

HITCHINS GROUP LTD. (THE "COMPANY")

(Incorporated in the Republic of Singapore)

(Company Registration No. 196600189D)

THE PROPOSED ALLOTMENT AND ISSUANCE OF UP TO 20,000,000 NEW SHARES AT THE ISSUE PRICE OF S\$0.05 EACH (THE "PLACEMENT SHARES") IN THE CAPITAL OF THE COMPANY TO PLACEES TO BE PROCURED ON A BEST EFFORT BASIS, BY A PLACEMENT AGENT TO BE APPOINTED (THE "PLACEMENT")

- APPOINTMENT OF PLACEMENT AGENT

Capitalised terms not otherwise defined herein shall have the meanings ascribed to them in the announcement made by the Company on 20 September 2006.

The Placement

Further to the announcement made by the Company on 20 September 2006 via the SGXNET relating to, *inter alia*, the Subscription, the Placement and the Rights Issue (the "**Announcement**"), the board of directors (the "**Directors**") of the Company is pleased to announce that the Company has entered into a placement agreement dated 18 January 2007 with UOB Kay Hian Private Limited (the "**Placement Agent**") pursuant to which the Placement Agent shall procure, on a best-effort basis, subscribers for up to 20,000,000 Placement Shares pursuant to the Placement at the issue price of S\$0.05 each. More details on the Placement can be found in the Circular to Shareholders dated 7 December 2006.

Shareholders' Mandate

The Placement Shares will be allotted and issued pursuant to the mandate given to the Directors at the extraordinary general meeting of the Company held on 29 December 2006.

Approval in-principle for the Listing and Quotation of the Placement Shares

As announced by the Company on 1 December 2006, approval in-principle for the listing and quotation of the Placement Shares on the Official list of the SGX-ST Dealing and Automated Quotation System had been granted by the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") on that date. Such in-principle approval by the SGX-ST is not to be taken as an indication of the merits of the Placement or the Placement Shares.

No Prospectus of Offer Information Statement to be Issued

The Placement will be undertaken by way of a private placement in accordance with Section 272B of the Securities and Futures Act, Chapter 289 of Singapore. As such, no prospectus or offer information statement will be lodged with the Monetary Authority of Singapore in connection with the Placement.

Interests of Directors And Substantial Shareholders

None of the Placement Shares will be placed to any person who is a Director or a substantial shareholder of the Company, or any other person in the categories set out in Rule 812(1) of the SGX-ST Listing Manual. None of the Directors or substantial shareholders of the Company or their associates has an interest, direct or indirect, in the Placement.

BY ORDER OF THE BOARD

Submitted by Wong Seong Khuen, Managing Director on 19 January 2007