

Challenger Technologies Limited Establishes Subsidiary

SINGAPORE, 20 September 2004-The Board of Directors of Challenger Technologies Limited ("the Company") announced today that the Company has entered into a Shareholders Agreement with Mr Ng Gak Seng in respect of Challenger Technologies (M) Sdn Bhd ("CTM").

CTM was incorporated in Malaysia and has an authorised and issued and paid-up share capital of RM100,000 divided into 100,000 ordinary shares of RM1.00 each. The Company holds 80% of the issued share capital of CTM, and the remaining 20% is held by Mr Ng Gak Seng, who is not related to any Director or substantial shareholder of the Company.

The principal activity of CTM is to provide IT products and services to its customers in Malaysia. This investment is in line with the Company's plans to expand the business operations to Malaysia, as disclosed in the Company's Prospectus dated 5 January 2004.

Our Chief Executive Officer, Loo Leong Thye, will be appointed chairman of CTM and Mr Ng Gak Seng shall be the Managing Director of CTM.

The investment in CTM was funded through the proceeds of the Company's IPO. The aforesaid transaction is 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 2004.

Except as disclosed above, none of the directors and substantial shareholders of the Company has any interest, direct or indirect, in the transaction.

For additional information, visit www.challengerasia.com.

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