CHINA STAR INVESTMENT HOLDINGS LIMITED

(Formerly known as Riche Multi-Media Holdings Limited)

(Incorporated in Bermuda with limited liability)

(Stock Code: 764)

INTERIM RESULTS ANNOUNCEMENT
FOR THE SIX MONTHS ENDED 30 JUNE 2008

INTERIM RESULTS

The board of directors (the "Board") of China Star Investment Holdings Limited (the "Company") is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2008 together with the comparative figures for 2007 as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

		Six months ended 30 June	
	Notes	**2008** ***HK$'000*** **(Unaudited)**	2007 *HK$'000* (Unaudited)
Turnover	*3*	**2,000**	29,191
Cost of sales		**—**	(24,465)
Gross profit		**2,000**	4,726
Other revenue	*4*	**2,605**	1,307
Other income	*4*	**—**	122,593
Administrative expenses		**(25,843)**	(29,344)
Increase in fair value of investment properties		**16,798**	—
(Loss)/profit from operations	*5*	**(4,440)**	99,282
Finance costs	*6*	**(12,821)**	(8,334)
(Loss)/profit before taxation		**(17,261)**	90,948
Taxation	*7*	**8,815**	—
(Loss)/profit for the period		**(8,446)**	90,948
Attributable to:			
Equity holders of the Company		**(8,446)**	90,948
Dividend	*8*	**—**	—
(Loss)/earnings per share attributable to the equity holders of the Company during the period			
— Basic	*9*	**(HK4.33 cents)**	HK12.05 cents
— Diluted	*9*	**(HK4.33 cents)**	HK11.96 cents

CONDENSED CONSOLIDATED BALANCE SHEET

	At 30 June 2008 *HK$'000* (Unaudited)	At 31 December 2007 *HK$'000* (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	**21,817**	6,000
Investment properties	**978,785**	887,450
Goodwill	**40,382**	39,456
Available-for-sale financial assets	**172**	172
	1,041,156	933,078
Current assets		
Inventories	**34,771**	32,783
Trade receivables	**2,396**	1,245
Deposits, prepayments and other receivables	**221,479**	31,830
Tax prepayments	—	12,120
Cash and cash equivalents	**281,790**	531,396
	540,436	609,374
Total assets	**1,581,592**	1,542,452
EQUITY		
Capital and reserves attributable to the Company's equity holders		
Share capital	**1,952**	195,186
Reserves	**1,076,021**	850,894
	1,077,973	1,046,080
Minority interests	—	3,896
	1,077,973	1,049,976

	At 30 June 2008 *HK$'000* (Unaudited)	At 31 December 2007 *HK$'000* (Audited)
LIABILITIES		
Current liabilities		
Accruals and other payables	**17,982**	19,245
Receipts in advance and deposits received	**64,544**	47,041
Amount due to a related company	**663**	701
Secured bank loan — due within one year	**34,792**	27,533
Tax payable	**731**	22,969
	118,712	117,489
Non-current liabilities		
Secured bank loan — due after one year	**302,717**	301,485
Deferred taxation	**82,190**	73,502
	384,907	374,987
Total equity and liabilities	**1,581,592**	1,542,452
Net current assets	**421,724**	491,885
Total assets less current liabilities	**1,462,880**	1,424,963

Notes:

1. **Basis of preparation**

The unaudited condensed consolidated interim financial statements (the "Interim Financial Statements") have been prepared in accordance with Hong Kong Accounting Standard (the "HKAS") 34 "Interim Financial Reporting" issued by Hong Kong Institute of Certified Public Accountants (the "HKICPA") and the applicable disclosure requirements set out in Appendix 16 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The Interim Financial Statements should be read in conjunction with the annual financial statements of the Group for the year ended 31 December 2007.

The Interim Financial Statements have been prepared on the historical cost basis except for investment properties, which are measured at fair values, as appropriate.

2. **Summary of significant accounting policies**

The accounting policies used in the Interim Financial Statements are consistent with those followed in the preparation of the annual financial statements of the Group for the year ended 31 December 2007.

In the current period, the Group has applied, for the first time, a number of new standards, amendments and interpretations issued by the HKICPA (hereinafter collectively referred to as the "new HKFRSs"), which are effective for the Group's accounting period beginning 1 January 2008.

Standards, amendments or interpretations issued and effective

HK(IFRIC) — Int 11	HKFRS 2 — Group and Treasury Share Transactions[1]
HK(IFRIC) — Int 12	Service Concession Arrangements[2]
HK(IFRIC) — Int 14	HKAS 19 — The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction[2]

[1] Effective for financial period commencing on or after 1 March 2007
[2] Effective for financial period commencing on or after 1 January 2008

The adoption of the new HKFRSs had no material effect on the preparation and presentation of the results and financial position of the Group for the current or prior accounting periods. Accordingly, no prior period adjustment has been recognised.

Standards, amendments or interpretations issued but not yet effective

The Group has not applied the new HKFRSs that have been issued but are not yet effective.

HKFRS 2 (Amendment)	Share-based Payment — Vesting Condition and Cancellations[1]
HKFRS 3 (Revised)	Business Combination[2]
HKFRS 8	Operating Segments[1]
HKAS 1 (Revised)	Presentation of Financial Statements[1]
HKAS 23 (Revised)	Borrowing Costs[1]
HKAS 27 (Revised)	Consolidated and Separate Financial Statements[2]
HK(IFRIC) — Int 13	Customer Loyalty Programmes[3]
HK(IFRIC) — Int 15	Agreements for the Construction of Real Estate[1]
HK(IFRIC) — Int 16	Hedges of a Net Investment in a Foreign Operation[4]

[1] Effective for annual periods beginning on or after 1 January 2009
[2] Effective for annual periods beginning on or after 1 July 2009
[3] Effective for annual periods beginning on or after 1 July 2008
[4] Effective for annual periods beginning on or after 1 October 2008

The Group is still considering the potential impact of these new HKFRSs but is not yet in a position to determine whether these new HKFRSs would have a significant impact on how its results of operations and financial position are presented. These new HKFRSs may result in changes in the future as to how the results and financial position are presented.

3. Segment information

(a) Business segments

	Six months ended 30 June 2008			
	Sub-licensing *HK$'000* (Unaudited)	**Sales of financial assets** *HK$'000* (Unaudited)	**Property investment** *HK$'000* (Unaudited)	**Consolidated** *HK$'000* (Unaudited)
Turnover	**2,000**	**—**	**—**	**2,000**
Segment results	**2,000**	**—**	**16,798**	**18,798**
Unallocated corporate income				**2,605**
Unallocated corporate expenses				**(25,843)**
Loss from operations				**(4,440)**
Finance costs				**(12,821)**
Loss before taxation				**(17,261)**
Taxation				**8,815**
Loss for the period				**(8,446)**

	Six months ended 30 June 2007			
	Sub-licensing	Sales of financial assets	Property investment	Consolidated
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Turnover	—	27,575	1,616	29,191
Segment results	—	18,867	1,496	20,363
Unallocated corporate income				108,263
Unallocated corporate expenses				(29,344)
Profit from operations				99,282
Finance costs				(8,334)
Profit before taxation				90,948
Taxation				—
Profit for the period				90,948

(b) Geographical segments — Turnover

	Six months ended 30 June	
	2008	2007
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Hong Kong and Macau	**2,000**	27,575
The People's Republic of China (the "PRC")	—	1,616
	2,000	29,191

4. Other revenue and other income

	Six months ended 30 June	
	2008	2007
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Other revenue		
Interest income on bank deposits	**2,578**	1,276
Dividend income from financial assets at fair value through profit or loss	**—**	30
Sundry income	**27**	1
	2,605	1,307
Other income		
Increase in fair value of financial assets at fair value through profit or loss	**—**	15,637
Loan interest waived	**—**	106,956
	—	122,593

5. (Loss)/profit from operations

	Six months ended 30 June	
	2008	2007
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
(Loss)/profit from operations has been arrived at after charging:		
Depreciation of property, plant and equipment	**1,806**	708
Loss on disposal of property, plant and equipment	**3**	—
Share-based payment expenses in respect of consultancy services	**985**	5,109
Staff costs including directors' emoluments:		
— Salaries and other allowances	**5,806**	4,299
— Contributions to retirement benefits scheme	**69**	60
— Share-based payment expenses	**2,623**	8,579

6. Finance costs

	Six months ended 30 June	
	2008	2007
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Interest expenses on borrowings wholly repayable within five years:		
— secured bank loan	**12,821**	8,334

7. Taxation

	Six months ended 30 June	
	2008	2007
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Tax credit	**13,854**	—
Deferred tax charge	**(5,039)**	—
	8,815	—

An objection was lodged by Ocean Shore Licensing Limited ("OSLL"), a wholly-owned subsidiary of the Company, against the estimated assessments for the years of assessment from 1994/1995 to 2000/2001 in relation to the offshore claims of sub-licensing income. Provision for taxation of HK$22,238,000 had been made in the Company's audited consolidated financial statements. In February 2008, OSLL reached a compromise settlement on the estimated assessments with the Inland Revenue Department for settling the outstanding tax in an aggregate amount of HK$12,021,000, which included a surcharge of HK$3,637,000. Therefore, a tax credit of HK$13,854,000 was recognised during the six months ended 30 June 2008.

Apart from the tax credit, no provision for Hong Kong Profits Tax has been made for the period since the Group has no estimated assessable profits or its estimated assessable profit is wholly absorbed by the estimated tax loss brought forward (six months ended 30 June 2007: Nil).

No provision for the PRC Enterprise Income Tax was made for the period as the Company's subsidiaries in the PRC did not have taxable income (six months ended 30 June 2007: Nil).

Deferred tax charge of HK$5,039,000 was arisen from the increase in the fair value of investment properties recognised for the period (six months ended 30 June 2007: Nil).

8. Dividend

The Board does not recommend the payment of any interim dividend for the six months ended 30 June 2008 (2007: Nil).

9. (Loss)/earnings per share

	Six months ended 30 June	
	2008	2007
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
(Loss)/profit attributable to equity holders of the Company for the purpose of basic and diluted (loss)/earnings per share	**(8,446)**	90,948
	Number of ordinary shares	
	'000	*'000*
Weighted average number of ordinary shares for the purpose of basic (loss)/earnings per share	**195,186**	754,792
Effect of dilutive potential ordinary shares:		
Share options	**—**	5,639
Weighted average number of ordinary shares for the purpose of diluted (loss)/earnings per share	**195,186**	760,431

The weighted average number of ordinary shares for the six months ended 30 June 2007 for the purpose of basic and diluted earnings per share has been adjusted to take into the effect of the share consolidation that became effective on 2 May 2008.

Diluted loss per share for the period ended 30 June 2008 was same as the basic loss per share. The Company's outstanding share options were not included in the calculation of diluted loss per share because the exercise of the Company's outstanding share options existed during the period would result a decrease in loss per share and thus anti-dilutive.

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Review

During the six months ended 30 June 2008, the Group recorded a revenue of HK$2,000,000, a 93% decrease from HK$29,191,000 for the same period of the previous year. The significant decrease in revenue was attributable to (i) the Group was not able to secure quality films at reasonable prices for distribution due to the sluggish market conditions; (ii) in view of the volatility in equity market remained high, the Group sold all of its financial assets in the second half of 2007 and did not carried out any trading in financial assets in the six months ended 30 June 2008; and (iii) the lease in respect of the ground floor of the Group's investment properties to a restaurant operator was terminated due to hygienic reason.

The loss for the six months ended 30 June 2008 amounted to HK$8,446,000, whereas the Group recorded a profit of HK$90,948,000 in the previous period. The deterioration was due to the Group recognised an one-off gain of HK$106,956,000 arising from the loan interest waived by China Merchants Bank in the six months ended 30 June 2007.

The turnover of HK$2,000,000 was generated from the sale of the Group's film library. As the cost of the film library had been fully amortised and/or impaired in previous years, no cost of sales was recorded and the gross profit margin was 100%.

Other revenue increased from HK$1,307,000 in the six months ended 30 June 2007 to HK$2,605,000 in the six months ended 30 June 2008. The increase was attributed to an increase in interest income on bank deposits resulted from the increase in the average monthly balance of the Group's cash and cash equivalents.

During the six months ended 30 June 2008, no other income was recorded by the Group. Other income for the six months ended 30 June 2007 represented an increase in fair value of financial assets at fair value through profit or loss of HK$15,637,000 and an one-off gain arising from the loan interest waived of HK$106,956,000.

Administrative expenses (net of depreciation) amounted to HK$24,037,000 for the six months ended 30 June 2008, a 16% decrease from HK$28,636,000 for the same period of the previous year. The decrease was mainly attributed to a HK$10,080,000 decrease in share-based payment expenses in respect of share options granted to employees and consultants, which was partially offset by a HK$1,516,000 increase in salaries and contribution to retirement benefits scheme and the surcharge of HK$3,637,000 paid to Inland Revenue Department in relation to the compromise settlement on the Group's offshore income claims.

For the six months ended 30 June 2008, finance costs amounted to HK$12,821,000, a 54% increase compared to HK$8,334,000 for the six months ended 30 June 2007. The increase was attributable to the increase in the average monthly balance of loan facility resulted from the payments of renovation costs in respect of the Group's investment properties.

The headcount of the Group increased from 53 at 30 June 2007 to 90 at 30 June 2008. Total staff costs (including directors' remuneration) amounted to HK$8,498,000 in the six months ended 30 June 2008, a 34% decrease as compared to HK$12,938,000 for the six months ended 30 June 2007. The decrease was attributable to a HK$5,956,000 decrease in share-based payment expenses in respect of share options granted to employees, which was partially offset by a HK$1,516,000 increase in salaries and contribution to retirement benefits scheme as the Group increased its headcount to cope with the commencement of the operation of Shama Luxe Chang An in late June 2008. Employees are remunerated according to their performance and work experience. In addition to basic salaries and retirement benefits scheme, staff benefits include medical scheme, share options and year-end performance bonus. An analysis of headcount and total staff costs of the Group for the six months ended 30 June 2008 and 2007 is as follows:

	Six months ended 30 June	
	2008	2007
Total staff costs in HK$		
— Salaries and contributions to retirement benefits scheme		
— Hong Kong and Macau	**3,565,000**	3,913,000
— the PRC	**2,310,000**	446,000
— Share-based payment expenses		
— Hong Kong and Macau	**2,388,000**	7,746,000
— the PRC	**235,000**	833,000
	8,498,000	12,938,000
Headcount		
— Hong Kong and Macau	**22**	20
— the PRC	**68**	33
	90	53

During the six months ended 30 June 2008, the Group funded its operations through a combination of equity attributable to the Company's equity holders, secured RMB term loan facility and amount due to China Star Entertainment Limited. Equity attributable to the Company's equity holders at 30 June 2008 amounted to HK$1,077,973,000 (31 December 2007: HK$1,046,080,000).

At 30 June 2008, the cash and cash equivalents of the Group amounted to HK$281,790,000 (31 December 2007: HK$531,396,000), of which HK$26,059,000 is pledged to a bank for securing the secured RMB term loan facility. The decrease in cash and cash equivalents of the Group was mainly attributable to the payment of refundable deposits of HK$200,000,000 to Well Will Investment Limited in relation to the proposed acquisition of a 100% equity interest in Rich Daily Group Limited as announced by the Company on 4 March 2008. At 30 June 2008, the Group's current ratio was 4.55 (31 December 2007: 5.19).

At 30 June 2008, the total borrowings of the Group amounted to HK$338,172,000 (31 December 2007: HK$329,719,000), comprising the secured RMB term loan facility of HK$337,509,000 which is secured by certain of the Group's investment properties, a corporate guarantee given by the Company and bank deposits of HK$26,059,000, interest bearing at 95% of the interest rate prescribed by the People's Bank of China for loan period of five years and repayable by seven half-yearly instalments within three years; and the amount due to China Star Entertainment Limited of HK$663,000, which is unsecured, interest-free and has no fixed terms of repayment. The Group expresses its gearing ratio as a percentage of total borrowings over equity attributable to the Company's equity holders. At 30 June 2008, the Group's gearing ratio was 31.37% (31 December 2007: 31.52%).

The fair value of the Group's investment properties increased from HK$887,450,000 at 31 December 2007 to HK$978,785,000 at 30 June 2008. The increase was attributable to the additions to investment properties of HK$28,129,000, the increase in fair value of investment properties of HK$16,798,000 and the exchange alignment of HK$46,408,000 arising from the appreciation of Renminbi. At 30 June 2008, certain of the Group's investment properties with a fair value of HK$940,134,000 was pledged to the bank to secure the secured RMB term loan facility granted to the Group.

During the six months ended 30 June 2008, the Group acquired the remaining 3.3% interest in the registered capital of Beijing Jianguo Real Estate Development Co. Ltd. from Beijing Urban Development Group Co. Ltd. at a net consideration of RMB84,000 (equivalent to HK$105,000), after deducting an amount of RMB4,150,000 (equivalent to HK$4,718,000) paid to Beijing Urban Development Group Co. Ltd. in 1997 by the ex-owner. The directors believe that the acquisition of the remaining 3.3% interest provides the Group with a better protection on its interest in Beijing Jianguo Real Estate Development Co. Ltd. and a greater flexibility in managing Shama Luxe Chang An.

During the six months ended 30 June 2008, the Company issued 10,009 new shares of HK$0.10 each at an exercise price of HK$0.1146 per share in April 2008 pursuant to the exercise of share options granted to an employee.

On 19 March 2008, the board of directors proposed the following changes to the capital of the Company (the "Capital Reorganisation"):

(a) share consolidation: that every ten issued and unissued existing ordinary shares of HK$0.10 each in the share capital of the Company be consolidated into one ordinary share of HK$1.00 each (the "Consolidated Share") in the share capital of the Company;

(b) capital reduction: that the issued Consolidated Shares be reduced by cancelling from the paid-up capital thereof to the extent of HK$0.99 of each issued Consolidated Share and reducing the nominal value of all the Consolidated Shares comprising the authorised share capital of the Company from HK$1.00 each to HK$0.01 each; and

(c) share premium cancellation: that the entire amount of HK$813,058,000 standing to the credit of the share premium account of the Company at 31 December 2007 be cancelled and such credit amount arising from the share premium cancellation be applied to the contributed surplus account of the Company where it will be utilised by the board of directors in accordance with bye-laws of the Company and all applicable laws, including to eliminate the accumulated losses of the Company of HK$518,374,000 at 31 December 2006 entirely.

The Capital Reorganisation reduces the overall transaction and handling costs for dealing in the Company's shares and allows the Company to declare dividends to its shareholders at an earlier opportunity than generating profits to offset the Company's accumulated losses. The Capital Reorganisation was approved by shareholders on 30 April 2008 and took effect on 2 May 2008.

At 30 June 2008, the Group had the following material commitments contracted but not provided for in the unaudited condensed consolidated interim financial statements for the six months ended 30 June 2008:

(a) capital expenditures of HK$29,011,000 in respect of the renovation works of the Group's investment properties;

(b) a commitment of HK$447,000,000 in respect of the proposed acquisition of a 100% interest in Exceptional Gain Profits Limited and a sale loan from China Star Entertainment Limited, a substantial shareholder;

(c) a commitment of HK$504,000,000 in respect of the proposed acquisition of a 100% interest in the issued share capital of Rich Daily Group Limited from Well Will Investment Limited;

(d) a commitment in respect of acquiring the registered capital of 上海昇平文化發展有限公司 from its owners at a price to be determined by the valuers in Mainland China when the laws in Mainland China allow foreign investors to own more than 51% interest in the registered capital of 上海昇平文化發展有限公司; and

(e) a revolving facility of up to HK$200,000,000 granted to Best Season Holdings Corp. ("Best Season"), a 75% own subsidiary of the Group.

As the majority of the Group's transactions, assets and liabilities are denominated in Hong Kong dollars and Renminbi, the exchange risk of the Group is considered to be minimal. Accordingly, no financial instruments for hedging purposes have been used by the Group.

At 30 June 2008, the Group had no material contingent liabilities.

Operations Review

During the six months ended 30 June 2008, the Hong Kong films market remained sluggish and the demand for Hong Kong made movies in the Mainland China remained weak. The number of films produced by local producers decreased from 24 in the six months ended 30 June 2007 to 23 in the six months ended 30 June 2008. As a result, the Group was not able to secure quality films at reasonable prices for distribution. However, the Group has concluded an agreement to sell its film library for HK$2,000,000 during the period under review.

The renovation of Shama Luxe Chang An has been completed. Shama Luxe Chang An presents 208 sophisticated residence with one to three bedroom layouts and duplex suites, a vast clubhouse with sports, recreation and children's facilities and a large private garden. The soft opening of Shama Luxe Chang An commences in late June 2008. Before and during the period of the Olympic Games, the Chinese government carried out a tightening visa policy, resulting in many long-term overseas tenants who have long-term demand for serviced apartment having to return to their countries for visa renewals, which affects both the long-term and short-term leasing. During the six months ended 30 June 2008, Shama Luxe Chang An has signed short-term leases with an aggregate contract value over RMB10,000,000 for the "Olympic Month — August 2008". The directors believe that the signing of long-term leases will be gradually caught up following the relaxation of tightening visa policy after the closure of the Olympic Games.

To diversify its revenue sources and further improve its profitability, on 28 February 2008, the Group entered into a conditional sale and purchase agreement with Well Will Investment Limited and Mr. Ng Cheuk Fai relating to the proposed acquisition of a 100% of the issued share capital of Rich Daily Group Limited from Well Will Investment Limited at an initial consideration of HK$504,000,000 (subject to adjustment). Rich Daily Group Limited is a management services provider to the concierge department of a gaming promoter. The monthly service fee earned by Rich Daily Group Limited is calculated at 0.03% of the monthly rolling turnover generated by the gaming promoter. The initial consideration will be settled by the Group paying HK$360,000,000 in cash and issuing of convertible bonds in an aggregate principle amount of HK$144,000,000, with an initial conversion price of HK$1.60 per conversion share. The proposed acquisition constitutes a very substantial acquisition for the Company under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and was approved by the shareholders on 27 June 2008. The proposed transaction was completed on 29 August 2008.

Best Season has been established to invest in, manage and conduct branding for real estate and/or related properties in Macau. As the Group has recently expanded its operations into hotel operation and the provision of management services to concierge department of gaming promoter in Macau, the business development of Best Season has temporarily been suspended in order to concentrate the Group's resources on the newly expanded businesses. As a result, no contribution was made from Best Season in the six months ended 30 June 2008.

Due to additional time is required for the bank to release and change of security provided in relation to Kingsway Hotel Limited, the proposed acquisition of a 50% interest in Kingsway Hotel Limited has not yet been completed as at the date of this report and the long stop date of the proposed acquisition has been further extended to 31 October 2008. As reported by the vendor, the Kingsway Hotel is currently under renovation to transform itself into a luxury boutique hotel. Upon the completion of the renovation, the Kingsway Hotel presents 200 rooms and a casino, with 27 VIP gaming tables and 43 mass-market gaming tables.

Future Prospects

With the commencement of Shama Luxe Chang An in late June 2008 and the completion of the proposed acquisition of a 100% interest in Rich Daily Group Limited took place in August 2008, revenue generated from these two investments will be recorded in the second half of 2008. The directors believe that these two investments will enable the Group to broaden its revenue base and improve its profitability.

Dividend

The board of directors does not recommend the payment of any interim dividend for the six months ended 30 June 2008 (2007: Nil).

Change of Company's Name

On 19 March 2008, the board of directors proposed to change the Company's name from "Riche Multi-Media Holdings Limited" to "China Star Investment Holdings Limited" and upon the change of the Company's name becomes effective, the new Chinese name "中國星投資有限公司" will be adopted to replace "豐采多媒體集團有限公司" for identification purposes only. The directors believe that the change of the Company's name would provide a better reflection of the existing business of the Group as the name "Riche Multi-Media Holdings Limited" has over the years been synonymous with film distribution and multi-media business.

The proposed change of the Company's name was approved by the shareholders on 30 April 2008 and took effective on 25 June 2008.

Change of Substantial Shareholder

On 13 May 2008, China Star Entertainment (BVI) Limited, a wholly-owned subsidiary of China Star Entertainment Limited, entered into a conditional sale and purchase agreement with Glenstone Investments Limited ("Glenstone") in relation to the acquisition of a 100% interest in the issued share capital of Classical Statue Limited, a substantial shareholder holding 29.90% interest in the issued share capital of the Company, by Glenstone. Glenstone is a company beneficially owned as to 60% by Ms. Chen Ming Yin, Tiffany and as to 40% by Mr. Heung Wah Keung, both of them are executive directors of the Company.

The acquisition of a 100% interest in the issued share capital of Classical Statue Limited by Glenstone was completed on 18 August 2008.

PURCHASE, SALE AND REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 June 2008.

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

The Company had complied with all applicable code provision of the Code on Corporate Governance Practices as set out in Appendix 14 of the Listing Rules throughout the six months ended 30 June 2008, except for code provision A.4.1.

Code provision A.4.1 requires that non-executive directors should be appointed for a specific term, subject to re-election. However, all the non-executive directors of the Company are not appointed for specific terms but are subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the provision of the Company's bye-laws. At each annual general meeting, one-third of the directors for the time being, (or, if their number is not a multiple of three, the number nearest to but not greater than one-third) shall retire from office by rotation. As such, the Company considers that such provisions are sufficient to meet the underlying objective of this code provision.

COMPLIANCE WITH THE MODE CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Listing Rules for securities transactions by directors of the Company. All the members of the Board have confirmed, following specific enquiry by the Company, that they have complied with the required standard as set out in the Model Code throughout the six months ended 30 June 2008. The Model Code also applies to other specified senior management of the Group.

REVIEW OF FINANCIAL INFORMATION

The audit committee has reviewed the 2008 interim report and the unaudited condensed consolidated interim financial statements for the six months ended 30 June 2008 and agreed to the accounting principles and practices adopted by the Company. In addition, the Company's external auditors have reviewed the unaudited condensed consolidated interim financial statements in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants.

PUBLICATION OF INFORMATION ON THE WEBSITE OF THE STOCK EXCHANGE AND THE COMPANY

The 2008 interim report of the Company will be published on the website of The Stock Exchange of Hong Kong Limited at www.hkex.com.hk and on the website of the Company www.chinastar.com in due course.

By Order of the Board
Heung Wah Keung
Chairman

Hong Kong, 23 September 2008

As at the date of this announcement, the Board comprises two executive directors namely, Mr. Heung Wah Keung (Chairman) and Ms. Chen Ming Yin, Tiffany (Vice Chairman); and three independent non-executive directors namely, Mr. Tang Chak Lam, Gilbert, Mr. Ho Wai Chi, Paul and Mr. Lien Wai Hung.