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)

NEGATIVE PROFIT ALERT

This announcement is made by Starrise Media Holdings Limited (the "**Company**", together with its subsidiaries, the "**Group**") pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and the Inside Information Provisions of Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors (the "**Board**") of the Company would like to inform the shareholders of the Company (the "**Shareholders**") and potential investors that, based on the preliminary review of the unaudited consolidated management accounts of the Group for the six months ended 30 June 2018, the Group's consolidated net profit attributable to equity shareholders of the Company for the six months ended 30 June 2018 is expected to be negative with a loss of approximately RMB90 million, as opposed to the net profit attributable to equity shareholders of the Company of approximately RMB29 million recorded for the six months ended 30 June 2017.

Based on the information currently available to the Company, the Board believes that such decrease in profits for the six months ended 30 June 2018 as compared to the six months ended 30 June 2017 is mainly attributable to the losses on change in fair value recognized in profit or loss of RMB58 million in relation to the derivatives embedded in convertible bonds (the gain on change in the fair value of the embedded derivatives in convertible bonds for the six months ended 30 June 2017 was approximately RMB50 million).

The Company is in the process of finalising the interim results of the Group for the six months ended 30 June 2018. This negative profit alert announcement is only based on the information currently available to the Board and the preliminary assessment of the unaudited consolidated management accounts of the Group for the six months ended 30 June 2018, which has not been audited or reviewed by the Company's auditors and may be subject to significant changes and adjustments. The actual financial results of the Group for the six months ended 30 June 2018 may be different from what is disclosed in this announcement. Further details of the Group's performance will be disclosed in the interim results for the six months ended 30 June 2018 to be published by the Company by the end of August 2018.

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

Shandong, the PRC, 10 August 2018

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