

ACQUISITION OF SHARES IN INCALL SYSTEMS PTE LTD

The Board of Directors of Challenger Technologies Limited (the “Company”) wishes to announce that the Company has acquired an aggregate of 210,000 ordinary shares (“Shares”) in the share capital of Incall Systems Pte Ltd (“Incall”), representing 70% of the issued and paid-up capital of Incall, through the purchase of 140,000 Shares from Mr Seah Chin Tiong for a consideration of \$817,122 (the “Sale Shares”) and the subscription of another 70,000 Shares for a consideration of \$70,000. Following the completion of the aforesaid transactions, Incall has become a subsidiary of the Company.

Incall is a private company limited by shares incorporated in Singapore carrying on the business of operating telephonic call centers, event management, direct marketing, database management/profiling and publishing of directories. As at the date of this Announcement, it has an issued and paid-up capital of \$300,000 comprising 300,000 Shares.

The investment in Incall is in line with the business objectives of the Company as Incall’s business would help strengthen the Company’s marketing strategies and would thereby complement the Company’s business.

Incall presently also offers extended warranties for various electrical and IT products through its Star Shield Extended Warranty programme. As the Company is presently the exclusive vendor for these extended warranties, the investment in Incall would also complement the retail business of the Company in this way.

The consideration for the Sale Shares is based on the net profit after tax of Incall for the financial year ended 31 December 2007 and was arrived at on a willing seller – willing buyer basis.

The above transactions are not expected to have any material impact on the earnings per share and the net tangible assets per share of the Company for the financial year ending 31 December 2008.

None of the directors or substantial shareholders of the Company has any interest, direct or indirect, in the above transactions.

By Order of the Board

Loo Leong Thye
Chief Executive Officer