



CHALLENGER TECHNOLOGIES LIMITED
(Company Registration No. 198400182K)

PROPOSED RENOUNCEABLE NON-UNDERWRITTEN RIGHTS ISSUE OF UP TO 46,050,000 NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY ("RIGHTS SHARES") AT AN ISSUE PRICE OF S\$0.10 FOR EACH RIGHTS SHARE WITH UP TO 30,700,000 FREE DETACHABLE WARRANTS ("WARRANTS"), EACH WARRANT CARRYING THE RIGHT TO SUBSCRIBE FOR ONE (1) NEW ORDINARY SHARE IN THE CAPITAL OF THE COMPANY ("NEW SHARE") AT AN EXERCISE PRICE OF S\$0.10 FOR EACH NEW SHARE, ON THE BASIS OF THREE (3) RIGHTS SHARES WITH TWO (2) WARRANTS FOR EVERY TEN (10) EXISTING ORDINARY SHARES HELD BY SHAREHOLDERS OF THE COMPANY AS AT THE BOOKS CLOSURE DATE, FRACTIONAL ENTITLEMENTS TO BE DISREGARDED (THE "RIGHTS ISSUE")

RECEIPT OF IN-PRINCIPLE APPROVAL FROM THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED

Further to the announcement on 27 December 2006, the Board of Directors of Challenger Technologies Limited (the "Company") is pleased to announce that the Singapore Exchange Securities Limited ("SGX-ST") has today approved in-principle, the listing and quotation of the following:

- (a) up to 46,050,000 Rights Shares;
- (b) up to 30,700,000 Warrants; and
- (c) up to 30,700,000 New Shares to be issued pursuant to the exercise of the Warrants.

The in-principle approval of the SGX-ST is subject to the following:

- (i) the Company's compliance with the SGX-ST's listing requirements and guidelines;
- (ii) a valid shareholders' mandate being available for the issue of the Rights Shares and the Warrants;
- (iii) the submission of a confirmation by Asian Corporate Advisors Pte Ltd, the Manager for the proposed Rights Issue, that there is a sufficient spread of holdings of the Warrants to provide an orderly market in the Warrants, prior to the listing of the Warrants, if any; and
- (iv) submission of the notification referred to in Rule 864(4) of the SGX-ST's Listing Manual, if applicable, upon any significant changes affecting the matter in the application.

The SGX-ST's in-principle approval is not to be taken as an indication of the merits of the proposed Rights Issue, the Rights Shares, the Warrants, the New Shares, the Company or its subsidiaries.

By Order of the Board

Loo Leong Thye
Chief Executive Officer

7 February 2007