



RICHE MULTI-MEDIA HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 764)

2007 INTERIM RESULTS ANNOUNCEMENT

INTERIM RESULTS

The board of directors (the “Board”) of Riche Multi-Media Holdings Limited (the “Company”) presents the unaudited condensed consolidated results of the Company and its subsidiaries (the “Group”) for the six months ended 30 June 2007 together with the comparative figures as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

<i>For the six months ended 30 June 2007</i>	<i>Notes</i>	Six months ended 30 June	
		2007	2006
		HK\$'000	HK\$'000
		(Unaudited)	(Unaudited)
Turnover	3	29,191	12,762
Cost of sales		(24,465)	(9,965)
Gross profit		4,726	2,797
Other revenue	4	1,307	3,090
Other income	4	122,593	4,430
Administrative expenses		(15,656)	(8,574)
Share-based payment expenses		(13,688)	—
Loss on disposal of property, plant and equipment		—	(1,034)
Provision for impairment of trade receivables		—	(1,050)
Provision for impairment of deposits, prepayments and other receivables		—	(131)
Profit/(loss) from operations	5	99,282	(472)
Finance costs	6	(8,334)	(668)
Profit/(loss) before taxation		90,948	(1,140)
Taxation	7	—	—
Profit/(loss) for the period		90,948	(1,140)
Attributable to:			
Equity holders of the Company		90,948	(1,140)
Dividend	8	—	—
Earnings/(loss) per share for profit/(loss) attributable to the equity holders of the Company			
— Basic	9	HK12.05 cents	(HK0.22 cents)
— Diluted	9	HK11.96 cents	(HK0.22 cents)

CONDENSED CONSOLIDATED BALANCE SHEET

	At 30 June 2007 <i>HK\$'000</i> (Unaudited)	At 31 December 2006 <i>HK\$'000</i> (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	9,677	2,468
Investment properties	701,079	678,000
Goodwill	77,284	77,284
Available-for-sale financial assets	172	172
	<u>788,212</u>	<u>757,924</u>
Current assets		
Inventories	45,154	45,154
Trade receivables	736	936
Deposits, prepayments and other receivables	14,746	19,254
Financial assets at fair value through profit or loss	19,392	28,100
Tax prepayments	9,720	7,720
Cash and cash equivalents	203,961	63,140
	<u>293,709</u>	<u>164,304</u>
Total assets	<u>1,081,921</u>	<u>922,228</u>
EQUITY		
Capital and reserves attributable to the Company's equity holders		
Share capital	96,614	64,843
Reserves	556,208	334,793
	<u>652,822</u>	<u>399,636</u>
Minority interests	<u>3,896</u>	<u>3,896</u>
	<u>656,718</u>	<u>403,532</u>

	At 30 June 2007 <i>HK\$'000</i> (Unaudited)	At 31 December 2006 <i>HK\$'000</i> (Audited)
LIABILITIES		
Current liabilities		
Accruals and other payables	15,079	20,208
Receipts in advance	60,838	60,898
Amounts due to related companies	600	606
Secured bank loan — due within one year	15,000	5,470
Tax payable	22,969	23,240
	<u>114,486</u>	<u>110,422</u>
Non-current liabilities		
Secured bank loan — due after one year	254,400	351,957
Deferred taxation	56,317	56,317
	<u>310,717</u>	<u>408,274</u>
Total equity and liabilities	<u>1,081,921</u>	<u>922,228</u>
Net current assets	<u>179,223</u>	<u>53,882</u>
Total assets less current liabilities	<u>967,435</u>	<u>811,806</u>

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 the 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 have been prepared on the historical cost basis except for investment properties and financial assets at fair value through profit or loss, 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 used in the preparation of the annual financial statements of the Company and its subsidiaries (the “Group”) for the year ended 31 December 2006.

In the current period, the Group has applied, for the first time, a number of new standards, amendments and interpretations (hereinafter collectively referred to as the “new HKFRSs”) issued by the HKICPA, which are effective for the Group’s accounting period beginning on 1 January 2007. The adoption of the new HKFRSs had no material effect on the results and the financial position of the Group for the current or prior accounting periods.

Standards or interpretations issued but not yet effective

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

HKAS 23 (Revised)	Borrowing Costs ¹
HKFRS 8	Operating Segments ¹
HK (IFRIC) — Int 11	HKFRS 2 — Group and Treasury Share Transactions ²
HK (IFRIC) — Int 12	Service Concession Arrangements ³

¹ Effective for annual periods beginning on or after 1 January 2009

² Effective for annual periods beginning on or after 1 March 2007

³ Effective for annual periods beginning on or after 1 January 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 2007				
	Distribution <i>HK\$'000</i> (Unaudited)	Sub-licensing <i>HK\$'000</i> (Unaudited)	Sales of financial assets <i>HK\$'000</i> (Unaudited)	Property investment <i>HK\$'000</i> (Unaudited)	Consolidated <i>HK\$'000</i> (Unaudited)
Turnover	<u>—</u>	<u>—</u>	<u>27,575</u>	<u>1,616</u>	<u>29,191</u>
Segment profit	<u>—</u>	<u>—</u>	<u>3,230</u>	<u>1,496</u>	4,726
Unallocated other revenue					123,900
Unallocated corporate expenses					<u>(29,344)</u>
Profit from operations					99,282
Finance costs					<u>(8,334)</u>
Profit before taxation					90,948
Taxation					<u>—</u>
Profit for the period					<u>90,948</u>
	Six months ended 30 June 2006				
	Distribution <i>HK\$'000</i> (Unaudited)	Sub-licensing <i>HK\$'000</i> (Unaudited)	Sales of financial assets <i>HK\$'000</i> (Unaudited)	Property investment <i>HK\$'000</i> (Unaudited)	Consolidated <i>HK\$'000</i> (Unaudited)
Turnover	<u>122</u>	<u>200</u>	<u>12,440</u>	<u>—</u>	<u>12,762</u>
Segment (loss)/profit	<u>(1,391)</u>	<u>(10)</u>	<u>3,320</u>	<u>—</u>	1,919
Unallocated other revenue					2,590
Unallocated corporate expenses					<u>(4,981)</u>
Loss from operations					(472)
Finance costs					<u>(668)</u>
Loss before taxation					(1,140)
Taxation					<u>—</u>
Loss for the period					<u>(1,140)</u>

(b) *Geographical segments — Turnover*

Six months ended 30 June	
2007	2006
HK\$'000	HK\$'000
(Unaudited)	(Unaudited)
Hong Kong and Macau	12,762
The People's Republic of China (the "PRC")	—
27,575	
1,616	
29,191	12,762

4. Other revenue and other income

Six months ended 30 June	
2007	2006
HK\$'000	HK\$'000
(Unaudited)	(Unaudited)
Other revenue	
Interest income on bank deposits	2,514
Dividend income from financial assets at fair value through profit or loss	576
Sundry income	—
1,276	
30	
1	
1,307	3,090

Other income

Increase in fair value of financial assets at fair value through profit or loss	4,430
Loan interest waived	—
15,637	
106,956	
122,593	4,430

5. Profit/(loss) from operations

Six months ended 30 June	
2007	2006
HK\$'000	HK\$'000
(Unaudited)	(Unaudited)

**Profit/(loss) from operations has been arrived
at after charging:**

Cost of inventories sold	—	10
Depreciation of property, plant and equipment	708	351
Loss on disposal of property, plant and equipment	—	1,034
Provision for impairment of trade receivables	—	1,050
Provision for impairment of deposits, prepayments and other receivables	—	131
Staff costs including directors' emoluments:		
— Salaries and other allowances	4,299	3,205
— Contributions to retirement benefits scheme	60	62

6. Finance costs

	Six months ended 30 June	
	2007 HK\$'000 (Unaudited)	2006 HK\$'000 (Unaudited)
Interest expenses on borrowings wholly repayable within five years:		
— secured bank loan	8,334	568
— loan payable	—	100
	<u>8,334</u>	<u>668</u>

7. Taxation

No provision for Hong Kong Profits Tax has been made for the period since the Group has no estimated assessable profits (six months ended 30 June 2006: Nil).

No provision for the PRC Enterprise Income Tax was made as the Company's subsidiaries in the PRC did not have taxable income (six months ended 30 June 2006: Nil).

8. Dividend

The directors do not recommend the payment of an interim dividend for the six months ended 30 June 2007 (2006: Nil).

9. Earnings/(loss) per share

	Six months ended 30 June	
	2007 HK\$'000 (Unaudited)	2006 HK\$'000 (Unaudited)
Profit/(loss) attributable to equity holders of the Company for the purposes of basic and diluted earnings/(loss) per share	<u>90,948</u>	<u>(1,140)</u>
	Number of shares '000	'000
Weighted average number of ordinary shares for the purpose of basic earnings/(loss) per share	754,792	522,053
Effect of dilutive potential ordinary shares: Share options	<u>5,639</u>	<u>—</u>
Weighted average number of ordinary shares for the purpose of diluted earnings/(loss) per share	<u>760,431</u>	<u>522,053</u>

The weighted average number of shares for the six months ended 30 June 2006 for the purpose of basic and diluted loss per share has been adjusted to take into effect of the share consolidation that became effective on 21 May 2007.

The computation of diluted loss per share for the six months ended 30 June 2006 did not assume the exercise of the Company's share options as the effect of the assumed exercise of the Company's outstanding share options would be anti-dilutive.

MANAGEMENT DISCUSSION AND ANALYSIS

In view of the persisted difficult market conditions for Hong Kong-made movies in the People's Republic of China (the "PRC"), the Group has slowed down its film distribution business. As a result, no revenue was generated from film distribution business during the period under review.

As the Group's investment properties located at No. 9 Gongyuan Xijie, Dongcheng District, Beijing, the PRC (the "Beijing Property") are under renovation and are expected to become operational in the fourth quarter of 2007, revenue generated from property investment business was not significant during the period under review.

Financial Review

The Group recorded a turnover of HK\$29,191,000 for the six months ended 30 June 2007, a 129% increase from HK\$12,762,000 for the same period of the previous year. Of the total turnover amount, HK\$27,575,000 or 94% was generated from sales of financial assets and HK\$1,616,000 or 6% was generated from property investment. The profit for the six months ended 30 June 2007 amounted to HK\$90,948,000, whereas the Group recorded a loss of HK\$1,140,000 in the previous period. The turnaround was attributable to the recognition of a gain of HK\$106,956,000 arising from the loan interest waived by China Merchants Bank, which was partially offset by the share-based payment expenses of HK\$13,688,000 in relation to share options granted to certain employees and consultants.

Cost of sales for the six months ended 30 June 2007 amounted to HK\$24,465,000, out of which HK\$24,345,000 was related to sales of financial assets and HK\$120,000 was related to property investment.

For the six months ended 30 June 2007, the Group recorded a gross profit of HK\$3,230,000 for sales of financial assets. Taking into account the dividend income of HK\$30,000 and the increase in fair value of financial assets at fair value through profit or loss of HK\$15,637,000, the performance of the Group's sales of financial assets was a profit of HK\$18,897,000. At 30 June 2007, the fair value of the Group's financial assets at fair value through profit or loss amounted to HK\$19,392,000. As the Hong Kong stock market is expected to be volatile in the second half of 2007, the Group does not intend to make any further investment in listed-securities and seeks opportunities to take profit on its investment portfolio.

Gross profit of property investment amounted to HK\$1,496,000 for the six months ended 30 June 2007. As the Beijing Property is currently under renovation, the contribution represented the rental income generated from the leasing of the ground floor of the Beijing Property to a restaurant operator.

Other revenue decreased from HK\$3,090,000 in the six months ended 30 June 2006 to HK\$1,307,000 in the six months ended 30 June 2007. The decrease was mainly attributed to a decrease in interest income on bank deposits of HK\$1,238,000.

During the six months ended 30 June 2007, other income amounted to HK\$122,593,000. It represented the increase in fair value of financial assets at fair value through profit or loss of HK\$15,637,000 and the gain of HK\$106,956,000 arising from the loan interest waived by China Merchants Bank.

Administrative expenses (net of amortisation and depreciation) amounted to HK\$14,948,000 for the six months ended 30 June 2007, an 82% increase from HK\$8,223,000 for the same period of the previous year. The increase was mainly attributed to the Group's expansion into property investment business in 2006.

For the six months ended 30 June 2007, finance costs amounted to HK\$8,334,000, a 1,148% increase as compared to HK\$668,000 for the six months ended 30 June 2006. The significant increase was attributable to the full six-month effect of the interest expense on secured RMB bank loan following the completion of the acquisition of the Beijing Property in June 2006.

During the six months ended 30 June 2007, the Group recorded the share-based payment expenses of HK\$13,688,000 in relation to share options granted to certain employees and consultants.

The headcount of the Group remained at 53 as of 30 June 2007. Total staff costs (including directors' remuneration) amounted to HK\$4,359,000 in the six months ended 30 June 2007, a 33% increase as compared to HK\$3,267,000 for the six months ended 30 June 2006. The increase was attributable to the increase in headcount resulted from the Group's expansion into property investment business in June 2006. Employees are remunerated according to their performance and work experience. In addition to basic salaries and retirement scheme, staff benefits include medical scheme and share options. An analysis of headcount and total staff costs of the Group for the six months ended 30 June 2007 and 2006 is as follows:

	Six months ended 30 June	
	2007	2006
Total staff costs in HK\$		
— Hong Kong and Macau	3,913,000	3,175,000
— the PRC	446,000	92,000
	<u>4,359,000</u>	<u>3,267,000</u>
Headcount		
— Hong Kong and Macau	20	20
— the PRC	33	33
	<u>53</u>	<u>53</u>

In May 2007, the Group entered into a joint venture agreement with Steve Leung Hotel Design and Management Limited (“SLHDML”), a company beneficially owned by Mr. Steve Leung, for the purpose of setting up of a joint venture company, namely Best Season Holdings Corp. (“Best Season”). Best Season is owned as to 75% by the Company and as to 25% by SLHDML. Best Season has been established to invest in, manage and conduct branding for real estate and/or related properties in Macau including but not limited to hotel(s), serviced apartment(s), restaurant(s), retail(s), catering(s), resort(s), club(s), residential(s) and any other service position. During the six months ended 30 June 2007, Best Season has not yet commenced business.

During the six months ended 30 June 2007, the Group funded its operations through a combination of equity attributable to equity holders of the Company, secured RMB bank loan and issuance of new shares. Equity attributable to equity holders of the Company at 30 June 2007 amounted to HK\$652,822,000.

At 30 June 2007, the cash and cash equivalents of the Group amounted to HK\$203,961,000 and the Group’s current ratio was 2.57 (31 December 2006: 1.49).

At 30 June 2007, the total borrowings of the Group amounted to HK\$269,400,000, representing a RMB secured bank loan which is secured by the Beijing Property, interest bearing at 95% of the interest rate prescribed by the People’s Bank of China for loan period of five years and repayable within 4.5 years. The Group expresses its gearing ratio as a percentage of total borrowings over equity attributable to the Company’s equity holders. At 30 June 2007, the Group’s gearing ratio was 41% (31 December 2006: 89%).

On 4 April 2007, the board of directors proposed that every ten issued and unissued ordinary shares of HK\$0.01 each in the share capital of the Company be consolidated into one issued and unissued ordinary share of HK\$0.10 each in the share capital of the Company. The share consolidation became effective on 21 May 2007.

During the six months ended 30 June 2007, the Company issued:

- (i) 1,296,860,000 new shares of HK\$0.01 each at a price of HK\$0.04 per share in March 2007 raising HK\$50,500,000 (net of expenses) for financing possible diversified investments of the Group and general working capital of the Group;
- (ii) 155,620,000 new shares of HK\$0.10 each at a price of HK\$0.55 per share in May 2007 raising HK\$83,300,000 (net of expenses) for financing possible diversified investments of the Group and general working capital of the Group; and
- (iii) 324,000,000 new shares of HK\$0.01 each at an exercise price of HK\$0.047 per share in May 2007 pursuant to the exercise of share options granted to the Group’s employees.

At 30 June 2007, the Beijing Property with a carrying amount of HK\$701,079,000 was pledged to secure the RMB secured bank loan granted to 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 2007, the Group had the following commitments:

- (i) capital expenditures amounting to HK\$31,050,000 in respect of the renovation works of the Beijing Property contracted for but not provided in the unaudited condensed consolidated financial statements; and
- (ii) an unused revolving facility of up to HK\$200,000,000 granted to Best Season, a 75% owned subsidiary of the Company.

At 30 June 2007, the Group had contingent liabilities amounted to HK\$3,697,000 in relation to two litigations against the Group.

Operations Review

In view of the persisted weak demand for Hong Kong-made movies in the PRC and rampant piracy, Hong Kong film production companies adopt a cautious approach in investing films. Accordingly, the number of films produced by Hong Kong film production companies decreased in 2007. The decrease in supply of Hong Kong-made movies caused the Group was not able to secure quality films at reasonable prices. As a result, the Group slowed down its film distribution activities during the period under review. In the six months ended 30 June 2007, no revenue was generated from the Group's film distribution business. However, the Group is actively seeking potential buyers for its film library in order to realise its value.

The Beijing Property is currently under renovation and being transformed from an apartment complex into a high-end serviced apartment. The Group has recently appointed Shama, a boutique provider of serviced apartments, to manage the Beijing Property. To capture the growing tourists and the Olympic teams from various nations for 2008 Beijing Olympic Games, the Beijing Property is scheduled to be operational in the fourth quarter of 2007. The directors expect that the Beijing Property will contribute positively to the Group in the fiscal year of 2008.

Future Prospects

As the operating environment for film distribution in the PRC will not be improved in coming years, the best strategy for the Group is to slow down its film distribution business and seek other suitable investment opportunities to diversify its revenue bases. With the effect of the PRC's accession into the World Trade Organisation in place and 2008 Beijing Olympic Games, Beijing is expected to see an increasing number of expatriates from multinational companies and foreign government institutions, which will lead to continual increase in demand for high-end serviced apartments. Upon the completion of the renovation, the Beijing Property is expected to meet the demand. The directors believe that the Beijing Property enables the Group to diversify its earnings base and provides the Group with a stable source of revenue, which will have a positive impact on the Group's profitability.

Fund Raising Activities

Subsequent to 30 June 2007, the Company conducted the following fund raising activities in order to expand the Group's property investment business:

- (i) On 11 July 2007, the Company issued 162,100,000 new shares at a price of HK\$0.50 each by way of placing of new shares under general mandate raising HK\$78,900,000 (net of expenses). The proceeds are intended to be used for expansion of the Group's property investment business.
- (ii) On 7 August 2007, the Company issued 173,000,000 new shares at a price of HK\$0.83 each by way of top-up placing raising HK\$139,800,000 (net of expenses). The proceeds are intended to be used for expansion of the Group's property investment business.

Proposed Acquisitions

Subsequent to 30 June 2007, the Company entered into the following agreements in order to diversify its revenue bases:

- (i) On 23 July 2007, a conditional sale and purchase agreement was entered into between the Company, Legend Rich Limited, a wholly-owned subsidiary of the Company, and Ms. Chen Ming Yin, Tiffany, an executive director of the Company, in relation to the acquisition of a 100% interest in Modern Vision (Asia) Limited by Legend Rich Limited at a consideration of HK\$684,000,000 (subject to adjustment). The major asset of Modern Vision (Asia) Limited is its indirect 50% interest in a lot of land with the area of 4,669 square meters, named "Lote C7 do Plano de Urbanização da Baía da Praia Grande", located in the Nam Van Lakes Zone, at Avenida Doutor Stanley Ho, registered with the Macau Land and Real Estate Registry under no. 23070. The consideration will be satisfied in cash by the Company. The proposed acquisition constitutes a very substantial acquisition and a connected transaction for the Company under the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). Accordingly, the proposed acquisition is subject to independent shareholders' approval.
- (ii) On 1 August 2007, a conditional sale and purchase agreement was entered into between the Company, Legend Rich Limited and China Star Entertainment Limited, a substantial shareholder of the Company, in relation to the acquisition of a 100% interest in Exceptional Gain Profits Limited and a sale loan by Legend Rich Limited at a consideration of HK\$447,000,000. Exceptional Gain Profits Limited is an investment holding vehicle which indirectly holds a 50% interest in Kingsway Hotel Limited. The consideration will be satisfied by the issue of a convertible note by the Company. The proposed acquisition constitutes a very substantial acquisition and a connected transaction for the Company under the Listing Rules. Accordingly, the proposed acquisition is subject to independent shareholders' approval.

DIVIDEND

The Board does not recommend the payment of any interim dividend for the six months ended 30 June 2007 (2006: Nil).

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has complied with all applicable code provision of the Code on Corporate Governance Practices (the “Code”) as set out in Appendix 14 of the Listing Rules, throughout the six months ended 30 June 2007, except for the following deviations:

1. Code provision A.2.1

Under the code provision A.2.1 of the Code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual and the division of responsibilities between the chairman and chief executive officer should be clearly established and set out in writing. The Company does not maintain the office of chief executive officer, however, the day-to-day management of the Group is responsible by the Vice Chairman. The division of responsibilities between the Chairman and the Vice Chairman has been clearly established and was set out in writing.

2. Code provision A.4.1

Under the code provision A.4.1 of the Code, non-executive directors should be appointed for a specific term and subject to re-election. However, all the non-executive directors 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. The Company considers that sufficient measures have been taken to ensure that the Company’s corporate governance practices are no less exacting than those in the Code.

3. Code provision B.1.4 and C.3.4

Under the code provisions B.1.4 and C.3.4 of the Code, the issuer should make available the terms of reference of its remuneration committee and audit committee on request and by including the information on the issuer’s website. As the Company revamped its website, the above requirement regard to provide such information on website was not met during the six months ended 30 June 2007. However, the terms of reference of the two committees are available on request. As the revamp has recently been completed, the terms of reference of the two committees will be posted on the website in October 2007.

COMPLIANCE WITH THE MODEL 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 2007. The Model Code also applies to other specified senior management of the Group.

REVIEW OF ACCOUNTS

The audit committee has reviewed the interim report and the unaudited condensed consolidated interim financial statements for the six months ended 30 June 2007 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.

BOARD OF DIRECTORS

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

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

The interim report of the Company, which contains all the information required by the Listing Rules, will be published on the website of the Stock Exchange at www.hkex.com and on the website of the Company at www.riche.com.hk in due course.

ACKNOWLEDGEMENT

On behalf of the Board, I would like to express my gratitude and appreciation to my fellow directors, the management and staff for their dedication, loyalty and contribution. In addition, I would like to thank our shareholders for their continuous support.

By order of the Board
Heung Wah Keung
Chairman

Hong Kong, 24 September 2007