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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)**

**COMPLETION OF  
SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE  
AND  
ADJUSTMENT TO THE CONVERSION PRICE OF  
CONVERTIBLE BONDS**

Reference is made to the announcement (the “**Announcement**”) of Starrise Media Holdings Limited (the “**Company**”) dated 5 January 2021 in relation to the Subscription of an aggregate of 101,137,134 new Shares of the Company under General Mandate. Unless the context requires otherwise, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcement.

**COMPLETION OF THE SUBSCRIPTION**

The Board is pleased to announce that all the Conditions have been fulfilled and the Completion took place on 19 January 2021 in accordance with the terms and conditions of the Subscription Agreement. The 101,137,134 Subscription Shares, representing (i) approximately 7.14% of the issued share capital of the Company immediately before the Completion; and (ii) approximately 6.66% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares as at the date of this announcement, have been allotted and issued by the Company to the Subscriber at the Subscription Price of HK\$0.156 per Subscription Share under the General Mandate.

The gross proceeds of the Subscription are approximately HK\$15.78 million, and the net proceeds of the Subscription are approximately HK\$15.73 million, which are intended to be used for the settlement of principal and interest of the Bonds if the Company is called upon to redeem the Convertible Bonds without conversion or to apply for settlement of the Group’s other debts and liabilities as they fall due, if the Convertible Bonds are converted without redemption.

## ADJUSTMENT TO THE CONVERSION PRICE OF THE CONVERTIBLE BONDS

As at the date of this announcement, there were outstanding Convertible Bonds in the aggregate principal amount of HK\$120,000,000, which include the Dragon Capital Bonds and the BeiTai Bonds.

As mentioned in the Announcement, the Subscription will lead to the Adjustments to the conversion prices of the Convertible Bonds to be computed in accordance with the terms and conditions of the Convertible Bonds. Upon Completion of the Subscription on 19 January 2021, the following adjustments will be made to the conversion prices of the Convertible Bonds and the number of conversion shares to be issued upon the exercise of the conversion rights attaching to the outstanding Convertible Bonds in accordance with the terms and conditions of the Convertible Bonds:

Convertible Bonds	Principal amount	Date of maturity	Before adjustment		After adjustment	
			Number of Shares to be issued upon full conversion of the Convertible Bonds	Conversion price per conversion shares	Number of Shares to be issued upon full conversion of the Convertible Bonds	Adjusted conversion price per conversion shares
Dragon Capital Bonds	HK\$100,000,000	28 February 2021	135,135,135	HK\$0.74	641,025,641	HK\$0.156
BeiTai Bonds	HK\$20,000,000	28 February 2021	27,027,027	HK\$0.74	128,205,128	HK\$0.156

Save for the above Adjustments, all other terms and conditions of the Convertible Bonds remain unchanged.

## EFFECT ON SHAREHOLDING STRUCTURE OF THE COMPANY

As at the date of this announcement, the Company has 1,518,048,952 Shares in issue. The shareholding structure of the Company as at (i) immediately before the Completion; (ii) immediately after the Completion; (iii) immediately after the Completion and full conversion of the Dragon Capital Bonds at the adjusted conversion price of HK\$0.156; (iv) immediately after the Completion and full conversion of the BeiTai Bonds at the adjusted conversion price of HK\$0.156; and (v) immediately after the Completion and full conversion of the Convertible Bonds at the adjusted conversion price of HK\$0.156, assuming that no further Shares have been issued or repurchased and no other adjustment event under the relevant terms and conditions of the Convertible Bonds before the Completion are set out as follows:

	Immediately before the Completion		Immediately after the Completion		Immediately after the Completion and full conversion of the Dragon Capital Bonds at the adjusted conversion price of HK\$0.156		Immediately after the Completion and full conversion of the BaiTai Bonds at the adjusted conversion price of HK\$0.156		Immediately after the Completion and full conversion of the Convertible Bonds at the adjusted conversion price of HK\$0.156	
	No. of Shares	Approximate %	No. of Shares	Approximate %	No. of Shares	Approximate %	No. of Shares	Approximate %	No. of Shares	Approximate %
Cinedigm Corp.	366,590,397	25.87	366,590,397	24.15	366,590,397	16.98	366,590,397	22.27	366,590,397	16.03
Excel Orient Limited	307,809,902	21.72	307,809,902	20.28	307,809,902	14.26	307,809,902	18.70	307,809,902	13.46
Emerge Ventures Limited	171,926,000	12.13	171,926,000	11.33	171,926,000	7.96	171,926,000	10.44	171,926,000	7.52
Aim Right Ventures Limited	202,472,656	14.29	202,472,656	13.34	202,472,656	9.38	202,472,656	12.30	202,472,656	8.85
He Han	13,998,000	0.99	13,998,000	0.92	13,998,000	0.65	13,998,000	0.85	13,998,000	0.61
<b>Bondholders</b>										
Dragon Capital Entertainment Fund One LP	–	–	–	–	641,025,641 (Note)	29.69 (Note)	–	–	641,025,641 (Note)	28.03 (Note)
BaiTai Investment LP	–	–	–	–	–	–	128,205,128 (Note)	7.79 (Note)	128,205,128 (Note)	5.60 (Note)
<b>Other Public Shareholders</b>										
The Subscriber	–	–	101,137,134	6.66	101,137,134	4.68	101,137,134	6.14	101,137,134	4.42
Other public Shareholders	354,114,863	25.00	354,114,863	23.32	354,114,863	16.40	354,114,863	21.51	354,114,863	15.48
<b>Total</b>	<b>1,416,911,818</b>	<b>100.00</b>	<b>1,518,048,952</b>	<b>100.00</b>	<b>2,159,074,593</b>	<b>100.00</b>	<b>1,646,254,080</b>	<b>100.00</b>	<b>2,287,279,721</b>	<b>100.00</b>

*Note:* For illustration purposes only, as pursuant to the terms and conditions of the outstanding Convertible Bonds, the Bondholders' right to convert the Convertible Bonds into Shares is subject to the extent that following such exercise, (i) a Bondholder and parties acting in concert with it, directly or indirectly, control or be interested in not more than 19.9% of the entire issued share of the Company, or less than such percentage as may from time to time be specified in the Code on Takeovers and Mergers as being the level for triggering a mandatory general offer (whichever is lower); or (ii) the Company will not be in breach of the minimum public float requirement as may from time to time be specified in the Listing Rules.

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

Beijing, the PRC, 19 January 2021

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