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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)

**PARTIAL REDEMPTION AND
POTENTIAL EXTENSION OF MATURITY DATE
OF CONVERTIBLE BONDS**

Reference is made to:

- (a) the circular of Starrise Media Holdings Limited (the “**Company**”) dated 17 January 2017 (the “**Initial Circular**”);
- (b) the announcements of the Company dated 22 December 2016, 30 December 2016 and 28 February 2017 (the “**Initial Announcements**”), in relation to, among other things, the issuance of the convertible bonds in the aggregate principal amount of HK\$300,000,000 (the “**Bonds**”) to Dragon Capital Entertainment Fund One LP (“**Dragon Capital**”), the corporate guarantee executed by Aim Right Ventures Limited (“**Aim Right**”) and the personal guarantee executed by Mr. Liu Zhihua (“**Mr. Liu**”, together with Aim Right collectively as the “**Guarantors**”) in favour of Dragon Capital;
- (c) the announcements of the Company dated 17 January 2018, 5 February 2018 and 19 January 2021 (the “**Price Adjustment Announcements**”) in relation to, among other things, the adjustments in the conversion price of the Bonds to HK\$0.156 per Conversion Share (the “**Adjusted Conversion Price**”);
- (d) the circular of the Company dated 20 March 2019 (the “**1st Extension Circular**”), in relation to, among other things, the extension of the maturity date of the Bonds in the aggregated principal amount of HK\$180,000,000 held by Dragon Capital and the creation of a charge by Aim Right over the Shares held by it (the “**Aim Right Shares**”) in favour of Dragon Capital (the “**2019 Share Charge**”);

- (e) the circular of the Company dated 24 March 2020 (together with the Initial Circular and the 1st Extension Circular, the “**Circulars**”), in relation to, among other things, the extension of the maturity date of the bonds (the “**2nd Extension**”) in the aggregated principal amount of HK\$120,000,000 held by Dragon Capital and the entering into of a deed of amendment to the 2019 Share Charge in favour of Dragon Capital (the “**1st Deed of Amendment**”);
- (f) the announcements of the Company dated 23 and 24 April 2020 (the “**BeiTai Transfer Announcements**”) in relation to, among other things, the transfer of the Bonds in the aggregated principal amount of HK\$20,000,000 (the “**BeiTai Bonds**”) from Dragon Capital to BeiTai Investment LP (“**BeiTai**”); and
- (g) the announcements of the Company dated 25 February 2021 (together with the Initial Announcements, the Price Adjustment Announcements and the BeiTai Transfer Announcements, the “**Announcements**”) in relation to the full conversion of the BeiTai Bonds.

Capitalised terms used herein shall have the same meanings as those defined in the Circulars and the Announcements unless stated otherwise.

PARTIAL REDEMPTION OF CONVERTIBLE BONDS

Following the completion of conversion of the BeiTai Bonds, the Bonds in aggregate principal of HK\$100,000,000, all of which are Bonds held by Dragon Capital, remain outstanding as at the date of this announcement.

As the outstanding Bonds will mature on 28 February 2021 after the 2nd Extension, the Company will redeem the Bonds in the aggregate principal amount of HK\$50,000,000 held by Dragon Capital (the “**Partial Redemption**”), leaving the Bonds in the aggregate principal amount of HK\$50,000,000 (the “**Outstanding Bonds**”) remain outstanding after the Partial Redemption. The Partial Redemption will be funded by the net proceeds of approximately HK\$15.73 million raised from completion of the placing of Shares under general mandate in January 2021 (which was utilised as intended) and other internal resources of the Group.

POTENTIAL EXTENSION OF MATURITY DATE OF CONVERTIBLE BONDS

The Company has entered into discussion with Dragon Capital regarding the potential extension of maturity date of the Outstanding Bonds (the “**Potential Extension**”). If the Potential Extension materialises, it would constitute an alteration in terms of convertible debt securities after issue pursuant to Rule 28.05 of the Listing Rules and be treated as a new arrangement for the Company to issue the Outstanding Bonds to the respective holder(s) of the Bonds which requires a new specific mandate to be obtained from the Shareholders pursuant to Rule 13.36(6) of the Listing Rules.

The Company will make further announcement(s) in connection with the Potential Extension as and when appropriate or required in accordance with the requirements of the Listing Rules.

As the Potential Extension may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

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

Beijing, the PRC, 26 February 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.