

HITCHINS GROUP LTD.
(Incorporated in the Republic of Singapore)
(Company Registration No.196600189D)

- (1) THE PROPOSED INVESTMENT IN HITCHINS GROUP LTD. (THE "COMPANY") BY M.E. DEVELOPMENT L.L.C (THE "SUBSCRIBER"):-
 - (A) THE PROPOSED ALLOTMENT AND ISSUANCE OF 120,000,000 NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY ("SHARES") TO THE SUBSCRIBER AT AN ISSUE PRICE OF S\$0.05 EACH FOR AN AGGREGATE CASH CONSIDERATION OF APPROXIMATELY S\$6.00 MILLION (THE "SUBSCRIPTION");
 - (B) THE PROPOSED GRANT TO THE SUBSCRIBER OF AN OPTION TO REQUIRE THE COMPANY TO ALLOT AND ISSUE UP TO 120,000,000 NEW SHARES AT AN ISSUE PRICE OF S\$0.05 EACH (THE "OPTION SHARES") TO THE SUBSCRIBER (THE "CALL OPTION").
- (2) 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 PLACES TO BE PROCURED ON A BEST EFFORT BASIS, BY A PLACEMENT AGENT TO BE APPOINTED (THE "PLACEMENT").
- (3) THE PROPOSED RENOUNCEABLE NON-UNDERWRITTEN RIGHTS ISSUE OF UP TO 126,562,500 NEW SHARES AT AN ISSUE PRICE OF S\$0.05 EACH (THE "RIGHTS SHARES"), ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY TWO (2) EXISTING SHARES HELD BY SHAREHOLDERS OF THE COMPANY ("SHAREHOLDERS") AS AT A BOOKS CLOSURE DATE TO BE DETERMINED BY THE COMPANY, FRACTIONAL ENTITLEMENTS TO BE DISREGARDED (THE "RIGHTS ISSUE").
- (4) THE PROPOSED MODIFICATION TO THE HITCHINS EMPLOYEE SHARE OPTION SCHEME.
- (5) THE PROPOSED CHANGE OF NAME BY THE COMPANY.

- **EXTENSION OF LONG-STOP DATE**

Further to the announcements made by the Company on 20 September 2006 and 1 December 2006, the directors of the Company wish to announce that the Company and the Subscriber had mutually agreed to extend the long stop date for the satisfaction of the conditions precedent set out in the subscription agreement dated 20 September 2006 entered into between the Company and the Subscriber in respect of *inter alia*, the Subscription and the grant of the Call Option, from 31 December 2006 initially to 31 January 2007.

BY ORDER OF THE BOARD

Wong Seong Khuen
Chairman

Singapore
10 January 2007