

HITCHINS GROUP LTD

(the "Company")

(Company Registration No.:196600189D)

(Incorporated in Singapore)

**ACQUISITION OF AN ADDITIONAL 15% SHAREHOLDING IN DAKU ASIA PTE LTD
BY THE COMPANY'S SUBSIDIARY HITCHINS INTERNATIONAL PTE LTD**

The Board of Directors of the Company wishes to announce that the Company's subsidiary Hitchins International Pte Ltd ("Hitchins International") has acquired an additional 15% of Daku Asia Pte Ltd's ("Daku Asia") shareholding for a consideration of S\$1.00 based on a willing buyer and willing seller basis taking into consideration the negative net tangible assets of (S\$2.069) per share, thereby increasing Hitchins International's shareholding in Daku Asia from 60% to 75%.

There is no material effect on the net tangible asset or profit/loss of the Group for the financial year ending 30 June 2006.

None of the Directors or substantial shareholders has any interests, direct or indirect, in the transactions.