

CHALLENGER TECHNOLOGIES LIMITED

(Incorporated in the Republic of Singapore)

Company Registration No.: 198400182K

PROPOSED BONUS SHARE ISSUE: APPROVAL IN PRINCIPLE FOR THE LISTING AND QUOTATION OF UP TO 115,069,329 BONUS SHARES IN THE CAPITAL OF CHALLENGER TECHNOLOGIES LIMITED

Unless otherwise defined, all capitalised terms shall bear the same meanings as used in the Company's announcement dated 21 February 2011.

Further to the Company's announcement on 21 February 2011 in relation to the Proposed Bonus Share Issue, the Board of Directors of the Company is pleased to announce that the SGX-ST has granted its approval in principle on 1 March 2011 for the listing and quotation of the Bonus Shares on the Official List of the SGX-ST.

The approval in-principle granted by the SGX-ST is subject to, amongst others, the following:

- (a) compliance with the SGX-ST's listing requirements; and
- (b) availability of the Share Issue Mandate for the issue of the Bonus Shares.

The SGX-ST's in-principle approval is not to be taken as an indication of the merits of the Bonus Share Issue, the Bonus Shares, the Company and/or its subsidiaries.

A separate announcement on the Books Closure Date will be issued by the Company.

BY ORDER OF THE BOARD

**LOO LEONG THYE
CHIEF EXECUTIVE OFFICER
2 MARCH 2011**