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## **RICHE MULTI-MEDIA HOLDINGS LIMITED**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 764)**

- (1) OPEN OFFER OF 650,619,987 OFFER SHARES ON THE BASIS OF ONE OFFER SHARE FOR EVERY TWO EXISTING SHARES HELD ON THE RECORD DATE;  
AND  
(2) RESUMPTION OF TRADING**

### **UNDERWRITER**



**KINGSTON SECURITIES LIMITED**

#### **OPEN OFFER**

The Company proposes to raise approximately HK\$195.19 million before expenses, by way of Open Offer of 650,619,987 Offer Shares at a price of HK\$0.30 per Offer Share on the basis of one Offer Share for every two existing Shares held on the Record Date and payable in full on acceptance. Qualifying Shareholders are entitled to apply for excess Offer Shares not taken up in excess of their respective entitlements under the Open Offer. The Open Offer will not be extended to the Prohibited Shareholders.

The Open Offer is only available to the Qualifying Shareholders. To qualify for the Open Offer, all transfers of Shares must be lodged for registration with the Registrar by 4:00 p.m. on Wednesday, 14 November 2007. The register of members of the Company will be closed from Thursday, 15 November 2007 to Tuesday, 20 November 2007, both dates inclusive, to determine the eligibility of the Open Offer.

As at the date of the Underwriting Agreement, CSL is the legal and beneficial owner of 276,351,000 Shares. The entire issued share capital of CSL is wholly and beneficially owned by China Star, a company whose issued shares are listed on the Main Board of the Stock Exchange.

CSL has given the Undertaking in favour of the Company and the Underwriter to subscribe for 138,175,500 Offer Shares to which CSL is entitled under the Open Offer and to submit excess applications for a maximum of 169,079,628 Offer Shares such that when aggregated with all Shares held by it and its concert parties and taking into account the 138,175,500 Offer Shares agreed to be subscribed by it under the Open Offer, shall not exceed 29.9% of the Company's issued share capital on a fully diluted basis taking into account the Open Offer. The Underwriter has conditionally agreed to underwrite the Offer Shares (other than the Offer Shares agreed to be taken up by CSL) which have not been taken up. Accordingly, the Open Offer is fully underwritten.

The estimated net proceeds from the Open Offer will be approximately HK\$189 million. The Board intends to apply such proceeds from the Open Offer for the Acquisition and general working capital of the Group.

### **WARNING OF THE RISK OF DEALINGS IN THE SHARES**

**Shareholders and potential investors should note that the Open Offer is conditional upon the Underwriting Agreement having become unconditional and the Underwriter not having terminated the Underwriting Agreement in accordance with the terms thereof. Accordingly, the Open Offer may or may not proceed.**

**Shareholders and potential investors should exercise extreme caution when dealing in the Shares, and if they are in any doubt about their position, they should consult their professional advisers.**

**Shareholders should note that the Shares will be dealt in on an ex-entitlement basis commencing from Tuesday, 13 November 2007 and that dealing in Shares will take place while the conditions to which the Underwriting Agreement is subject remain unfulfilled. Any Shareholder or other person dealing in Shares up to the date on which all conditions to which the Open Offer is subject are fulfilled (which is expected to be on Wednesday, 12 December 2007), will accordingly bear the risk that the Open Offer cannot become unconditional and may not proceed. Any Shareholder or other person contemplating selling or purchasing Shares, who is in any doubt about his/her/its position, is recommended to consult his/her/its own professional adviser.**

The Company will send the Prospectus Documents to the Qualifying Shareholders and, the Overseas Letter together with the Prospectus, for information only, to the Prohibited Shareholders as soon as practicable.

### **RESUMPTION OF TRADING**

Trading in the Shares on the Stock Exchange was suspended from 9:30 a.m. on 17 October 2007 pending the release of this announcement at the request of the Company. Application has been made to the Stock Exchange for the resumption of trading in the Shares with effect from 9:30 a.m. on 22 October 2007.

## OPEN OFFER

### Issue statistics

Basis of the Open Offer:	One Offer Share for every two existing Shares held on the Record Date and payable in full on acceptance
Subscription Price:	HK\$0.30 per Offer Share
Number of Shares in issue as at the date of this announcement:	1,301,239,974 Shares
Number of Offer Shares:	650,619,987 Offer Shares
Maximum number of Offer Shares under Excess Application to be subscribed by CSL:	169,079,628 Offer Shares
Number of Offer Shares undertaken to be taken up by CSL:	CSL has given the Undertaking in favour of the Company and the Underwriter to subscribe for 138,175,500 Offer Shares to which CSL is entitled under the Open Offer and to submit an excess applications for a maximum of 169,079,628 Offer Shares such that when aggregated with all Shares held by it and its concert parties and taking into account the 138,175,500 Offer Shares agreed to be subscribed by it under the Open Offer, shall not exceed 29.9% of the Company's issued share capital on a fully diluted basis taking into account the Open Offer.
Number of Offer Shares underwritten by the Underwriter:	Pursuant to the Underwriting Agreement, the Underwriter has conditionally agreed to underwrite the Offer Shares (other than the Offer Shares agreed to be taken up by CSL) which have not been taken up, being 343,364,859 Offer Shares. Accordingly, the Open Offer is fully underwritten.
Number of Shares in issue upon completion of the Open Offer:	1,951,859,961 Shares

Save for the 239,355,994 Share Options held by employees and consultants of the Group and in which they have undertaken not to exercise and the Convertible Notes, the Company has no derivatives, options, warrants and conversion rights or other similar rights which are convertible or exchangeable into Shares as at the date of this announcement and has no intention to issue any new Shares or any of the above securities before the Record Date. The breakdown of Share Options held are as to 192,094,994 and 48,261,000 to employees and consultants of the Group respectively none of whom are connected persons of the Company.

## **Qualifying Shareholders**

The Open Offer is only available to the Qualifying Shareholders. The Company will send (i) the Prospectus Documents to the Qualifying Shareholders and (ii) the Overseas Letter together with the Prospectus, for information only, to the Prohibited Shareholders. To qualify for the Open Offer, the Shareholders must at the close of business on the Record Date:

- (i) be registered on the register of members of the Company; and
- (ii) not be the Prohibited Shareholders.

In order to be registered as members of the Company on the Record Date, the Shareholders must lodge any transfer of the Shares (with the relevant share certificates) for registration with the Registrar by 4:00 p.m. on Wednesday, 14 November 2007. The address of the Registrar is 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong.

The invitation to subscribe for the Offer Shares to be made to the Qualifying Shareholders will not be transferable. There will not be any trading in nil-paid entitlements on the Stock Exchange. The Directors consider that the arrangement of trading in nil-paid entitlements on the Stock Exchange will involve additional administrative work and costs for the Open Offer, which is not considered to be cost-effective.

## **Closure of register of members**

The register of members of the Company will be closed from Thursday, 15 November 2007 to Tuesday, 20 November 2007, both dates inclusive, to determine the eligibility of the Open Offer. No transfer of Shares will be registered during this period.

## **Subscription Price**

The Subscription Price for the Offer Shares is HK\$0.30 per Offer Share, payable in full on application. The Subscription Price represents:

- (i) a discount of 20% to the closing price of HK\$0.375 per Share as quoted on the Stock Exchange on 16 October 2007, being the last trading day before the date of the Underwriting Agreement;
- (ii) a discount of approximately 14.29% to the theoretical ex-entitlement price of HK\$0.35 per Share based on the closing price of HK\$0.375 per Share as quoted on the Stock Exchange on 16 October 2007, being the last trading day before the date of the Underwriting Agreement;
- (iii) a discount of approximately 26.47% to the average of the closing prices of HK\$0.408 per Share for the last five consecutive trading days up to and including 16 October 2007; and
- (iv) a discount of approximately 25.93% to the average of the closing prices of HK\$0.405 per Share for the last ten consecutive trading days up to and including 16 October 2007.

The Subscription Price was arrived at after arm's length negotiation between the Company and the Underwriter with reference to, among other things, the prevailing market price of the Shares and the recent financial requirements of the Company in light of the Acquisition. In view of the recent financial requirements of the Group as mentioned above and taking into consideration of the theoretical entitlement price per Share, in order to increase the attractiveness of the Open Offer to the Qualifying Shareholders, the Directors (including the independent non-executive Directors (save for Mr. Ho Wai Chi, Paul who is currently out of town)) consider that the proposed discount of the Subscription Price is appropriate. Each Qualifying Shareholder is entitled to subscribe for the Offer Shares at the same price in proportion to his/her/its existing shareholding in the Company. The Directors (including the independent non-executive Directors (save for Mr. Ho Wai Chi, Paul who is currently out of town)) consider the Subscription Price is fair and reasonable and in the interest of the Company and the Shareholders as a whole.

### **Status of the Offer Shares**

The Offer Shares (when allotted, fully paid and issued) will rank *pari passu* in all respects with the Shares in issue on the date of allotment and issue of the Offer Shares. Holders of the Offer Shares will be entitled to receive all future dividends and distributions which are declared, made or paid on or after the date of allotment and issue of the Offer Shares.

### **Certificates of the fully-paid Offer Shares and refund cheques**

Subject to fulfillment of the conditions of the Open Offer, share certificates for the Offer Shares are expected to be posted on or before Tuesday, 18 December 2007 to those entitled thereto by ordinary post at their own risk. Refund cheques in respect of wholly or partially unsuccessful applications for excess Offer Shares are also expected to be posted on or before Tuesday, 18 December 2007 by ordinary post at their own risk.

### **Rights of the Overseas Shareholders**

If, at the close of business on the Record Date, a Shareholder's address on the register of member of the Company is in a place outside Hong Kong, that Shareholder may not be eligible to take part in the Open Offer as the Prospectus Documents will not be registered and/or filed under the applicable securities legislation of any jurisdictions other than Hong Kong and Bermuda. The Board will make enquiries to its lawyers as to whether the issue of Offer Shares to the Overseas Shareholders may contravene the applicable securities legislation of the relevant overseas places or the requirements of the relevant regulatory body or stock exchange pursuant to the Listing Rules. If, after making such enquiry, the Board is of the opinion that it would be necessary or expedient not to Offer Shares to such Overseas Shareholders, no provisional allotment of Offer Shares will be made to such Overseas Shareholders. Accordingly, the Open Offer will not be extended to the Prohibited Shareholders.

## **Application for excess Offer Shares**

For excess application of Offer Shares, the Company will determine on a fair and equitable basis on the following principles:

- (1) preference will be given to applications for less than a board lot of Offer Shares where they appear to the Directors that such applications are made to round up odd-lot holdings to whole-lot holdings; and
- (2) subject to availability of excess Offer Shares after allocation under principle (1) above, the excess Offer Shares will be allocated to Qualifying Shareholders who have applied for excess application based on a pro-rata basis to the excess Offer Shares applied by them, with board lots allocations to be made on best effort's basis.

## **Application for listing**

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Offer Shares.

## **UNDERWRITING ARRANGEMENT**

### **Underwriting Agreement**

**Date:** 16 October 2007 (after trading hours)

**Underwriter:** Kingston Securities Limited. The Underwriter has acted as placing agent for the Group on four raising activities as shown in the section headed "Fund Raising Activities of the Company in the last 12 months immediately before the date of this Announcement". Other than acting as the placing agent, there are no prior transaction/relationship between the Company and the Underwriter and/or its ultimate beneficial owners.

**Number of Offer Shares underwritten:** Pursuant to the Underwriting Agreement, the Underwriter has conditionally agreed to underwrite the Offer Shares (other than the Offer Shares agreed to be taken up by CSL) which have not been taken up. Accordingly, the Open Offer is fully underwritten.

**Commission:** 2.5% of the aggregate Subscription Price in respect of the maximum number of Offer Shares agreed to be underwritten by the Underwriter, being 343,364,859 Offer Shares.

The Underwriter and its ultimate beneficial owners are Independent Third Parties.

The 2.5% commission payable to each of the Underwriter was determined after arm's length negotiations between the Company and the Underwriter based on normal commercial terms with reference to the market rates.

## **Undertaking given by CSL**

CSL has given the Undertaking in favour of the Company and the Underwriter to subscribe for 138,175,500 Offer Shares to which CSL is entitled under the Open Offer and to submit an excess applications for a maximum of 169,079,628 Offer Shares such that when aggregated with all Shares held by it and its concert parties and taking into account the 138,175,500 Offer Shares agreed to be subscribed by it under the Open Offer, shall not exceed 29.9% of the Company's issued share capital on a fully diluted basis taking into account the Open Offer.

## **Undertakings by holders of Share Options**

All holders of Share Options have given irrevocable undertakings in favour of the Company and the Underwriter not to exercise any of the Share Options held by them before the Record Date. There are total of 239,355,994 Share Options as at the date of this announcement. The Company will procure all grantees of Share Options to be granted before the Record Date, if any, to give irrevocable undertakings in favour of the Company and the Underwriter not to exercise any of the Share Options held by them before the Record Date.

## **Termination of the Underwriting Agreement**

**If, prior to the Latest Time for Termination (provided that for the purposes of the Underwriting Agreement if the date of the Latest Time for Termination shall be a Business Day on which a typical cyclone warning signal no. 8 or above or a black rainstorm warning signal is or remains hoisted in Hong Kong between 9.00 a.m. and 4.00 p.m. on that day, the date of the Latest Time for Termination shall be the next Business Day on which no typical cyclone warning signal no. 8 or above or no black rainstorm warning signal is or remains hoisted in Hong Kong between 9:00 a.m. and 4:00 p.m. on that day):**

- (1) in the reasonable opinion of the Underwriter, the success of the Open Offer would be materially and adversely affected by:**
  - (a) the introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may in the reasonable opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or is materially adverse in the context of the Open Offer; or**
  - (b) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before, and/or after the date hereof) of a political, military, financial, economic or other nature (whether or not ejusdem generis with any of the foregoing), or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets which may, in the reasonable opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or materially and adversely prejudice the success of the Open Offer or otherwise makes it inexpedient or inadvisable to proceed with the Open Offer; or**

- (2) any adverse change in market conditions (including without limitation, any change in fiscal or monetary policy, or foreign exchange or currency markets, suspension or material restriction or trading in securities) occurs which in the reasonable opinion of the Underwriter is likely to materially or adversely affect the success of the Open Offer or otherwise makes it inexpedient or inadvisable to proceed with the Open Offer; or**
- (3) there is any change in the circumstances of the Company or any member of the Group which in the reasonable opinion of the Underwriter will adversely affect the prospects of the Company, including without limiting the generality of the foregoing the presentation of a petition or the passing of a resolution for the liquidation or winding up or similar event occurring in respect of any of member of the Group or the destruction of any material asset of the Group; or**
- (4) any event of force majeure including, without limiting the generality thereof, any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out; or**
- (5) any other material adverse change in relation to the business or the financial or trading position or prospects of the Group as a whole whether or not ejusdem generis with any of the foregoing; or**
- (6) any matter which, had it arisen or been discovered immediately before the date of the Prospectus and not having been disclosed in the Prospectus, would have constituted, in the reasonable opinion of any of the Underwriter, a material omission in the context of the Open Offer; or**
- (7) any suspension in the trading of securities generally or the Company's securities on the Stock Exchange for a period of more than ten consecutive Business Days, excluding any suspension in connection with the clearance of this announcement or the Prospectus Documents or other announcements or circulars in connection with the Open Offer,**

**The Underwriter shall be entitled by notice in writing to the Company, served prior to the Latest Time for Termination, to terminate this Agreement.**

**The Underwriter shall be entitled by notice in writing to rescind the Underwriting Agreement if prior to the Latest Time for Termination:**

- (1) any material breach of any of the representations, warranties or undertakings contained in the Underwriting Agreement comes to the knowledge of the Underwriter; or**
- (2) any Specified Event comes to the knowledge of the Underwriter.**

**Any such notice shall be served by the Underwriter prior to the Latest Time for Termination and thereupon the obligations of all parties under the Underwriting Agreement shall cease and determine and no party shall have any claim against any other party in respect of any matter or thing arising out of and in connection with the Underwriting Agreement and the Open Offer shall not proceed.**



## Conditions of the Open Offer

The Open Offer is conditional upon:

- (1) the delivery to the Stock Exchange for authorisation and the registration with the Registrar of Companies in Hong Kong respectively one copy of each of the Prospectus Documents duly signed by two Directors (or by their agents duly authorised in writing) as having been approved by resolution of the Directors (and all other documents required to be attached thereto) and otherwise in compliance with the Listing Rules and the Companies Ordinance not later than the Prospectus Posting Date;
- (2) the posting of the Prospectus Documents to the Qualifying Shareholders and the posting of the Prospectus and a letter in the agreed form to the Prohibited Shareholders, if any, for information purpose only explaining the circumstances in which they are not permitted to participate in the Open Offer on or before the Prospectus Posting Date;
- (3) the Listing Committee of the Stock Exchange granting or agreeing to grant (subject to allotment) and not having withdrawn or revoked listing of and permission to deal in the Offer Shares by no later than the first day of dealings of the Offer Shares;
- (4) the obligations of the Underwriter becoming unconditional and that the Underwriting Agreement is not terminated in accordance with its terms;
- (5) compliance with and performance of all undertakings and obligations of the Company under the Underwriting Agreement; and
- (6) compliance with and performance of all undertakings and obligations of CSL under the Undertaking and those of Share Option holders relating to non-exercise of Share Options granted.

The Underwriter may at any time by notice in writing to the Company waive the conditions precedent set out in Paragraphs (5). Save and except the conditions precedent set out in Paragraph (5), the other conditions precedent are incapable of being waived. If the conditions precedent are not satisfied and/or waived in whole or in part by the Underwriter by the Latest Time for Termination or such other date as the Company and the Underwriter may agree, the Underwriting Agreement shall terminate and no party shall have any claim against any other party for costs, damages, compensation or otherwise save for any antecedent breaches.

## WARNING OF THE RISK OF DEALING IN THE SHARES

**Shareholders and potential investors should note that the Open Offer is conditional upon the Underwriting Agreement having become unconditional and the Underwriter not having terminated the Underwriting Agreement in accordance with the terms thereof. Accordingly, the Open Offer may or may not proceed.**

**Shareholders and potential investors should therefore exercise extreme caution when dealing in the Shares, and if they are in any doubt about their position, they should consult their professional advisers.**

Shareholders should note that the Shares will be dealt in on an ex-entitlement basis commencing from Tuesday, 13 November 2007 and that dealing in Shares will take place while the conditions to which the Underwriting Agreement is subject remain unfulfilled. Any Shareholder or other person dealing in Shares up to the date on which all conditions to which the Open Offer is subject are fulfilled (which is expected to be on Wednesday, 12 December 2007), will accordingly bear the risk that the Open Offer cannot become unconditional and may not proceed. Any Shareholder or other person contemplating selling or purchasing Shares, who is in any doubt about his/her/its position, is recommended to consult his/her/its own professional adviser.

## SHAREHOLDING STRUCTURE OF THE COMPANY

The following is the shareholding structure of the Company immediately before and after completion of the Open Offer:

	As at the date of this announcement		Immediately after completion of the Open Offer (assuming no Qualifying Shareholders take up his/her/its entitlements under the Open Offer, except that CSL takes up all of its entitlement and Offer Shares under excess application up to holding 29.9% interest in the Company's issued share capital as enlarged by the Open Offer)				Immediately after completion of the Open Offer (assuming all Qualifying Shareholders take up their respective entitlements under the Open Offer)	
	Shares	%	Shares	%	Shares	%		
CSL	276,351,000	21.24	583,606,128	29.90	414,526,500	21.24		
Northbay Investments Holdings Limited*	129,492,174	9.95	129,492,174	6.63	194,238,261	9.95		
The Underwriter	—	0.00	343,364,859	17.59	—	0.00		
Public	<u>895,396,800</u>	<u>68.81</u>	<u>895,396,800</u>	<u>45.88</u>	<u>1,343,095,200</u>	<u>68.81</u>		
	<u>1,301,239,974</u>	<u>100.00</u>	<u>1,951,859,961</u>	<u>100.00</u>	<u>1,951,859,961</u>	<u>100.00</u>		

Note:

\* 35.5% and 64.5% of the shareholding of Northbay Investments Holdings Limited are respectively owned by Asia Vest Partners VII Limited and Asia Vest Partners X Limited, and both of them are indirectly wholly-owned by Mr. Andrew Nan Sherrill through Asia Vest Partners Limited. Northbay Investments Holdings Limited and its ultimate beneficial owner do not hold any management position or directorship in the Company.

## REASONS FOR THE OPEN OFFER AND USE OF PROCEEDS

The principal activities of the Company is investment holding. The Group is principally engaged in the distribution of films, sub-licensing of film rights, sale of financial assets and property investment. The Group will continue with its existing business following the Open Offer.

The estimated net proceeds from the Open Offer will be approximately HK\$189 million. The Board intends to apply such proceeds from the Open Offer for the Acquisition and general working capital of the Group.

The estimated expense in relation to the Open Offer, including financial, legal and other professional advisory fees, underwriting commission, printing and translation expenses, of approximately HK\$6.19 million, will be borne by the Company. Having considered other fund raising alternatives for the Group, including bank borrowings and placing of new Shares, and taking into account the benefits and cost of each of the alternatives, the Open Offer allows the Group to strengthen its balance sheet without facing the increasing interest rates. The Board considers that the Open Offer is in the interest of the Company and the Shareholders as a whole as it offers all the Qualifying Shareholders an equal opportunity to participate in the enlargement of the capital base of the Company and enables the Qualifying Shareholders to maintain their proportionate interests in the Company and continue to participate in the future development of the Company should they wish to do so. **However, those Qualifying Shareholders who do not take up the Offer Shares to which they are entitled should note that their shareholdings in the Company will be diluted.**

**FUND RAISING ACTIVITIES OF THE COMPANY IN THE LAST 12 MONTHS IMMEDIATELY BEFORE THE DATE OF THIS ANNOUNCEMENT**

The following table summaries the capital raising activities of the Group in the last 12 months immediately before the date of this announcement:

<b>Date of announcement</b>	<b>Event</b>	<b>Net Proceeds (approximately)</b>	<b>Intended use of proceeds</b>	<b>Actual use of proceeds as at the date of this announcement</b>
25 July 2007	Placing of 173,000,000 existing Shares and subscription of 173,000,000 new Shares	HK\$139,800,000	For expansion of the property investment business of the Group, including the property set out in the Company's announcement dated 23 July 2007	Fully utilised on the deposit payment on the Acquisition
25 June 2007	Placing of 162,100,000 new Shares under general mandate	HK\$78,900,000	For the expansion of the Group's property investment business	Fully utilised on the deposit payment on the Acquisition
10 April 2007	Placing of 155,620,000 new Shares	HK\$83,300,000	For financing possible diversified investments of the Group and the general working capital of the Group	Fully utilised on the deposit payment on the Acquisition
19 March 2007	Placing of 129,686,000 existing Shares and subscription of 129,686,000 new Shares	HK\$50,500,000	For financing possible diversified investments of the Group and the general working capital of the Group	Fully utilised on the deposit payment on the Acquisition

There has been no change in the above use of proceeds for the captioned raising activities.

The Directors consider the timing of the Open Offer is appropriate as the recent stock market has shown strong sentiment despite the Company already having conducted various fund raising activities in the last 12 months as the Group has capital commitment, in particular, in relation to the Acquisition and the Directors believe that it is an appropriate time to further building up its cash position given the booming market conditions.

The Directors (including the independent non-executive Director (save for Mr. Ho Wai Chi Paul who is currently out of town)) consider that the Open Offer is fair and reasonable and in the interests of the Company and the Shareholders as a whole having taken into account the terms of the Open Offer and the fund raising activities conducted by the Company in the last 12 months.

## **EXPECTED TIMETABLE OF THE OPEN OFFER**

2007

Last day of dealing in Shares on a cum-entitlement basis . . . . .	Monday, 12 November
First day of dealing in Shares on an ex-entitlement basis . . . . .	Tuesday, 13 November
Latest time for lodging transfer of Shares in order . . . . . to be qualified for the Open Offer	4:00 p.m. Wednesday, 14 November
Register of members of the Company closes . . . . .	Thursday, 15 November to Tuesday, 20 November (both dates inclusive)
Record Date . . . . .	Tuesday, 20 November
Register of members for the Shares reopens . . . . .	Wednesday, 21 November
Despatch of Prospectus Documents. . . . .	Thursday, 22 November
Latest time for acceptance of and payment for Offer Shares . . . . .	4:00 p.m. on Friday, 7 December
Latest time for the Open Offer to become unconditional. . . . .	4:00 p.m. on Wednesday, 12 December
Announcement of the results of the Open Offer . . . . .	Friday, 14 December
Despatch of refund cheques in respect of wholly or . . . . . partly unsuccessful excess applications	Tuesday, 18 December
Share certificates for Offer Shares to be posted . . . . .	Tuesday, 18 December
Dealing in fully-paid Offer Shares commences. . . . .	Thursday, 20 December

All times stated in this announcement refer to Hong Kong times. Dates stated in this announcement for events in the timetable are indicative only and may be extended or varied. Any changes to the anticipated timetable for the Open Offer will be announced as appropriate.

## **GENERAL**

The Company will send the Prospectus Documents to the Qualifying Shareholders and, the Overseas Letter together with the Prospectus, for information only, to the Prohibited Shareholders as soon as practicable.

## **SUSPENSION AND RESUMPTION OF TRADING**

At the request of the Company, trading in the Shares on the Stock Exchange was suspended from 9:30 a.m. on 17 October 2007 pending the release of this announcement. Application has been made to the Stock Exchange for the resumption of trading in the Shares with effect from 9:30 a.m. on 22 October 2007.

## **DEFINITIONS**

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings when used herein:

“Acquisition”	the proposed acquisition of 100% equity interest in Modern Vision (Asia) Limited as disclosed in the Company’s announcement dated 23 July 2007
“associates”	has the meaning ascribed to this term under the Listing Rules
“Board”	the board of Directors
“Business Day”	a day (other than a Saturday, Sunday or public holiday) on which licensed banks are generally open for business in Hong Kong throughout their normal business hours
“China Star”	China Star Entertainment Limited, a company incorporated in Bermuda and the issued shares of which are listed on the Main Board of the Stock Exchange
“Companies Ordinance”	the Companies Ordinance, Chapter 32 of the Laws of Hong Kong
“Company”	Riche Multi-Media Holdings Limited, a company incorporated in Bermuda with limited liability and the issued Shares of which are listed on the Main Board of the Stock Exchange
“connected person(s)”	has the meaning ascribed to this term under the Listing Rules
“Convertible Notes”	the convertible notes in the aggregate amount of HK\$447,000,000 to be issued by the Company in relation to the proposed acquisition of a 100% equity interest of Exceptional Gain Profits Limited and a sale loan

“CSL”	Classical Statue Limited, a company incorporated in the British Virgin Islands, a substantial Shareholder and a wholly-owned subsidiary of China Star
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party”	any person or company and their respective ultimate beneficial owner(s), to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are third parties independent of the Company and its connected persons within the meaning of the Listing Rules
“Latest Lodging Date”	4:00 p.m. on Wednesday, 14 November 2007 as the latest time for lodging transfer of Shares in order to qualify for the Open Offer
“Latest Time for Acceptance”	4:00 p.m. on Friday, 7 December 2007 or such later time or date as may be agreed between the Company and the Underwriter, being the latest time for acceptance of, and payment for, the Offer Shares
“Latest Time for Termination”	4:00 p.m. on the third Business Day after the Latest Time for Acceptance or such later time or date as may be agreed between the Company and the Underwriter, being the latest time to terminate the Underwriting Agreement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Offer Share(s)”	650,619,987 new Shares proposed to be offered to the Qualifying Shareholders for subscription on the basis of one Offer Share for every two existing Shares held on the Record Date and payable in full on acceptance pursuant to the Open Offer
“Open Offer”	the proposed issue of the Offer Shares by way of Open Offer to the Qualifying Shareholders on the terms to be set out in the Prospectus Documents and summarised herein
“Overseas Letter”	a letter from the Company to the Prohibited Shareholders explaining the circumstances in which the Prohibited Shareholders are not permitted to participate in the Open Offer
“Overseas Shareholders”	the Shareholders with registered addresses on the register of members of the Company which are outside Hong Kong on the Record Date

“Prohibited Shareholder(s)”	those Overseas Shareholder(s) to whom the Board, after making enquires, considers it necessary or expedient on account either of legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place not to offer the Offer Shares to them
“Prospectus”	the prospectus to be issued by the Company in relation to the Open Offer
“Prospectus Documents”	the Prospectus, the application form in respect of the assured allotment of Offer Shares and the form of application for excess Offer Shares
“Qualifying Shareholders”	the Shareholders, other than the Prohibited Shareholders, whose names appear on the register of members of the Company as at the close of business on the Record Date
“Record Date”	20 November 2007, being the date by reference to which entitlements to the Open Offer will be determined
“Registrar”	Tricor Standard Limited at 26/F., Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong, being the Company’s Hong Kong branch share registrar
“Share(s)”	ordinary share(s) of HK\$0.10 each in the capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Share Options”	options granted under the share option scheme of the Company adopted on 21 January 2002
“Specified Event”	an event occurring or matter arising on or after the date hereof and prior to the Latest Time for Termination which if it had occurred or arisen before the date hereof would have rendered any of the warranties contained in the Underwriting Agreement untrue or incorrect in any material respect
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	the subscription price of HK\$0.30 per Offer Share
“Undertaking”	the undertaking dated 16 October 2007 and given by CSL in favour of the Company and the Underwriter, further details of which are set out in the paragraph headed “Undertaking of CSL” in the section headed “Open Offer “ in this announcement



“Underwriter”	Kingston Securities Limited, a licensed corporation to carry on business in type 1 (dealing in securities) regulated activity under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Underwriting Agreement”	the underwriting agreement dated 16 October 2007 entered into between the Company and the Underwriter in relation to the Open Offer
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

By order of the Board  
**Riche Multi-Media Holdings Limited**  
**Heung Wah Keung**  
*Chairman*

Hong Kong, 18 October 2007

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