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RICHE MULTI-MEDIA HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 764)

ANNOUNCEMENT

This announcement is made at the request of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The board (the "Board") of directors (the "Directors") of Riche Multi-Media Holdings Limited (the "Company") noted today's increase in trading volume and price of the shares of the Company and wish to state that the Company is currently in preliminary negotiations with an independent third party regarding a proposed acquisition ("Proposed Acquisition") of a company which is involved in gaming and entertainment business. The Proposed Acquisition, if it proceeds, would constitute a notifiable transaction for the Company under the Rules Governing the Listing on Securities on the Stock Exchange ("Listing Rules"). No terms and conditions of the Proposed Acquisition have been finalized and no verbal & written agreement has been reached in respect of such negotiation at the moment.

The Directors confirm that save as disclosed above and the Company's announcement dated 21, 23 and 24 December 2004 and circular dated 28 December 2004 in relation to the subdivision of shares, change of board lot size and refreshment of scheme mandate limit under the share option scheme, they are not aware of any reasons for the increase in trading volume and price of the shares of the Company and there are no negotiations or agreements relating to intended acquisitions or realisations which are discloseable under Chapters 14 and 14A of the Listing Rules, neither are the Directors aware of any matter discloseable under the general obligation imposed by rule 13.09 of the Listing Rules, which is or may be of a price-sensitive nature.

The Directors stress that the Proposed Acquisition may or may not proceed. A further announcement will be made by the Company as and when necessary.

Made by the order of the Board, the Directors of which collectively and individually accept responsibility for the accuracy of this announcement.

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

Hong Kong, 17 January 2005

As at the date of this announcement the executive directors of the Company are Mr. Heung Wah Keung, Ms. Chen Ming Yin, Tiffany and Mr. Lei Hong Wai and the independent non-executive directors of the Company are Mr. Lai Hok Lim, Mr. Tang Chak Lam, Gilbert and Mr. Ho Wai Chi, Paul.