended to 30 June 2021.

COMPLETION OF ISSUANCE OF AIM RIGHT BONDS

The Board announces that the Company has provided its consent to Dragon Capital for the Transfer and all the conditions precedent to the Transfer Agreement have been fulfilled. Accordingly, the Transfer took place on 30 June 2021 and the Aim Right Bonds in the aggregate principal amount of HK\$50,000,000 were issued by the Company to Aim Right in place of the Outstanding Bonds on the same terms upon completion of the Transfer.

The net proceeds from the initial issuance of the Bonds (after deducting the professional fees and other costs involved) of approximately HK\$295.35 million were fully utilised for the Group's films and television dramas.

CONVERSION OF CONVERTIBLE BONDS

On 30 June 2021, the Company received a conversion notice from Aim Right exercising its rights to convert the entire principal amount of the Aim Right Bonds into 320,512,820 Conversion Shares at the Adjusted Conversion Price of HK\$0.156 per Conversion Share (the "Conversion").

Pursuant to the exercise of the Conversion Rights attaching to the Aim Right Bonds, 320,512,820 Conversion Shares will be allotted and issued by the Company to Aim Right under the Aim Right Specific Mandate granted by the Shareholders to the Directors at the EGM of the Company which was held on 16 June 2021. The Conversion Shares will rank pari passu with all the existing Shares in issue as at the date of allotment and among themselves in all respects.

Immediately after the completion of the issue of the Conversion Shares, the number of issued shares of the Company will increase to 1,966,766,900 Shares, and the 320,512,820 Conversion Shares represent (i) approximately 19.47% of the existing issued share capital of the Company immediately prior to the Conversion; and (ii) approximately 16.30% of the issued share capital of the Company as enlarged by the allotment and issue of the Conversion Shares.

CHANGE OF SHAREHOLDING STRUCTURE OF THE COMPANY

The table below illustrates the shareholding structures of the Company immediately before and after the Conversion:

Shareholders	Immediately before the Conversion		Immediately after the Conversion	
	<i>No. of Shares</i>	<i>Approximate %</i>	<i>No. of Shares</i>	<i>Approximate %</i>
Cinedigm Corp.	366,590,397	22.27%	366,590,397	18.64%
Excel Orient Limited	307,809,902	18.70%	307,809,902	15.65%
Emerge Ventures Limited	171,926,000	10.44%	171,926,000	8.74%
He Han	13,998,000	0.85%	13,998,000	0.71%
Bondholders				
Dragon Capital	–	–	–	–
Aim Right	202,472,656	12.30%	522,985,476	26.59%
Public Shareholders	<u>583,457,125</u>	<u>35.44%</u>	<u>583,457,125</u>	<u>29.67%</u>
Total	<u>1,646,254,080</u>	<u>100.00%</u>	<u>1,966,766,900</u>	<u>100.00%</u>

The allotment and issue of the Conversion Shares has taken place on 30 June 2021. As a result of completion of the Transfer and the exercise of the Conversion Rights by Aim Right, no Outstanding Bonds nor Aim Right Bonds will remain or be outstanding after the Conversion.

Immediately after the completion of the Conversion, Aim Right will hold an aggregate of 522,985,476 Shares (which represents approximately 26.59% of the entire issued share capital of the Company as enlarged by the allotment and issue of the Conversion Shares) and will become the single largest substantial shareholder of the Company.

By order of the Board
Starrise Media Holdings Limited
LIU Dong
Chairman

Beijing, the PRC, 30 June 2021

As at the date of this announcement, the Board comprises seven Directors, namely Mr. LIU Dong, Mr. LIU Zongjun, Mr. HE Han and Ms. YANG Qinyan as executive Directors; and Mr. LAM Kai Yeung, Ms. LIU Chen Hong and Mr. KWOK Pak Shing as independent non-executive Directors.