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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 PARTIAL TRANSFER OF BONDS (2) CONVERSION OF ALL OUTSTANDING TRANSFERRED BONDS

Reference is made to the circular of the Company dated 17 January 2017 (the “**Circular**”), the announcements of the Company dated 22 December 2016, 30 December 2016 and 28 February 2017, respectively (the “**Initial Announcements**”), in relation to the issuance of the convertible bonds in aggregate principal amount of HK\$300,000,000; the announcements of the Company dated 17 January 2018 and 5 February 2018, respectively, in relations to, among other things, the adjustments in the conversion price of the Bonds to HK\$0.74 per Conversion Share (the “**Adjusted Conversion Price**”); and the announcement of the Company dated 25 February 2019 in relation to the Bonds Transfer (the “**Bonds Transfer Announcement**”). Capitalised terms used herein shall have the same meanings as those defined in the Circular, the Initial Announcements and the Bonds Transfer Announcement unless stated otherwise.

COMPLETION OF PARTIAL TRANSFER OF BONDS

As disclosed in the Bonds Transfer Announcement, the Company had, on 23 February 2019, provided its consent to the transfer, by the Original Bondholder, of the Bonds in aggregate principal amount of HK\$120,000,000, which were convertible into 162,162,162 Conversion Shares at the Adjusted Conversion Price of HK\$0.74 per Conversion Share, to the Transferee.

The Company was notified by the Original Bondholder and the Transferee that the completion of the Bonds Transfer took place on 25 February 2019.

Immediately after the Completion of the Bonds Transfer, the Transferee became the registered holder of the Bonds in aggregate principal amount of HK\$120,000,000 (the “**Transferred Bonds**”) and the Original Bondholder remained as the registered holder of the Bonds in aggregate principal amount of HK\$180,000,000 (the “**Remaining Bonds**”).

CONVERSION OF ALL OUTSTANDING TRANSFERRED BONDS

The Company received a conversion notice from the Transferee, as holder of the Transferred Bonds, in relation to the exercise of conversion rights to convert the Transferred Bonds in full at the Adjusted Conversion Price of HK\$0.74 per Conversion Share (the “**Conversion**”). Accordingly, 162,162,162 Conversion Shares (the “**Transferee Conversion Shares**”), representing approximately 12.92% of the issued capital of the Company immediately before the Conversion and approximately 11.44% of the issued share capital of the Company as enlarged by the Conversion, will be allotted to the Transferee pursuant to the terms and conditions of the Bonds. Upon Conversion and the issue of the Transferee Conversion Shares, the Transferee will become a substantial Shareholder.

The Transferee Conversion Shares will be issued by the Company under the specific mandate granted to the Board by the Shareholders at the EGM held on 6 February 2017. The Transferee Conversion Shares will rank pari passu and carry the same rights and privileges in all respect among themselves and with all other Shares in issue on the date of the Conversion save that the Transferee Conversion Shares will not entitle the holder thereof to any right, distribution or payment which fell prior to the date on which the Transferee Conversion Shares were issued.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the shareholding structure of the Company (i) immediately after the completion of the Bonds Transfer; (ii) immediately after the full conversion of the Transferred Bonds; (iii) immediately after the full conversion of the Remaining Bonds (if the Original Bondholder decides to convert the Remaining Bonds); and (iv) immediately after the full conversion of all of the Bonds (if the Original Bondholder decides to convert the Remaining Bonds), is as follows:

	Immediately after the Completion of the Bonds Transfer		Immediately after the full conversion of the Transferred Bonds		Immediately after the full conversion of the Remaining Bonds ^(Note)		Immediately after the full conversion of all of the Bonds ^(Note)	
	<i>No. of Shares</i>	<i>Approximate %</i>	<i>No. of Shares</i>	<i>Approximate %</i>	<i>No. of Shares</i>	<i>Approximate %</i>	<i>No. of Shares</i>	<i>Approximate %</i>
Excel Orient Limited	273,609,836	21.81	273,609,836	19.31	273,609,836	18.27	273,609,836	16.48
Aim Right Ventures Limited	202,472,656	16.14	202,472,656	14.29	202,472,656	13.52	202,472,656	12.20
Emerges Ventures Limited	209,000,000	16.66	209,000,000	14.75	209,000,000	13.95	209,000,000	12.59
He Han	14,008,000	1.12	14,008,000	0.99	14,008,000	0.94	14,008,000	0.84
Other public Shareholders	555,659,164	44.28	555,659,164	39.22	555,659,164	37.09	555,659,164	33.47
Transferee	—	—	162,162,162	11.44	—	—	162,162,162	9.77
Original Bondholder	—	—	—	—	243,243,243	16.24	243,243,243	14.65
Total	<u>1,254,749,656</u>	<u>100</u>	<u>1,416,911,818</u>	<u>100</u>	<u>1,497,992,899</u>	<u>100</u>	<u>1,660,155,061</u>	<u>100</u>

Note: Assuming the Original Bondholder will convert the Remaining Bonds.

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

Shandong, the PRC, 25 February 2019

As at the date of this announcement, the Board comprises eight Directors, namely Mr. LIU Dong, Mr. LIU Zongjun, Ms. CHEN Chen, Mr. HE Han and Mr. TAN Bin as executive Directors; and Mr. LAM Kai Yeung, Ms. LIU Chen Hong and Mr. WANG Liangliang as independent non-executive Directors.