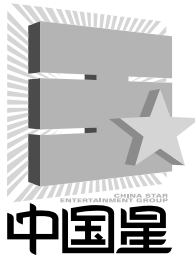


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CHINA STAR ENTERTAINMENT LIMITED

(Incorporated in Bermuda with limited liability)

(Stock code: 326)

DISCLOSEABLE TRANSACTIONS

On 19th March, 2007, Classical Statue entered into the Placing Agreement and the Subscription Agreement with Kingston and Riche respectively pursuant to which Classical Statue has (1) agreed to place, through Kingston on a fully underwritten basis, 1,296,860,000 Placing Shares to independent investors at a price of HK\$0.04 per Placing Share and (2) conditionally agreed to subscribe for 1,296,860,000 Subscription Shares at the Placing Price.

The Placing Shares and the Subscription Shares represent approximately 20% and 20%, respectively, of Riche's existing issued share capital. The Subscription Shares represent approximately 16.67% of Riche's issued share capital as enlarged by the allotment and issue of the Subscription Shares.

The Placing constitutes a discloseable transaction for China Star on the basis that the relevant ratios in relation to the Placing by Classical Statue is between 5% and 25% under Chapter 14 of the Listing Rules.

The Subscription constitutes a discloseable transaction for China Star on the basis that the relevant ratios in relation to the Subscription by Classical Statue is between 5% and 25% under Chapter 14 of the Listing Rules. Following completion of the Subscription, the shareholding percentage of Classical Statue in Riche will increase from approximately 14.43% to 28.69%.

A circular containing details of the Placing and Subscription will be despatched to the Shareholders within 21 days after the publication of this announcement.

Trading in the shares of the Company was suspended at the request of the Company with effect from 9:30 a.m. on 20th March, 2007 pending the release of another announcement on a very substantial disposal, which was also released on the same day as this announcement. Further, the Company has applied for a resumption of trading in its shares with effect from 9:30 a.m. on 22nd March, 2007.

PLACING AGREEMENT DATED 19TH MARCH, 2007

Parties

The parties to the Placing Agreement are:

- (1) Classical Statue, the vendor, is a substantial shareholder of Riche. As at the date of the Placing Agreement, Classical Statue holds 2,232,510,000 Riche Shares, representing approximately 34.43% of the existing issued share capital of Riche; and
- (2) Kingston, the placing agent.

The Placing Agent will receive from Riche a placing commission of 2.5% on the gross proceeds of the Placing.

Placing Agent and Placing Shares

Kingston has agreed to place 1,296,800,000 Placing Shares on a fully underwritten basis. Kingston is not a connected person of China Star under the Listing Rules for the purpose of this transaction.

Placing Price

The Placing Price (or the price of the Subscription Shares) of HK\$0.04 represents (i) a discount of approximately 14.89% of the closing price of HK\$0.047 per Riche Share as quoted on the Stock Exchange on the Last Trading Date; (ii) a discount of approximately 14.53% to the average closing price per Riche Share of approximately HK\$0.0468 as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Date; and (iii) a discount of approximately 29.08% over the average closing price per Riche Share of HK\$0.0564 as quoted on the Stock Exchange for the last ten consecutive trading days up to and including the Last Trading Date.

The Placing Price was determined with reference to the prevailing market price of the Riche Shares and was negotiated on an arm's length basis between Classical Statue and the Placing Agent on 19th March, 2007. The Directors (including the independent non-executive Directors) consider that the terms of the Placing are fair and reasonable based on the prevailing volatile stock market and in the interests of the Company and the Shareholders as a whole.

The gross proceeds of the Placing is approximately HK\$51.87 million and will be settled in cash.

Placees

The placees are expected to be not fewer than six in number and the placees and their ultimate beneficial owners will not be connected persons of the Company and its connected persons.

Completion of the Placing

The Placing is expected to be completed on or about 22nd March, 2007.

Upon completion of the Placing, Classical Statue's interest in Riche will be reduced from approximately 34.43% to 14.43% of the existing issued share capital of Riche.

SUBSCRIPTION AGREEMENT DATED 19TH MARCH, 2007

Parties

The parties to the Subscription Agreement are Classical Statue and Riche.

Classical Statue has agreed, subject to the conditions stated below, to use the proceeds of the Placing to subscribe for the Subscription Shares.

The Subscriber

Classical Statue holds 935,650,000 Riche Shares upon completion of the Placing, representing approximately 14.43% of Riche's existing issued share capital. Upon completion of the Subscription, Classical Statue will hold 2,232,510,000 Riche Shares, representing approximately 28.69% of the then enlarged issued share capital of Riche.

Price of the Subscription Shares

The subscription price is equivalent to the Placing Price of HK\$0.04 per Riche Share.

The Subscription Shares

1,296,860,000 new Riche Shares are to be subscribed, representing approximately 20.00% of Riche's existing issued share capital of 6,484,339,745 Riche Shares, and approximately 16.67% of Riche's issued share capital as enlarged by the allotment and issue of the Subscription Shares.

The Subscription Shares will rank, upon issue, pari passu in all respects with the Riche Shares in issue on the date of allotment and issue of the Subscription Shares.

The 1,296,860,000 Subscription Shares will be allotted and issued pursuant to the general mandate to allot, issue and deal with the Riche Shares granted to the directors of Riche by a resolution passed at the annual general meeting of Riche held on 23rd June, 2006 (the "AGM") subject to the limit up to 20% of the issued share capital of Riche as at the date of passing resolution at the AGM (ie. 1,296,867,949 Riche Shares).

Conditions of the Subscription

The Subscription Agreement is conditional upon:

- (i) completion of the Placing; and
- (ii) listing of, and permission to deal in, the Subscription Shares being granted by the Listing Committee of the Stock Exchange.

Completion of the Subscription

Under Rule 14A.31(3)(d) of the Listing Rules, the Subscription must be completed within 14 days from the date of the Placing Agreement, that is, on or before 2nd April, 2007.

In the event that the conditions to the Subscription Agreement are not fulfilled by 2nd April, 2007, Riche and Classical Statue may elect, subject to compliance with all requirements in relation to connected transactions under the Listing Rules, to postpone completion of the Subscription to a later date to be agreed between Riche and Classical Statue.

INFORMATION ON CHINA STAR AND RICHE

China Star is an investment holding company and its subsidiaries are principally engaged in film production, distribution of film and television drama series, and the provision of post-production services.

Riche and its subsidiaries are principally engaged in the distribution of films, sub-licensing of film rights and property investments.

The net asset value of Riche as at 31st December, 2005 based on its latest published audited accounts is approximately HK\$99,019,000. The net loss before taxation and extraordinary items of Riche for the years ended 31st December, 2005 and 2004 is HK\$29,664,000 and HK\$268,070,000 respectively. The net loss after taxation and extraordinary items of Riche for the years ended 31st December, 2005 and 2004 is HK\$26,664,000 and HK\$268,347,000 respectively.

Based on the latest published interim report of Riche for the period ended 30th June, 2006, the Group is expected to make a deemed disposal loss of approximately HK\$20 million as a result of the Placing and Subscription. This figure may differ from the actual result to be made by the Group upon completion of the Placing and Subscription when the financial information of Riche at the relevant dates are available.

The entry of the Placing Agreement and the Subscription Agreement is to facilitate the fund raising exercise of placing new Riche Shares by Riche.

DISCLOSEABLE TRANSACTIONS

The Placing constitutes a discloseable transaction for China Star on the basis that the relevant ratios in relation to the Placing by Classical Statue is between 5% and 25% under Chapter 14 of the Listing Rules.

The Subscription constitutes a discloseable transaction for China Star on the basis that the relevant ratios in relation to the Subscription by Classical Statue is between 5% and 25% under Chapter 14 of the Listing Rules. Following completion of the Subscription, the shareholding percentage of Classical Statue in Riche will increase from approximately 14.43% to 28.69%.

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TERMS USED IN THIS ANNOUNCEMENT

“associate”	has the meaning ascribed to it in the Listing Rules;
“China Star” or “Company”	China Star Entertainment Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange;
“Classical Statue”	Classical Statue Limited, an indirect wholly owned subsidiary of China Star;
“Director(s)”	director(s) of China Star;
“Group”	the Company and its subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Kingston” or “Placing Agent”	Kingston Securities Limited, a licensed corporation to carry on business in type 1 regulated activities (dealing in securities) under the Securities and Futures Commission (Chapter 571 of the Laws of Hong Kong);
“Last Trading Day”	16th March, 2007, being the last trading day for the dealing of Riche Shares before the date of the Placing Agreement and the Subscription Agreement;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Placing”	the placing of 1,296,860,000 existing Riche Shares beneficially owned by Classical Statue pursuant to the terms of the Placing Agreement;
“Placing Agreement”	the placing agreement entered into between Classical Statue and Kingston dated 19th March, 2007 in relation to the Placing;
“Placing Price”	HK\$0.04 per Placing Share/Subscription Share;
“Placing Shares”	1,296,860,000 Riche Shares to be placed under the Placing;
“Riche”	Riche Multi-Media Holdings Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange;
“Riche Shares”	ordinary shares of nominal value of HK\$0.01 each in the issued share capital of Riche;
“Shareholders”	shareholders of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subscription”	the conditional subscription by Classical Statue for the Subscription Shares pursuant to the Subscription Agreement;
“Subscription Agreement”	the agreement dated 19th March, 2007 entered into between Classical Statue and Riche relating to the subscription of 1,296,860,000 new Riche Shares;

“Subscription Shares” a total of 1,296,860,000 new Riche Shares to be subscribed by Classical Statue pursuant to the Subscription Agreement;

“HK\$” Hong Kong dollars, the lawful currency of Hong Kong; and

“%” per cent.

By Order of the Board
China Star Entertainment Limited
Heung Wah Keung
Chairman

Hong Kong, 21st March, 2007

As at the date of this announcement, the executive Directors are Mr. Heung Wah Keung, Ms. Chen Ming Yin, Tiffany and Ms. Li Yuk Sheung and the independent non-executive Directors are Mr. Hung Cho Sing, Mr. Ho Wai Chi, Paul and Mr. Leung Hok Man.