

**CHALLENGER TECHNOLOGIES LIMITED**  
(Company Registration No. 198400182K)

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**ANNOUNCEMENT IN RELATION TO:**

- (I) **PROPOSED SUBSCRIPTION OF SHARES BY CHALLENGE VENTURES PTE. LTD., TAN HUAT BEN AND MAURO MONTANARO IN ANDIOS PTE. LTD.**
  - (II) **RULE 704(18)(D) OF THE LISTING MANUAL OF SGX-ST**
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**1. INTRODUCTION TO THE TRANSACTIONS**

The Board of Directors of Challenger Technologies Limited (the “**Company**”) wishes to announce that the Company’s wholly-owned subsidiary, Challenge Ventures Pte. Ltd. (“**CVPL**”), has on 8 October 2015, entered into the following agreements in relation to its indirect wholly-owned subsidiary, Andios Pte. Ltd. (“**APL**”).

**1.1 The Subscription Agreement**

CVPL had entered into a subscription agreement with APL, Tan Huat Ben and Mauro Montanaro (the “**Subscription Agreement**”) where APL will issue and allot a total of 145,000,000 ordinary shares (the “**New Shares**”) at an issue price of SGD0.01 per share.

1.1.1 CVPL agreed to subscribe and APL agreed to allot and issue an aggregate of 97,000,000 ordinary shares in the capital of APL (the “**Proposed Subscription**”) at a total cash consideration S\$970,000 (“**Consideration**”).

1.1.2 The New Shares will be issued and allotted in three (3) tranches on the respective completion dates (the “**First Completion Date**”, the “**Second Completion Date**” and the “**Third Completion Date**”, as defined in the Subscription Agreement). On First Completion Date, a portion of the New Shares will be issued and allotted in the following manner:-

**First Completion Date**

<u>Name of Allottees</u>	<u>Number of Shares</u>	<u>Consideration</u> (S\$)
CHALLENGE VENTURES PTE. LTD.	29,000,000	290,000
TAN HUAT BEN	10,000,000	100,000
MAURO MONTANARO	6,000,000	60,000

(“**First Tranche**”)

1.1.3 Upon issuance of the New Shares on First Completion Date, APL will no longer be a wholly-owned subsidiary of CVPL. CVPL will hold 68% of the enlarged share capital in APL. The remaining 32% of the enlarged share capital will be held by Tan Huat Ben and Mauro Montanaro, in the portions 20% and 12% respectively.

1.1.4 On the Second Completion Date and the Third Completion Date, subject to the parties to the Subscription Agreement being reasonably satisfied that the Conditions Precedent (as defined in the Subscription Agreement) have been fulfilled or waived and subject to the terms and conditions of the Subscription Agreement, each of the parties will subscribe for further New Shares in APL

on a pro-rata basis. Accordingly, the respective shareholdings of each of the parties in APL will remain unchanged.

1.1.5 Further details of the subscription of New Shares on the Second Completion Date and the Third Completion Date will be released as and when it is appropriate.

## **1.2 Shareholders' Agreement**

Further to the Subscription Agreement, CVPL has entered into a shareholders' agreement with APL and other shareholders of APL to set out and regulate their relationship inter se as shareholders of the Company and the activities thereof.

## **2. INFORMATION OF APL**

APL was incorporated in Singapore on 3 August 2015, and has on the date of the Subscription Agreement a paid up share capital of \$50,000 comprising of 5,000,000 Ordinary Shares. APL is primarily be engaged in the business of software development and online market place for mobile phone and accessories.

## **3. CONSIDERATION**

The Consideration was fully satisfied in cash and financed through internal resources of CVPL. The Consideration was negotiated at arm's length between the parties and arrived at after taking into account, amongst others, the net book value of SGD50,000 as at 9 October 2015 and future growth potential of APL.

## **4. ANNOUNCEMENT PURSUANT TO RULE 704(18)(d) OF THE LISTING MANUAL**

The Board wishes to announce that the subscription of the First Tranche has been completed on 9 October 2015. Following the completion, CVPL's shareholding in APL has been reduced to from 100% to 68%.

## **5. FINANCIAL EFFECTS**

The Proposed Subscription is not expected to have any material impact on the earnings per share and net tangible assets of the Company and the Group for the current financial year.

## **6. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS**

The Director of APL, Tan Huat Ben, is a party to the Subscription Agreement and Shareholders' Agreement. None of the Directors or controlling shareholders of the Company or their associates has any direct or indirect interest in the above Subscription, save in respect of their shareholdings (if any) in the Company.

## **7. DOCUMENTS FOR INSPECTION**

A copy of the Subscription Agreement and Shareholders' Agreement is available for inspection during the normal business hours at the registered office of the Company at 1 Ubi Link, Singapore 408553, for a period of three months from the date of this announcement.

BY ORDER OF THE BOARD

**CHALLENGER TECHNOLOGIES LIMITED**

Loo Leong Thye  
Managing Director  
12 October 2015