



OCEAN SHORES GROUP LIMITED
(Incorporated in Bermuda with limited liability)

Proposed change of company name, adoption of Chinese name,
increase in authorized share capital and bonus issue of warrants

The Directors propose to:	
1.	change the name of the Company to “Riche Multi-Media Holdings Limited”,
2.	adopt the Chinese name of “豐采多媒體集團有限公司” as the Chinese name of the Company for registration in Hong Kong,
3.	increase the authorized share capital from HK\$100,000,000 comprising 1,000,000,000 Shares to HK\$200,000,000 comprising 2,000,000,000 Shares by the creation of an additional 1,000,000,000 Shares, and
4.	create and issue Warrants to existing Shareholders (other than Overseas Shareholders) by way of bonus on the basis of one bonus Warrant for every five existing Shares held.
Each of the Proposals is conditional upon, inter alia, Shareholders’ approval at the SGM. A circular containing, inter alia, the details of the Proposals together with a notice of the SGM will be dispatched to Shareholders as soon as practicable.	

1. PROPOSED CHANGE OF COMPANY NAME

The Directors consider that, following the change of control of the Company last year as announced by the Company on 30 August, 2001, it would be appropriate for the Company to adopt a new name. Accordingly, the Directors propose that, subject to the passing of a special resolution by Shareholders at the SGM and the approval of the Registrar of Companies in Bermuda, the name of the Company be changed to “Riche Multi-Media Holdings Limited” to reflect the investment objective and business of the Group which focuses on sub-licensing of video programme rights, distribution of film exhibition and developing the multi-media business.

Effect of the name change

Upon the change of name becoming effective, all existing share certificates bearing the existing name of the Company will continue to be evidence of title to the Shares and to be valid for trading and settlement purposes. Once the change of name has become effective, any new share certificate of the Company will be issued in the new name. A further announcement will be made when the change of name becomes effective.

2. PROPOSED ADOPTION OF CHINESE NAME

As an oversea company is now allowed to register a Chinese name in Hong Kong notwithstanding the fact that only the English name appears in its certificate of incorporation, the Directors propose to seek Shareholders’ approval of the adoption of “豐采多媒體集團有限公司” as the Chinese name of the Company for the purpose of registration in Hong Kong.

Effect of the adoption of the Chinese name

As the proposed adoption of the Chinese name will not have any effect on the rights of the Shareholders, existing share certificates of the Company bearing only the English name of the Company shall continue to be evidence of title to the Shares and be accepted for trading and settlement purposes. Accordingly, there would not be any arrangement for free exchange of share certificates of the Company upon completion of the adoption of the Chinese name.

The adoption of the Chinese name by the Company is subject to the passing of a special resolution by Shareholders at the SGM and the approval of the Registrar of Companies in Hong Kong. A further announcement will be made when the adoption of the Chinese name becomes effective.

3. PROPOSED INCREASE IN THE AUTHORIZED SHARE CAPITAL

In order to accommodate further expansion and growth of the Company (including the issue of Shares upon exercise of the subscription rights attaching to the Warrants), the Directors propose that the authorized share capital of the Company be increased from HK\$100,000,000 comprising 1,000,000,000 Shares to HK\$200,000,000 comprising 2,000,000,000 new Shares by the creation of an additional 1,000,000,000 new Shares, which will rank pari passu with the existing Shares.

4. PROPOSED BONUS WARRANT ISSUE

Basis of issue of bonus Warrants

The Directors recommend a bonus issue of Warrants to existing Shareholders (other than Overseas Shareholders) on the basis of one bonus Warrant for every five Shares held by the Shareholders whose names appear on the Register of Members as at the Record Date.

Number of bonus Warrants to be issued

Based on 475,200,000 Shares in issue as at the date of this announcement, the total number of bonus Warrants to be issued will not exceed 95,040,000 units, entitling the holders thereof to subscribe for up to 95,040,000 Shares, representing 20% of the existing issued share capital of the Company as at the date of this announcement. The Shares which fall to be issued upon exercise of the subscription rights attaching to the Warrants with rank pari passu in all respects with the then existing issued Shares.

Apart from the Shares which may be issued pursuant to the exercise of the options granted and to be granted under the new share option scheme of the Company adopted on 21 January, 2002, and the Shares which may fall to be issued upon conversion of the outstanding convertible notes of the Company (as announced by the Company on 8 February, 2002), there are no other outstanding options or convertible securities of the Company in issue which carry rights to subscribe for Shares.

Subscription price

An initial subscription price of HK\$3.60 for one new Share upon exercise of one bonus Warrant (subject to adjustments). The initial subscription price of HK\$3.60 per new Share represents a premium of approximately 20% to the closing price per Share as quoted on the Stock Exchange of HK\$3.00 on 29 April, 2002 and a premium of 18.81% to the average closing price of HK\$3.03 per Share as quoted on the Stock Exchange for the last 10 trading days prior to and including 29 April, 2002.

Subscription period

The bonus Warrants may be exercised at any time following the day of issue of the bonus Warrants, which is expected to be on 17 June, 2002, and up to 16 June, 2005, both dates inclusive.

Listing and board lot

An application will be made to the Listing Committee of the Stock Exchange for the grant of the listing of, and permission to deal in, the Warrants and the Shares which may fall to be issued upon exercise of the subscription rights attaching to the Warrants on the Stock Exchange. The board lot for trading in the Warrants is proposed to be 2,000 units.

Record Date and closure of Register of Members for Bonus Warrant Issue

The Record Date for ascertaining the entitlement to the bonus Warrants shall be 27 May, 2002. The Register of Members will be closed from 22 May, 2002 to 27 May, 2002, both dates inclusive. No transfer of Shares will be registered during this period.

Shareholders are reminded that in order to qualify for the Bonus Warrant Issue, they must ensure that all forms of transfers accompanied by the relevant share certificates of the Company are lodged with the Company’s branch share registrar in Hong Kong, Standard Registrars Limited at 5th Floor, Wing On Centre, 111 Connaught Road Central, Hong Kong for registration not later than 4:00 p.m. on Tuesday, 21 May, 2002.

Overseas Shareholders

The documents to be issued in relation to the Bonus Warrant Issue will not be registered under any securities legislation of any jurisdiction outside Hong Kong and Bermuda. Overseas Shareholders will not be entitled to the proposed Bonus Warrant Issue whatsoever, and no bonus Warrants will be issued to any Overseas Shareholder as the offering of the Warrants by the Company to such Overseas Shareholder may contravene relevant securities regulations in that shareholder’s country of residence without compliance with applicable registration and/or other requirements.

Arrangements will be made for the Warrants which would otherwise have been issued to the Overseas Shareholders to be sold in the market as soon as practicable if any net proceeds, after deduction of expenses, can be obtained. Any net proceeds of sale, after deduction of expenses, will be distributed in Hong Kong dollars pro rata to such persons and remittances thereof will be posted to them, at their own risk, unless the amount falling to be distributed to any such person is less than HK\$100, in which case it will be retained for the benefit of the Company.

Conditions of the proposed Bonus Warrant Issue

The proposed Bonus Warrant Issue will be conditional upon:

- (a) the approval of Shareholders at the SGM proposed to be held on 27 May, 2002;
- (b) the Listing Committee of the Stock Exchange granting the listing of and permission to deal in the Warrants and any the Shares which may fall to be issued upon exercise of the subscription rights attaching to the Warrants; and
- (c) the Bermuda Monetary Authority granting the permission for the issue of Warrants and the new Shares falling to be issued upon exercise of the subscription rights attaching to the Warrants.

Reasons for the proposed Bonus Warrant Issue

The Directors believe that the proposed Bonus Warrant Issue will provide Shareholders with tradeable securities which would also given them an opportunity to obtain further equity participation in the Company and allow the Company the possibility of raising further equity capital if and when the subscription rights attaching to the Warrants are exercised, thereby enlarging the Company’s shareholder and capital base. The Directors expect that more business opportunities in the video entertainment and multi-media market can be developed in the People’s Republic of China in future by expanding the existing distribution network of the Group.

The Company intends to apply any subscription moneys received as and when the subscription rights attaching to the Warrants (if any) are exercised towards any appropriate investment opportunities then available to the Group and/or general working capital of the Group depending on its requirements at the relevant time. Accordingly, the Directors believe that the Bonus Warrant Issue is beneficial to the Company and the Shareholders as a whole.

Fractions of bonus Warrants

Fractional entitlements to the bonus Warrants (if any) will not be granted to Shareholders but will, where applicable, be aggregated and sold in the market for the benefit of the Company.

Certificates for the bonus Warrants

Subject to the conditions being satisfied, certificates for the bonus Warrants are expected to be despatched to Shareholders (other than Overseas Shareholders) by ordinary post on or before 17 June, 2002.

5. GENERAL

Each of the Proposals is conditional upon, inter alia, Shareholders’ approval at the SGM. A circular containing, inter alia, the details of the Proposals together with a notice of the SGM will be dispatched to Shareholders as soon as practicable.

6. EXPECTED TIMETABLE FOR BONUS WARRANT ISSUE

Despatch of circular	Saturday, 4 May, 2002
Last day of dealings in Shares cum entitlements to the Bonus Warrant Issue	Thursday, 16 May, 2002
First day for dealings in Shares ex-entitlements to the Bonus Warrant Issue	Friday, 17 May, 2002
Latest time for lodging transfers of Shares for entitlements to the Bonus Warrant Issue.	4:00 p.m. on Tuesday, 21 May, 2002
Closure of the Register of Members (both days inclusive) from	Wednesday, 22 May, 2002
to.	Monday, 27 May, 2002
Latest time for lodging proxy forms for SGM.	11:15 a.m. on Saturday, 25 May, 2002
Record Date	Monday, 27 May, 2002
SGM.	11:15 a.m. on Monday, 27 May, 2002 (or so soon thereafter as the annual general meeting of the Company convened for the same day and at the same place shall have concluded or been adjourned)

Despatch of the bonus Warrant certificates on or before	Monday, 17 June, 2002
Commencement of dealings in the bonus Warrants	Thursday, 20 June, 2002

7. DEFINITIONS

“Bonus Warrant Issue”	the conditional bonus issue of Warrants by the Company to Shareholders (other than Overseas Shareholders) as described in this announcement;
“Company”	Ocean Shores Group Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the main board of the Stock Exchange;
“Directors”	the directors of the Company;
“Group”	the company and its subsidiaries;
“Overseas Shareholders”	Shareholders whose addresses as shown on the Register of Members at the close of business on the Record Date are outside Hong Kong;
“Proposals”	collectively, the proposed change of company name, adoption of Chinese name, increase in authorized share capital and the Bonus Warrant Issue;
“Record Date”	27 May, 2002, being the date for determination of entitlements to the Bonus Warrant Issue;
“Register of Members”	register of members of the Company, including the branch register of members of the Company maintained in Hong Kong by Standard Registrar Limited;
“SGM”	a special general meeting of the Company proposed to be held on 27 May, 2002;
“Shareholders”	holders of Shares;
“Shares”	shares of HK\$0.10 each in the share capital of the Company;
“Stock Exchange”	the Stock Exchange of Hong Kong Limited; and
“Warrants”	warrant(s) to be constituted by an instrument by way of deed poll to be executed by the Company and to be issued by the Company under the Bonus Warrant Issue entitling the holders to subscriber up to an aggregate amount of not exceeding HK\$342,144,000 for Shares at an initial subscription price of HK\$3.60 per Share (subject to adjustments).

On behalf of the Board
Heung Wah Keung
Chairman

Hong Kong, 29 April, 2002