

FOR IMMEDIATE RELEASE

For further information contact:
Brad Miller, Investor Relations Director
Country/City Code 8862 Tel: 3518-1107
brad.miller@gigamedia.com.tw

GigaMedia: Exclusive Co-Host of the World Series of MahJong

TAIPEI, Taiwan, December 21, 2006 – GigaMedia Limited (“GigaMedia” or the “Company”) (NASDAQ: GIGM) announced today that it has secured the five-year exclusive co-host role of the MahJong World Championship together with the World MahJong Organization.

The World MahJong Organization is the official international rule-setting body for the game of MahJong. The World MahJong Organization seeks to promote the game of MahJong and establish international competition standards.

“GigaMedia is honored to be selected as the exclusive co-host of the World Series of MahJong,” stated CEO Arthur Wang. “MahJong is the traditional game of choice for over a billion people so we envision a championship as big as the World Series of Poker.”

Pursuant to the partnership agreement, GigaMedia and the World MahJong Organization will together establish and operate a series of regional qualifying tournaments in Asia, Europe and North America, culminating in the grand finale, the MahJong World Championship. GigaMedia plans to include television programming and corporate sponsorships surrounding a multimillion-dollar championship event.

Under the terms of the agreement, all profits from the MahJong World Championship will be divided between GigaMedia and the World MahJong Organization in equal parts.

“Hosting the MahJong World Championship is an integral part of GigaMedia’s strategic plan to bring MahJong to the world in a full range of offerings: play for fun, play for prizes, and play for real money,” added CEO Arthur Wang.

About GigaMedia

GigaMedia Limited (Singapore registration number: 199905474H) is a major provider of online entertainment software and services. GigaMedia develops software for online entertainment services, including the global online gaming market. GigaMedia's FunTown game portal is a leading Asian casual games portal and the world's largest online MahJong game site in terms of revenue. GigaMedia also operates a broadband ISP providing Internet access services to consumers and corporate subscribers in Taiwan. More information on GigaMedia can be obtained from www.gigamedia.com.tw.

About the World MahJong Organization

The World MahJong Organization is the official international rule-setting body for the game of MahJong. The World MahJong Organization seeks to promote the game of MahJong and establish international competition standards. It has hosted successful annual international MahJong tournaments for the past three years. Formed by delegates from eight nations, the World MahJong Organization promulgates the International MahJong Game Rules and the International Mahjong Competition Rules.

The statements included above and elsewhere in this press release that are not historical in nature are "forward-looking statements" within the meaning of the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995. GigaMedia cautions readers that forward-looking statements are based on the Company's current expectations and involve a number of risks and uncertainties. Actual results may differ materially from those contained in such forward-looking statements. Information as to certain factors that could cause actual results to vary can be found in GigaMedia's Annual Report on Form 20-F filed with the United States Securities and Exchange Commission in June 2006.

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