

CHALLENGER TECHNOLOGIES LIMITED
(Company Registration Number 198400182K)
(Incorporated in the Republic of Singapore)

PROPOSED RENOUNCEABLE NON-UNDERWRITTEN RIGHTS ISSUE OF UP TO 46,050,000 NEW ORDINARY SHARES ("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 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 SHARES IN THE COMPANY HELD BY SHAREHOLDERS ("SHAREHOLDERS") AS AT THE BOOKS CLOSURE DATE, FRACTIONAL ENTITLEMENTS TO BE DISREGARDED (THE "RIGHTS ISSUE")

NOTICE OF BOOKS CLOSURE DATE

NOTICE IS HEREBY GIVEN that, the Register of Members and the Share Transfer Books of the Company will be closed at 5.00 p.m. on 12 March 2007 (the "**Books Closure Date**") for the purpose of determining the provisional allotments of Rights Shares with Warrants to Shareholders whose registered addresses with the Company or The Central Depository (Pte) Limited ("**CDP**"), as the case may be, are in Singapore as at the Books Closure Date or who have, at least five (5) market days prior to the Books Closure Date, provided to the Company or CDP, as the case may be, addresses in Singapore for the service of notices and documents (the "**Entitled Shareholders**").

In order to avoid any violation of the relevant legislation applicable in countries other than Singapore, the Rights Shares with Warrants will not be offered to Shareholders with registered addresses outside Singapore as at the Books Closure Date and who have not, at least five (5) market days prior to the Books Closure Date, provided to the Company or CDP, as the case may be, addresses in Singapore for the service of notices and documents ("**Foreign Shareholders**").

Entitled Shareholders (being depositors) whose securities accounts with CDP are credited with Shares in the Company as at 5.00 p.m. on the Books Closure Date will be provisionally allotted the Rights Shares with Warrants under the Rights Issue on the basis of the number of Shares in the Company standing to the credit of their securities account with CDP as at 5.00 p.m. on the Books Closure Date.

Foreign Shareholders (being depositors) may provide CDP at 4 Shenton Way #02-01 SGX Centre 2, Singapore 068807, with an address in Singapore at least five (5) Market Days prior to the Books Closure Date for the service of notices and documents.

Entitled Shareholders (whose Shares in the Company are not registered in the name of CDP) whose names appear in the Register of Members of the Company as at 5.00 p.m. on the Books Closure Date, will be provisionally allotted the Rights Shares with Warrants under the Rights Issue on the basis of the number of Shares in the Company held by them as stated in the Register of Members of the Company as at 5.00 p.m. on the Books Closure Date.

Foreign Shareholders (whose Shares in the Company are not registered in the name of CDP) may provide the Company's Share Registrar Lim Associates (Pte) Ltd at 3 Church Street #08-01 Samsung Hub, Singapore 049483, with an address in Singapore at least five (5) Market Days prior to the Books Closure Date for the service of notices and documents.

Duly completed and stamped transfers (in respect of Shares in the Company are not registered in the name of CDP) together with all relevant documents of title received by the Company's Share Registrar Lim Associates (Pte) Ltd at 3 Church Street #08-01 Samsung Hub, Singapore 049483, up to 5.00 p.m. on the Books Closure Date will, subject to the Articles of Association of the Company, be registered to determine Entitled Shareholders' entitlements under the Rights Issue.

BY ORDER OF THE BOARD

Loo Leong Thye
Chief Executive Officer
Singapore

23 February 2007