



RICHE MULTI-MEDIA HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)
(Stock Code: 764)

(1) PROPOSED SHARE CONSOLIDATION; (2) PLACING OF NEW SHARES SUBJECT TO SHAREHOLDERS' APPROVAL; AND (3) RESUMPTION OF TRADING

Placing Agent



KINGSTON SECURITIES LIMITED

PROPOSED SHARE CONSOLIDATION

The Board proposes that every ten (10) issued and unissued Existing Shares in the share capital of the Company be consolidated into one (1) Consolidated Share.

Based on the existing share capital of the Company and assuming no further Shares will be issued from the date of this announcement up to date of the implementation of the Share Consolidation, the authorised share capital of the Company will remain at HK\$200,000,000 but divided into 2,000,000,000 Consolidated Shares of which 778,119,974 Consolidated Shares will be in issue which are fully paid or credited as fully paid following the implementation of the Share Consolidation.

As at the date of this announcement, Existing Shares are traded in board lots of 10,000 Existing Shares. Following the Share Consolidation, there will be no change to the existing board lot size for share trading. The Consolidated Shares will continue to be traded in board lots of 10,000 Consolidated Shares. Based on the adjusted closing price of HK\$0.64 per Consolidated Share (assuming the Share Consolidation becoming effective) on the Last Trading Date (based on the closing price of HK\$0.064 per Existing Share as quoted on the Stock Exchange on the Last Trading Date), the value of each board lot will be changed from HK\$640 (before the Share Consolidation becoming effective) to HK\$6,400 (assuming the Share Consolidation becoming effective).

The Share Consolidation is conditional upon (i) the passing of the resolution by the Shareholders to approve the Share Consolidation at the SGM and (ii) the Listing Committee of the Stock Exchange granting or agreeing to grant the listing of, and permission to deal in, the Consolidated Shares in issue upon the Share Consolidation becoming effective and any Consolidated Shares which may fall to be issued upon exercise of the Options.

THE PLACING

On 4 April 2007, the Company has conditionally agreed to place, through the Placing Agent on a fully underwritten basis 155,620,000 Placing Shares to independent investors at a price of HK\$0.55 per Placing Share.

As at the date of this announcement, the 155,620,000 Placing Shares represent (i) approximately 19.99% of the issued share capital of the Company of 778,119,974 Consolidated Shares (assuming the Share Consolidation becoming effective) and (ii) approximately 16.67% of the Company's issued share capital of 933,739,974 Consolidated Shares as enlarged by the Placing (assuming the Share Consolidation becoming effective)

The Placing Price of HK\$0.55 represents (i) a discount of approximately 14.06% to the adjusted closing price of HK\$0.64 per Consolidated Share (assuming the Share Consolidation becoming effective) as quoted on the Stock Exchange on the Last Trading Date; (ii) a discount of approximately 4.84% to the adjusted average closing price of approximately HK\$0.578 per Consolidated Share (assuming the Share Consolidation becoming effective) as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Date; and (iii) a premium of approximately 7.0% over the adjusted average closing price of HK\$0.514 per Consolidated Share (assuming the Share Consolidation becoming effective) as quoted on the Stock Exchange for the last ten consecutive trading days up to and including the Last Trading Date.

The net proceeds of approximately HK\$83.30 million from the Placing is intended to be used for financing possible diversified investments of the Group and the general working capital of the Group but the allocation of the net proceeds has not yet been determined. The net proceeds raised per Share upon the completion of the Placing will be approximately HK\$0.535 per Placing Share.

The Placing is conditional upon (i) the Share Consolidation becoming effective; (ii) the passing of the resolution by the Shareholders to approve the allotment, issue and dealing with the Placing Shares under Placing at SGM; (iii) the Listing Committee of the Stock Exchange granting or agreeing to grant the listing of, and permission to deal in, the Placing Shares; and (iv) the obligations of the Placing Agent under the Placing Agreement becoming unconditional and not being terminated in accordance with the terms of the Placing Agreement, including provisions regarding force majeure event.

Completion of Placing is subject to the satisfaction of the conditions precedent in the Placing Agreement.

As the Placing may or may not proceed and is subject to Shareholder's approval, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

GENERAL

A SGM will be convened and held for the Shareholders to consider and, if thought fit, approve the Share Consolidation and the Placing. A circular containing, among other things, the details of (i) the Share Consolidation; (ii) the Placing; and (iii) a notice convening the SGM will be despatched to the Shareholders as soon as possible.

RESUMPTION OF TRADING

At the request of the Company, trading in Shares on the Stock Exchange has been suspended from 9:30 a.m. on 4 April 2007 pending the release of this announcement. Application has been made by the Company to the Stock Exchange for resumption of trading in Shares on the Stock Exchange with effect from 9:30 a.m. on 11 April 2007.

PROPOSED SHARE CONSOLIDATION

The Board proposes that every ten (10) issued and unissued Existing Shares in the share capital of the Company be consolidated into one (1) Consolidated Share.

As at the date of this announcement, the authorised share capital of the Company is HK\$200,000,000 divided into 20,000,000,000 Existing Shares of which 7,781,199,745 Existing Shares have been issued which are fully paid or credited as fully paid. As at the date of this announcement, save for the Options eligible for exercise to subscribe for up to an aggregate of 940,900,000 Existing Shares, there are no other outstanding options, warrants or securities convertible or exchangeable into Shares.

Based on the existing issued share capital of the Company and assuming no further Shares will be issued from the date of this announcement up to date of the implementation of the Share Consolidation, the authorised share capital of the Company will remain at HK\$200,000,000 but divided into 2,000,000,000 Consolidated Shares of which 778,119,974 Consolidated Shares will be in issue which are fully paid or credited as fully paid following the implementation of the Share Consolidation.

Conditions of the Share Consolidation

The implementation of the Share Consolidation is conditional upon:

- (i) the passing of the resolution by the Shareholders to approve the Share Consolidation at the SGM; and
- (ii) the Listing Committee of the Stock Exchange granting or agreeing to grant the listing of, and permission to deal in, the Consolidated Shares in issue upon the Share Consolidation becoming effective and any Consolidated Shares which may fall to be issued upon exercise of the Options.

Subject to the fulfillment of the conditions of the Share Consolidation, the effective date of the Share Consolidation is expected to be on Monday, 21 May 2007, being the business day immediately after the date of the SGM.

Effects of the Share Consolidation

The Consolidated Shares will rank pari passu in all respects with the Existing Shares in issue prior to the Share Consolidation becoming effective and each other and there will be no change in the respective rights of the Shareholders. Fractional Consolidated Shares will not be issued by the Company to the Shareholders. Any fractional entitlements to the Consolidated Shares will be aggregated, sold and retained for the benefit of the Company.

As at the date of this announcement, Existing Shares are traded in board lots of 10,000 Existing Shares. Following the Share Consolidation, there will be no change to the existing board lot size for share trading. The Consolidated Shares will continue to be traded in board lots of 10,000 Consolidated Shares. Based on the adjusted closing price of HK\$0.64 per Consolidated Share (assuming the Share Consolidation becoming effective) on the Last Trading Date (based on the closing price of HK\$0.064 per Existing Share as quoted on the Stock Exchange on the Last Trading Date), the value of each board lot will be changed from HK\$640 (before the Share Consolidation becoming effective) to HK\$6,400 (assuming the Share Consolidation becoming effective).

The effects of the Share Consolidation on the share capital of the Company are set out under the section headed "Effects of the Share Consolidation on the share capital of the Company" in this announcement. Other than the expenses to be incurred by the Company in relation to the Share Consolidation, the implementation thereof will not, by itself, affect the underlying assets, business operations, management or financial position of the Group nor would it affect the interests and rights or the respective shareholdings in the Company of the Shareholders as a whole.

Reasons for the Share Consolidation

Taking into account that the Share Consolidation will increase the nominal value of the Existing Shares and their trading price per board lot, and hence reducing the overall transaction and handling costs for dealings in the Consolidated Shares, and for the compliance with the requirements under Rule 13.64 of the Listing Rules, the Directors are of the view that the Share Consolidation is fair and reasonable, and in the interests of the Company and the Shareholders as a whole.

Application for listing of the Consolidated Shares

Application will be made by the Company to the Listing Committee of the Stock Exchange for the grant of the listing of, and permission to deal in, the Consolidated Shares in issue upon the Share Consolidation becoming effective and any Consolidated Shares which may fall to be issued upon exercise of the Options.

Subject to the granting of the listing of, and permission to deal in, the Consolidated Shares on the Stock Exchange, the Consolidated Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Consolidated Shares on the Stock Exchange or, under contingent situation, such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Arrangement for odd lot trading

In order to facilitate the trading of odd lots (if any) of the Consolidated Shares arising from the Share Consolidation, the Company has appointed Kingston Securities to match the purchase and sale of odd lots of the Consolidated Shares at the relevant market price per Consolidated Share for the period from Monday, 21 May 2007 to Wednesday, 27 June 2007 (both dates inclusive). Holders of odd lots of the Consolidated Shares who wish to take advantage of this facility either to dispose of their odd lots of the Consolidated Shares or top up to a full board lot may, directly or through their brokers, contact Ms. Rosita Kiu (Tel.: 2298-6215 and Fax: 2295-0682) of Kingston Securities during this period. Holders of odd lots of the Consolidated Shares should note that successful matching of the sale and purchase of odd lots of the Consolidated Shares is not guaranteed. Any Shareholder, who is in any doubt about the odd lot facility, is recommended to consult his/her/its own professional advisers.

Exchange of certificates for Consolidated Shares

Subject to the Share Consolidation becoming effective, which is expected to be on Monday, 21 May 2007, being the business day immediately after the date of the SGM, Shareholders may on or after Monday, 21 May 2007 and until 4:00 p.m. on Tuesday, 3 July 2007 (both dates inclusive), deliver their existing share certificates in purple for the Existing Shares to the Registrar for exchange for share certificates in brown for the Consolidated Shares free of charge at the expense of the Company.

Shareholders should note that after the prescribed time for free exchange of share certificates, a fee of HK\$2.50 (or such higher amount as may from time to time be allowed by the Stock Exchange) will be payable by the Shareholders to the Registrar for each new share certificate to be issued.

It is expected that new share certificates for the Consolidated Shares will be available for collection on or after the tenth business day from the date of submission of the certificates for the Existing Shares to the Registrar. Unless otherwise instructed, new share certificates for the Consolidated Shares will be issued in board lots of 10,000 Consolidated Shares.

With effect from Thursday, 28 June 2007, trading will only be in Consolidated Shares which share certificates will be issued in brown. Existing share certificates in purple for the Existing Shares will cease to be marketable and valid for trading and settlement purposes, but will remain valid and effective as documents of title.

Adjustments in relation to the Options

Up to the date of this announcement, there are outstanding Options entitling the holders thereof to subscribe for up to an aggregate of 940,900,000 Existing Shares (equivalent to 94,090,000 Consolidated Shares). The Share Consolidation may cause adjustments to the subscription price and/or the number of Consolidated Shares to be issued under the Options. The Company will appoint the Company’s auditors to review and confirm that the basis of such adjustments to the Options comply with Chapter 17 of the Listing Rules and the supplementary guidance issued by the Stock Exchange on 5 September 2005 and in accordance with the rules of the share option scheme of the Company. The Company will inform the holders of the Options of the adjustment accordingly.

Effects of the Share Consolidation on the share capital of the Company

The following table shows the total authorised share capital of the Company as at the date of this announcement and immediately after the Share Consolidation becoming effective:

	As at the date of this announcement		Immediately after the Share Consolidation becoming effective	
	Existing Shares	HK\$	Consolidated Shares	HK\$
Total authorised	20,000,000,000	200,000,000.00	2,000,000,000	200,000,000.00
Total issued	7,781,199,745	77,811,997.45	778,119,974	77,811,997.40
Total unissued	12,218,800,255	122,188,002.55	1,221,880,026	122,188,002.60

Expected timetable for the Share Consolidation

The expected timetable for the Share Consolidation is as follows:

	2007
Despatch of the circular regarding, among other matters, the Share Consolidation	Wednesday, 2 May
Latest time for lodging the form of proxy for the SGM	11:00 a.m. Wednesday, 16 May
SGM	11:00 a.m. Friday, 18 May
Announcement of results of the SGM	Monday, 21 May
Effective date of the Share Consolidation	Monday, 21 May
Original counter for trading in Existing Shares in board lots of 10,000 Existing Shares (in the form of existing share certificates in purple) temporarily closes	9:30 a.m. Monday, 21 May
Temporary counter for trading in Consolidated Shares in board lots of 1,000 Consolidated Shares (in the form of existing share certificates in purple) opens	9:30 a.m. Monday, 21 May
First day for free exchange of existing share certificates in purple for new share certificates in brown	Monday, 21 May
First day of operation of odd lots trading facility	Monday, 21 May
Original counter for trading in Consolidated Shares in board lots of 10,000 Consolidated Shares (in the form of new share certificates in brown) reopens	9:30 a.m. Tuesday, 5 June
Parallel trading in Consolidated Shares (in the forms of both existing and new share certificates) commences	9:30 a.m. Tuesday, 5 June
Temporary counter for trading in Consolidated Shares in board lots of 1,000 Consolidated Shares (in the form of existing share certificates in purple) closes	4:00 p.m. Wednesday, 27 June
Parallel trading in Consolidated Shares (in the forms of both existing and new share certificates) ends	4:00 p.m. Wednesday, 27 June
Last day of operation of odd lots trading facility	Wednesday, 27 June
Latest time for free exchange of share certificates	4:00 p.m. Tuesday, 3 July

THE PLACING AGREEMENT

Date

4 April 2007

Issuer

The Company

Placing Agent

The Placing Agent has conditionally agreed to place in aggregate of 155,620,000 Placing Shares on a fully underwritten basis and will receive a placing commission of 2.5% on the gross proceeds of the Placing. The Directors (including the independent non-executive Directors) are of the view that the placing commission is fair and reasonable. The Placing Agent and its ultimate beneficial owners are independent of and not connected persons (as defined in the Listing Rules) of the Company and its connected persons (as defined in the Listing Rules).

Placees

The Placing Agent agreed to place the Placing Shares on a fully underwritten basis, to not fewer than six Placees who and whose ultimate beneficial owners will not be connected persons (as defined in the Listing Rules) of the Company and its connected persons (as defined in the Listing Rules). It is not

expected that any individual Placee will become a substantial Shareholder (as defined under the Listing Rules) immediately after the Placing.

Placing Shares

As at the date of this announcement, the 155,620,000 Placing Shares represent (i) approximately 19.99% of the issued share capital of the Company of 778,119,974 Consolidated Shares (assuming the Share Consolidation becoming effective) and (ii) approximately 16.67% of the Company’s issued share capital of 933,739,974 Consolidated Shares as enlarged by the Placing (assuming the Share Consolidation becoming effective);

Ranking of the Placing Shares

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

Placing Price

The Placing Price of HK\$0.55 represents:

- (i) a discount of approximately 14.06% to the adjusted closing price of HK\$0.64 per Consolidated Share (assuming the Share Consolidation becoming effective) as quoted on the Stock Exchange on the Last Trading Date;
- (ii) a discount of approximately 4.84% to the adjusted average closing price of approximately HK\$0.578 per Consolidated Share (assuming the Share Consolidation becoming effective) as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Date; and
- (iii) a premium of approximately 7.0% over the adjusted average closing price of HK\$0.514 per Consolidated Share (assuming the Share Consolidation becoming effective) 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 sluggish Share price and the historical business performance of the Group and was negotiated on an arm’s length basis between the Company and the Placing Agent. The Directors (including the independent non-executive Directors) consider that the terms of the Placing are on normal commercial terms and are fair and reasonable based on the current market conditions and in the interests of the Company and the Shareholders as a whole.

Conditions of the Placing

Completion of the Placing is conditional upon:

- (i) the Share Consolidation becoming effective;
- (ii) the passing of the resolution by the Shareholders to approve the allotment, issue and dealing with the Placing Shares at the SGM;
- (iii) the Listing Committee of the Stock Exchange granting or agreeing to grant the listing of, and permission to deal in, the Placing Shares; and
- (iv) the obligations of the Placing Agent under the Placing Agreement becoming unconditional and not being terminated in accordance with the terms of the Placing Agreement, including provisions regarding force majeure event.

Termination and force majeure

The Placing Agreement may be terminated by the Placing Agent if at any time at or before 10:00 a.m. on the date for completion of the Placing Agreement, there occurs:

- (i) the introduction of any new law or regulation or any change in existing laws or regulations (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may, in the reasonable opinion of the Placing Agent, materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole; or
- (ii) 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 of the Placing Agreement) of a political, military, financial, economic, currency (including a change in the system under which the value of the Hong Kong currency is linked to the currency of the United States of America) or other nature (whether or not sui generis with any of the foregoing), or in the nature of any local, national, international outbreak or escalation of hostilities or armed conflict, or affecting local securities market or the occurrence of any combination of circumstances which may, in the reasonable opinion of the Placing Agent, materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or adversely prejudices the success of the placing of the Shares by potential investor(s) or otherwise makes it inexpedient or inadvisable for the Company or the Placing Agent to proceed with the Placing; or
- (iii) any change in market conditions or combination of circumstances in Hong Kong (including without limitation suspension or material restriction on trading in securities) occurs which affect the success of the Placing (such success being the placing of the Shares to potential investor(s)) or otherwise in the reasonable opinion of the Placing Agent make it inexpedient or inadvisable or inappropriate for the Company or the Placing Agent to proceed with the Placing.

The Directors are not aware of the occurrence of any of such events as at the date of this announcement.

Completion of the Placing

The conditions set out in the Placing Agreement is expected to be fulfilled on or before 31 May 2007, or such later date as may be agreed by the Company and the Placing Agent and the completion of the Placing will take place on or before the fourth business day after the Placing Agreement becomes unconditional.

As the Placing may or may not proceed and is subject to Shareholders’ approval, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

REASONS FOR THE PLACING AND USE OF PROCEEDS

The Directors consider various ways of raising funds. In the view that there are investors showing their interests to invest in the Company, and the Directors consider that the Placing represents an opportunity to raise capital for possible diversified investments of the Group while broadening the Shareholder base and capital base of the Company. Accordingly, the Directors consider the Placing Agreement is in the interests of the Company and the Shareholders as a whole.

The gross proceeds from the Placing will be approximately HK\$85.59 million. The net proceeds of approximately HK\$83.30 million from the Placing is intended to be used for financing possible diversified investments of the Group and the general working capital of the Group but the allocation of the net proceeds has not yet been determined. As at the date of this announcement, no such investment has been identified by the Group. The net proceeds raised per Share upon the completion the Placing will be approximately HK\$0.535 per Placing Share.

FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

Save as disclosed below, the Company has not conducted any fund raising activities in the past twelve months before the date of this announcement:

Date of announcement	Event	Net proceeds (approximately)	Intended use of proceeds	Actual use of proceeds
19 March 2007	Placing of 1,296,860,000 Existing Shares and subscription of 1,296,860,000 new Existing Shares	HK\$50,500,000	For financing possible diversified investments of the Group and the general working capital of the Group	Not yet utilised

EFFECTS ON SHAREHOLDING STRUCTURE

	As at the date of this announcement		Immediately after the Share Consolidation and before the Placing		Immediately after the Share Consolidation and the Placing	
	Existing Shares	Approximate %	Consolidated Shares	Approximate %	Consolidated Shares	Approximate %
Classical Statue Limited (<i>Note 1</i>)	2,232,510,000	28.69%	223,251,000	28.69%	223,251,000	23.91%
Northbay Investments Holdings Limited (<i>Note 2</i>)	1,330,321,745	17.10%	133,032,174	17.10%	133,032,174	14.25%
Top Vision Management Limited (<i>Note 3</i>)	682,000,000	8.76%	68,200,000	8.76%	68,200,000	7.30%
Public:						
— Placees	—	—	—	—	155,620,000	16.67%
— Other public Shareholders	3,536,368,000	45.45%	353,636,800	45.45%	353,636,800	37.87%
	<u>7,781,199,745</u>	<u>100.00%</u>	<u>778,119,974</u>	<u>100.00%</u>	<u>933,739,974</u>	<u>100.00%</u>

Notes:

1. Classical Statue Limited is an indirect wholly-owned subsidiary of China Star Entertainment Limited which is listed on the Stock Exchange.
2. 35.5% and 64.5% of the entire 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 owners do not hold any management position or directorship in the Company.
3. Top Vision Management Limited, which is wholly-owned by Mr. Chan Kam Sum. Top Vision Management Limited and its ultimate beneficial owners do not hold any management position or directorship in the Company.

GENERAL

The Group is principally engaged in the distribution of films, sub-licensing of film rights and property investments. As at the date of this announcement, the existing authorised share capital of the Company consists of 20,000,000,000 Existing Shares out of which 7,781,199,745 Existing Shares are issued and fully paid up or credited as fully paid.

Application will be made by the Company to the Listing Committee of the Stock Exchange for the grant of the listing of, and permission to deal in, the Consolidated Shares and the Placing Shares.

A SGM will be convened and held for the Shareholders to consider and, if thought fit, approve the Share Consolidation and the Placing. A circular containing, among other things, the details of (i) the Share Consolidation; (ii) the Placing; and (iii) a notice convening the SGM will be despatched to the Shareholders as soon as possible.

RESUMPTION OF TRADING

At the request of the Company, trading in Shares on the Stock Exchange has been suspended from 9:30 a.m. on 4 April 2007 pending the release of this announcement. Application has been made by the Company to the Stock Exchange for resumption of trading in Shares on the Stock Exchange with effect from 9:30 a.m. on 11 April 2007.

Terms and definitions

“Board”	the board of Directors
“CCASS”	The Central Clearing and Settlement System established and operated by HKSCC
“Company”	Riche Multi-Media Holdings Limited, a company incorporated in Bermuda with limited liability and the Shares of which are listed on the Stock Exchange
“Consolidated Share(s)”	consolidated ordinary share(s) of HK\$0.10 each in the unissued and issued share capital of the Company upon the Share Consolidation becoming effective
“Director(s)”	director(s) of the Company
“Existing Share(s)”	existing ordinary share(s) of HK\$0.01 each in the unissued and issued share capital of the Company, before the implementation of the Share Consolidation
“Group”	the Company and its subsidiaries
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	Hong Kong Special Administrative Region of the People's Republic of China
“Kingston Securities” or “Placing Agent”	Kingston Securities Limited, a licensed corporation to carry on business in type 1 regulated activity (dealing in securities) under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Last Trading Date”	3 April 2007, being the last trading day for the Shares before the date of this announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Options”	share options issued by the Company under the share option scheme of the Company
“Placee(s)”	any individual(s), institutional or other professional investor(s) or any of their respective subsidiaries or associates procured by the Placing Agent to subscribe for any of the Placing Shares pursuant to the Placing Agent's obligations under the Placing Agreement
“Placing”	placing of 155,620,000 new Consolidated Shares pursuant to the terms of the Placing Agreement
“Placing Agreement”	the conditional placing agreement entered into between the Company and the Placing Agent dated 4 April 2007 in relation to the Placing
“Placing Price”	HK\$ 0.55 per Placing Share
“Placing Shares”	an aggregate of 155,620,000 new Consolidated Shares to be placed pursuant to the Placing Agreement
“Registrar”	Standard Registrars Limited at 26/F, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, the branch share registrar and transfer office of the Company in Hong Kong
“Share(s)”	Existing Share(s) and/or Consolidated Share(s), as the case may be
“Share Consolidation”	the proposed consolidation of every ten (10) unissued and issued Existing Shares of HK\$0.01 each in the share capital of the Company into one (1) Consolidated Share of HK\$0.10 each
“Shareholder(s)”	holder(s) of the Share(s)
“SGM”	the special general meeting of the Company to be convened and held for the Shareholders to consider and, if through fit, approve the Share Consolidation and the Placing
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“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, 10 April 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. Lien Wai Hung and Mr. Ho Wai Chi, Paul.