

JOINT ANNOUNCEMENT

PROPOSED VOLUNTARY DELISTING OF CHALLENGER TECHNOLOGIES LIMITED

1. INTRODUCTION

- 1.1 Challenger Technologies Limited (the "**Company**") and Digileap Capital Limited (the "**Offeror**") wish to jointly announce that the Offeror has presented to the directors of the Company (the "**Directors**") a formal proposal (the "**Delisting Proposal**") to seek the voluntary delisting of the Company (the "**Delisting**") from the Official List of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") pursuant to Rules 1307 and 1309 of the listing manual of the SGX-ST (the "**Listing Manual**").

Under the Delisting Proposal, DBS Bank Ltd. ("**DBS**") will make, for and on behalf of the Offeror, an exit offer (the "**Exit Offer**") in cash, conditional on the obtaining of the Shareholders' Approval (as defined in paragraph 2.1 below), to acquire all the issued ordinary shares in the capital of the Company ("**Shares**")¹ other than those held by the Company as treasury shares and those held, directly or indirectly, by the Offeror as at the date of the Exit Offer.

- 1.2 The Directors have reviewed the Delisting Proposal and have resolved to (a) apply to the SGX-ST for the Delisting; and (b) subject to the approval of the SGX-ST, convene an extraordinary general meeting of the Company ("**EGM**") to seek the approval of the shareholders of the Company (the "**Shareholders**") for the Delisting pursuant to Rules 1307 and 1309 of the Listing Manual.

2. LISTING MANUAL PROVISIONS PERTAINING TO THE DELISTING

- 2.1 Under Rule 1307 of the Listing Manual, the SGX-ST may agree to an application by the Company to delist from the Official List of the SGX-ST if:

- (a) the Company convenes the EGM to obtain Shareholders' approval for the Delisting;
- (b) the resolution to approve the Delisting (the "**Delisting Resolution**") has been approved by a majority of at least 75% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) held by Shareholders present and voting, on a poll, either in person or by proxy at the EGM (the Directors and controlling Shareholders need not abstain from voting on the Delisting Resolution); and

¹ In this Joint Announcement, unless otherwise stated, each reference to the total number of Shares is a reference to 345,207,961 Shares. The Company does not have any treasury shares.

- (c) the Delisting Resolution has not been voted against by 10% or more of the total number of issued Shares (excluding treasury shares and subsidiary holdings) held by Shareholders present and voting, on a poll, either in person or by proxy at the EGM,

(collectively, the "**Shareholders' Approval**").

2.2 In addition, under Rule 1309 of the Listing Manual, if the Company is seeking to delist from the SGX-ST:

- (a) a reasonable exit alternative, which should normally be in cash, should be offered to the Shareholders; and
- (b) the Company should normally appoint an independent financial adviser to advise on the Exit Offer.

3. **THE DELISTING PROPOSAL**

3.1 Exit Offer Price

The consideration for the Exit Offer payable by the Offeror for all the Shares other than those held as treasury shares and those held, directly or indirectly, by the Offeror as at the date of the Exit Offer ("**Offer Shares**") will be:

For each Offer Share: S\$0.56 in cash (the "<u>Exit Offer Price</u>").
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The Exit Offer Price shall be applicable to any number of Offer Shares that are tendered in acceptance of the Exit Offer. Each Shareholder (other than the members of the Loo Family Group (as defined in paragraph 6.2 below) in respect of their Relevant Shares (as defined in paragraph 6.4(a)(i) below)) who accepts the Exit Offer will receive S\$560 for every 1,000 Offer Shares tendered in acceptance of the Exit Offer.

The Offer Shares will be acquired fully paid and free from all liens, equities, mortgages, charges, encumbrances, rights of pre-emption and other third party rights and interests of any nature whatsoever ("**Encumbrances**"), and together with all rights, benefits and entitlements attached thereto as at the date of this Joint Announcement (the "**Joint Announcement Date**") and thereafter attaching thereto (including the right to receive and retain all dividends, rights and other distributions ("**Distributions**"), if any, which may be announced, declared, paid or made thereon by the Company, on or after the Joint Announcement Date).

Without prejudice to the foregoing, the Exit Offer Price has been determined on the basis that the Offer Shares will be acquired with the right to receive any Distribution that may be declared, paid or made by the Company on or after the Joint Announcement Date.

In the event any Distribution is or has been declared, paid or made by the Company on or after the Joint Announcement Date to a Shareholder who validly accepts or has validly

accepted the Exit Offer, the Exit Offer Price payable to such accepting Shareholder shall be reduced by an amount which is equal to the amount of such Distribution depending on when the settlement date in respect of the Offer Shares tendered in acceptance by such accepting Shareholder pursuant to the Exit Offer falls, as follows:

- (a) if such settlement date falls on or before the books closure date for the determination of entitlements to the Distribution (the "**Books Closure Date**"), the Offeror shall pay the relevant accepting Shareholders the unadjusted Exit Offer Price for each Offer Share, as the Offeror will receive the Distribution in respect of such Offer Shares from the Company; or
- (b) if such settlement date falls after the Books Closure Date, the Exit Offer Price shall be reduced by an amount which is equal to the amount of the Distribution in respect of each Offer Share, as the Offeror will not receive the Distribution in respect of such Offer Shares from the Company.

As stated in the announcement by the Company dated 15 February 2019, the directors of the Company have proposed that a final one-tier tax exempt dividend (the "**FY2018 Dividend**") of S\$0.02 per Share be paid for the financial year ended 31 December 2018. The proposed FY2018 Dividend is subject to the approval of the Shareholders at the forthcoming Annual General Meeting of the Company.

For purely illustrative purposes only, assuming:

- (i) the settlement date in respect of the Offer Shares validly tendered in acceptance of the Exit Offer falls after the Books Closure Date in respect of the FY2018 Dividend; and
- (ii) the amount of the FY2018 Dividend is S\$0.02 per Share,

the Exit Offer Price received by an accepting Shareholder shall be S\$0.54 for each Offer Share.

Further details on the Exit Offer will be set out in the exit offer letter (the "**Exit Offer Letter**") to be issued by the Offeror to the Shareholders containing, *inter alia*, the terms of the Exit Offer and the relevant acceptance form(s).

3.2 Conditions

The Delisting and the Exit Offer will be conditional on:

- (a) the Delisting Resolution being approved by a majority of at least 75% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) held by the Shareholders present and voting, on a poll, either in person or by proxy at the EGM to be convened for the Shareholders to vote on the Delisting Resolution (the Directors and controlling Shareholders need not abstain from voting on the Delisting Resolution); and

- (b) the Delisting Resolution not being voted against by 10% or more of the total number of issued Shares (excluding treasury shares and subsidiary holdings) held by the Shareholders present and voting, on a poll, either in person or by proxy at the EGM,

(collectively, the "**Delisting Resolution Approval Conditions**").

The Company will make an application to the SGX-ST for the Delisting in due course, and subject to the approval of the SGX-ST, will convene an EGM to seek the approval of the Shareholders for the Delisting pursuant to Rules 1307 and 1309 of the Listing Manual.

As at the Joint Announcement Date, the Offeror and parties acting in concert with it hold Shares representing more than 50% of the total number of issued Shares. Accordingly, the Delisting and the Exit Offer will not be conditional upon a minimum number of acceptances being received by the Offeror.

Under Rule 1307(2) of the Listing Manual, the Directors and the controlling Shareholders are not required to abstain from voting on the Delisting Resolution. Accordingly, the Undertaking Shareholders (as defined in paragraph 3.6 below) are entitled to, and have undertaken pursuant to their respective Irrevocable Undertakings (as defined in paragraph 3.6 below) to vote all their Shares in favour of the Delisting Resolution at the EGM and to accept the Exit Offer in respect of all their Shares. The respective shareholdings of the Undertaking Shareholders in the Company are set out in paragraph 6.4(a) of this Joint Announcement. Further details of the Irrevocable Undertakings are set out in paragraphs 3.6 and 6.4(a) of this Joint Announcement.

3.3 Duration

It is intended that the Exit Offer Letter and the relevant acceptance form(s) will be despatched to Shareholders on the same day as the circular to be issued by the Company in connection with the Delisting (the "**Delisting Circular**") containing, *inter alia*, further information on the Delisting Proposal and the terms and conditions of the Exit Offer. The Exit Offer will be open for acceptance by Shareholders from the date of the despatch of the Delisting Circular and Exit Offer Letter and will remain open for a period of at least 14 days after the date of the announcement of the fulfilment of the Delisting Resolution Approval Conditions.

3.4 Acceptances

Shareholders may choose to accept the Exit Offer in respect of all or part of their holdings of Offer Shares. Shareholders may choose to accept the Exit Offer before the EGM. However, such acceptances would be conditional and if the Delisting Resolution is not approved at the EGM, the Delisting Resolution Approval Conditions will not be fulfilled and the Exit Offer will lapse. The Exit Offer will be open for acceptance by Shareholders for a period of at least 14 days after the date of the announcement of the fulfilment of the Delisting Resolution Approval Conditions.

3.5 Warranty

Acceptance of the Exit Offer by a Shareholder will be deemed to constitute an unconditional and irrevocable warranty by that Shareholder that each Share in respect of which the Exit

Offer is accepted is sold by him as, or on behalf of, the beneficial owner(s) thereof, fully paid and free from all Encumbrances, and together with all rights, benefits and entitlements attached thereto as at the Joint Announcement Date and thereafter attaching thereto (including the right to receive and retain all dividends, rights and other distributions, if any, which may be announced, declared, paid or made thereon by the Company on or after the Joint Announcement Date).

3.6 Irrevocable Undertakings

The Offeror has obtained irrevocable undertakings (the "**Irrevocable Undertakings**") from each member of the Loo Family Group and Mr. Ng Leong Hai ("**NLH**") (collectively, the "**Undertaking Shareholders**") pursuant to which they have each undertaken and/or agreed, *inter alia*, to vote all their Shares in favour of the Delisting Resolution and accept the Exit Offer in respect of all their Shares, further details of which are set out in paragraph 6.4(a) below. As at the Joint Announcement Date, the Undertaking Shareholders collectively hold an aggregate of 271,475,450 Shares representing approximately 78.64% of the total number of issued Shares.

The Irrevocable Undertakings shall terminate, lapse and cease to have any effect on the earlier of: (a) the conclusion of the EGM convened to obtain Shareholders' Approval if the Delisting Resolution is not approved at such EGM; and (b) the date on which the Exit Offer (including any revised or improved Exit Offer made by or on behalf of the Offeror) is withdrawn, lapses or closes.

Save as disclosed in this Joint Announcement, none of the Offeror or any party acting in concert with it has received any irrevocable undertaking from any party to accept or reject the Exit Offer as at the Joint Announcement Date.

3.7 Financial Adviser to the Offeror

DBS has been appointed as financial adviser to the Offeror in respect of the Delisting and Exit Offer.

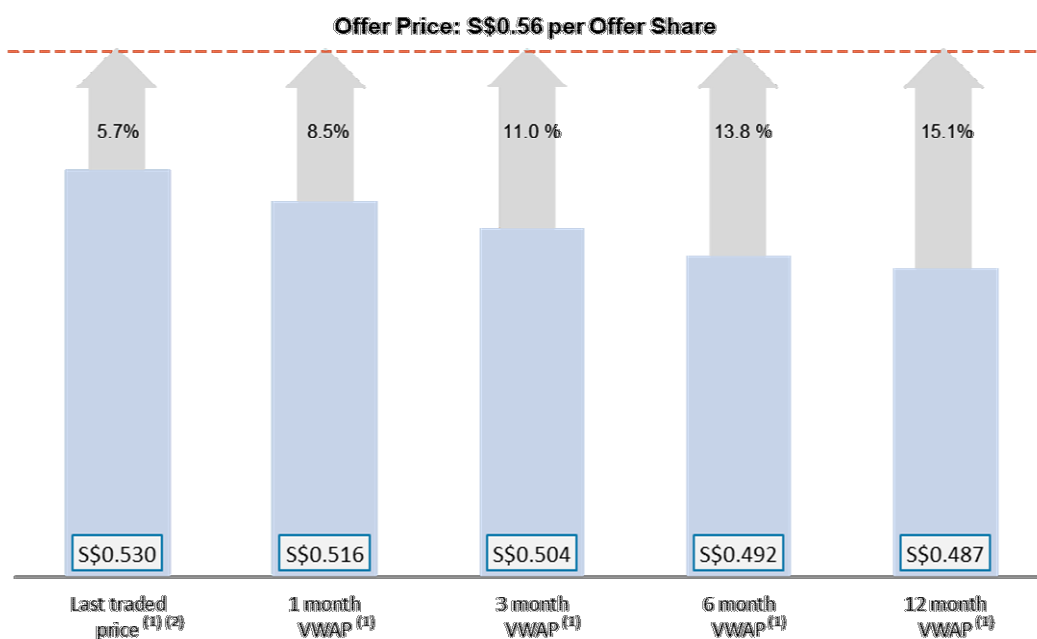
4. **RATIONALE FOR DELISTING AND EXIT OFFER**

4.1 Opportunity for Shareholders who are not prepared to bear the business risks to realise a clean cash exit at a premium

Shareholders who do not wish to bear the business risks outlined above will have an opportunity to realise their investments in the Company for a cash consideration at a premium over the historical transacted prices of the Shares on the SGX-ST, without incurring any brokerage and other trading costs.

- (a) The Exit Offer Price exceeds the highest closing price of the Shares since 9 May 2014, being more than four (4) years prior to the Last Full Market Day (as defined below).

- (b) The Exit Offer Price represents a premium of approximately 5.7% over the last traded price of S\$0.53 per Share on 15 March 2019 (being the last full day of trading in the Shares on the SGX-ST prior to the Joint Announcement Date (the "**Last Full Market Day**") and a premium of approximately 8.5%, 11.0%, 13.8% and 15.1% over the volume weighted average price ("**VWAP**") of the Shares over the one-month, three-month, six-month and 12-month periods respectively up to and including the Last Full Market Day.



Notes:

- (1) The historical market prices and the corresponding premium are computed based on data extracted from Bloomberg L.P.
- (2) Last transacted price per Share on the Last Full Market Day.

- (c) The Exit Offer Price also represents an attractive premium of 110.1% over the latest publicly available net asset value per Share of S\$0.266 as at 31 December 2018 (as reported in the unaudited consolidated financial statements of the Company and its subsidiaries for the full year ended 31 December 2018).

4.2 Opportunity for Shareholders to realise their investments amidst low trading liquidity of Shares

The trading liquidity of the Shares on the SGX-ST in the past year has been generally thin. The average daily trading volume of the Shares for the one-month, three-month, six-month, and 12-month periods prior to and including the Last Full Market Day are as follows:

Period prior to and including the Last Full Market Day	Average Daily Trading Volume ⁽¹⁾	Approximate percentage of total number of Shares ⁽²⁾ (%)
Last one (1) month	55,273	0.016%
Last three (3) months	48,394	0.014%
Last six (6) months	45,990	0.013%

Period prior to and including the Last Full Market Day	Average Daily Trading Volume⁽¹⁾	Approximate percentage of total number of Shares⁽²⁾ (%)
Last 12 months	38,501	0.011%

Source: Bloomberg L.P

Note:

- (1) The average daily trading volume is computed based on the total trading volume of the Shares for all Market Days for the relevant periods immediately prior to and including the Last Full Market Day, divided by the total number of Market Days during the respective periods. "**Market Day**" refers to a day on which the SGX-ST is open for the trading of securities.
- (2) Computed based on 345,207,961 Shares, being the total number of issued Shares as at the Joint Announcement Date.

In view of the low trading liquidity during the periods prior to and including the Last Full Market Day, the Offeror believes that the Exit Offer represents an opportunity for Shareholders to realise their investments in Shares at a price (without incurring any brokerage and other trading costs) which may not otherwise be readily available.

4.3 Greater management flexibility

The Offeror is making the Delisting Proposal and Exit Offer with a view to delisting the Company from the SGX-ST. The Offeror believes that delisting the Company will give the Offeror and the management of the Company more flexibility to manage the business of the Company, optimise the use of its management and capital resources and facilitate the implementation of any operational change without the attendant cost, regulatory restrictions and compliance issues associated with its listed status on the SGX-ST.

4.4 The Company is facing challenges due to weak retail sentiment and industry disruption, and may have to implement changes to its business to navigate the challenging retail environment. Dividends from the Company could be affected during such time

The Company operates in a challenging electrical and electronics retail business environment in Singapore, where the market is saturated and competitive pressures may increase margin pressure. Coupled with weak retail sentiment and industry disruption resulting from the rise in e-commerce, the Company has experienced a consistent decline in revenue over the last five (5) years.

In order to navigate the challenging business environment, the Offeror believes that the Company may have to implement changes to its business, which will require management commitment and allocation of resources in the near to mid-term. During such time, dividends from the Company could be affected.

4.5 No need for access to capital markets

Since 2007, the Company has not carried out any corporate exercise to raise cash funding on the SGX-ST. The Company is also unlikely to require access to Singapore capital markets to

finance its operations in the foreseeable future. Accordingly, it is not necessary for the Company to maintain a listing on the SGX-ST.

4.6 Compliance costs of maintaining listing

In maintaining its listed status, the Company incurs compliance and associated costs. In the event that the Company is delisted from the SGX-ST, the Company will be able to save on expenses relating to the maintenance of a listed status and focus its resources on its business operations.

5. **INFORMATION ON THE COMPANY**

The Company is incorporated in Singapore and listed on the Mainboard of the SGX-ST. The principal activities of the Company and its subsidiaries consist of the sale of information technology products, the supply and installation of electronic signage, and the provision of telephonic call centre and data management services.

As at the Joint Announcement Date, the Directors comprise:

- (a) Mr. Loo Leong Thye (Executive Director and Chief Executive Officer) ("**LLT**");
- (b) Mr. Tan Wee Ko (Executive Director and Chief Financial Officer);
- (c) Mr. Tan Han Beng (Lead Independent Director);
- (d) Mr. Max Ng Chee Weng (Independent Director); and
- (e) Ms. Tan Chay Boon (Independent Director).

6. **INFORMATION ON THE OFFEROR AND PARTIES ACTING IN CONCERT WITH IT**

6.1 The Offeror

The Offeror is a special purpose vehicle incorporated in the Cayman Islands for the purposes of the Delisting and the Exit Offer. Its principal activity is that of investment holding. As at the Joint Announcement Date, 70% of the Offeror is held by Dekatech Investments ("**Loo SPV**") and the remaining 30% is held by Asia Consumer Electronics Limited ("**Dymon SPV**"). The board of directors of the Offeror comprises:

- (a) LLT; and
- (b) Mr. Tan Keng Soon (Keith).

As at the Joint Announcement Date, the Offeror does not own or have control over any Shares.

6.2 Loo SPV and the Loo Family Group

Loo SPV is an investment holding company which is incorporated in the Cayman Islands. Its directors are LLT (Chief Executive Officer and Executive Director of the Company) and Ms Loo Pei Fen (Group Chief Marketing Officer of the Company and daughter of LLT) ("**LPF**"), and its shareholders are (a) LLT, (b) Ms Ong Sock Hwee (spouse of LLT) ("**OSH**"), (c) LPF, and (d) Mr. Loo Wei Kiat (son of LLT) ("**LWK**"). The respective shareholdings of each of LLT, OSH, LPF and LWK (collectively, the "**Loo Family Group**") in Loo SPV are as follows:

LLT	:	76%
OSH	:	18%
LPF	:	5%
LWK	:	1%

As at the Joint Announcement Date, the members of the Loo Family Group have an aggregate interest in 188,407,950 Shares, representing approximately 54.58% of the total number of issued Shares. Loo SPV does not own or have control over any Shares as at the Joint Announcement Date.

6.3 Dymon SPV

Dymon SPV is incorporated in the Cayman Islands, and is the general partner of Asia Consumer Electronics L.P. Dymon SPV is a special purpose vehicle incorporated by Dymon Asia Private Equity (S.E. Asia) Fund II Pte. Ltd. ("**Dymon Asia**") for the purposes of this exercise.

Dymon Asia is managed by Dymon Asia Capital (Singapore) Pte. Ltd., a Singapore-based fund manager licensed by the Monetary Authority of Singapore which manages several alternative investment funds. Dymon Asia has commitments of US\$450 million and invests in small and medium-sized companies across Southeast Asia, concentrating on businesses which have strong business fundamentals and favourable growth prospects.

As at the Joint Announcement Date, Dymon SPV does not own or have control over any Shares.

6.4 Arrangements entered into by the Offeror

For the purposes of making the Exit Offer, the Offeror has entered into the following arrangements:

(a) **Irrevocable Undertakings**

The Offeror has obtained Irrevocable Undertakings from each member of the Loo Family Group, who collectively hold an aggregate of 188,407,950 Shares representing approximately 54.58% of the total number of issued Shares, pursuant to which each member of the Loo Family Group has undertaken and/or agreed, *inter alia*, the following:

- (i) to vote all his/her Shares (the "**Relevant Shares**") in favour of the Delisting Resolution and accept the Exit Offer in respect of all of the Relevant Shares;
- (ii) that the total cash consideration payable by the Offeror to him/her pursuant to his/her acceptance of the Exit Offer in respect of the Relevant Shares will be regarded as an interest-free related party loan (a "**Related Party Loan**") extended by him/her to the Offeror, such that no cash shall be payable by the Offeror to him/her pursuant to his/her acceptance of the Exit Offer in respect of the Relevant Shares; and
- (iii) to waive his/her rights under Rule 30 of the Code (as defined in paragraph 8 below) to receive any cash settlement or payment for his/her acceptance of the Exit Offer in respect of the Relevant Shares.

The Offeror has also obtained an Irrevocable Undertaking from NLH, who holds 83,067,500 Shares representing approximately 24.06% of the total number of issued Shares, pursuant to which NLH has undertaken and/or agreed, *inter alia*, to vote all his Shares in favour of the Delisting Resolution and accept the Exit Offer in respect of all his Shares.

The Irrevocable Undertakings shall terminate, lapse and cease to have any effect on the earlier of: (a) the conclusion of the EGM convened to obtain Shareholders' Approval, if the Delisting Resolution is not approved at such EGM; and (b) the date on which the Exit Offer (including any revised or improved Exit Offer made by or on behalf of the Offeror) is withdrawn, lapses or closes.

The respective shareholdings of each of the Undertaking Shareholders in the Company are set out below:

Name	No. of Shares	(%)
LLT	148,352,250	42.97
OSH	34,924,350	10.12
LPF	4,492,500	1.30
LWK	638,850	0.19
NLH	83,067,500	24.06
TOTAL	271,475,450	78.64

(b) **Shareholders' Agreement**

Loo SPV, Dymon SPV, the members of the Loo Family Group and the Offeror have entered into a shareholders' agreement (the "**Shareholders' Agreement**") in relation to, *inter alia*, the establishment and business of the Offeror and the regulation of the relationship between Loo SPV and Dymon SPV as shareholders of the Offeror and the making of the Exit Offer. The Shareholders' Agreement includes provisions such as those relating to board matters and board and shareholder reserved matters (granting Dymon SPV veto/consent rights on certain board and shareholder matters in relation to the Offeror and its subsidiaries (which will include the Company if it is successfully privatised at the close of the Exit Offer)).

Under the Shareholders' Agreement, the funding required by the Offeror to satisfy all valid acceptances from the Undertaking Shareholders pursuant to the Exit Offer will be provided by way of the Related Party Loans, an interest-free shareholder's loan from Dymon SPV and an external loan from DBS.

7. **COMPULSORY ACQUISITION**

Pursuant to Section 215(1) of the Companies Act (Chapter 50 of Singapore) ("**Companies Act**"), in the event that the Offeror acquires 90% or more of the Shares (other than those already held by the Offeror, its related corporations and their respective nominees as at the date of the Exit Offer and which, for the avoidance of doubt, excludes any issued and paid-up ordinary shares held by the Company as treasury shares), the Offeror would be entitled to exercise the right to compulsorily acquire all the Shares of Shareholders who have not accepted the Exit Offer at a price equal to the Exit Offer Price.

The Offeror intends to make the Company its wholly-owned subsidiary. **Accordingly, when entitled, the Offeror intends to exercise its right of compulsory acquisition under Section 215(1) of the Companies Act.**

In addition, pursuant to Section 215(3) of the Companies Act, if the Offeror acquires such number of Shares which, together with (a) the Shares held by it, its related corporations and their respective nominees, and (b) any issued and paid-up ordinary shares held by the Company as treasury shares, comprise 90% or more of all the Shares and any issued and paid-up ordinary shares held by the Company as treasury shares, Shareholders who have not accepted the Exit Offer have a right to require the Offeror to acquire their Shares at the Exit Offer Price. Shareholders who wish to exercise such a right are advised to seek their own independent legal advice.

8. **RULINGS FROM THE SECURITIES INDUSTRY COUNCIL**

An application was made by the Offeror to the Securities Industry Council ("**SIC**") to seek clarification regarding the extent to which the provisions of the Singapore Code on Take-overs and Mergers (the "**Code**") applied to the Exit Offer. The SIC has ruled, *inter alia*, that:

- (a) the Exit Offer is exempted from compliance with the following provisions of the Code:
 - (i) Rule 20.1 to keep offer open for 14 days after it is revised;
 - (ii) Rule 22 on offer timetable;
 - (iii) Rule 28 on acceptances; and
 - (iv) Rule 29 on the right of acceptors to withdraw their acceptances,

subject to:

- (A) the Exit Offer remaining open for at least:
 - (I) 21 days after the date of the despatch of the Exit Offer Letter if the Exit Offer Letter, together with the relevant acceptance form(s), are despatched after Shareholders' Approval has been obtained; or
 - (II) 14 days after the date of the announcement of Shareholders' Approval if the Exit Offer Letter, together with the relevant acceptance form(s), are despatched on the same date as the Delisting Circular; and
- (B) disclosure in the Delisting Circular of:
 - (I) the consolidated net tangible assets ("**NTA**") per Share of the group comprising the Company, its subsidiaries and associated companies based on the latest published accounts prior to the date of the Delisting Circular; and
 - (II) particulars of all known material changes as of the latest practical date which may affect the consolidated NTA per Share referred to in paragraph 8(a)(B)(I) above or a statement that there are no such known material changes; and
- (b) LLT is exempted from the requirement to make a recommendation to the Shareholders on the Exit Offer, as LLT, being a Director and a party acting in concert with the Offeror, will face an irreconcilable conflict of interest in doing so. Nevertheless, LLT must still assume responsibility for the accuracy of the facts stated in documents or advertisements issued by, or on behalf of, the Company in connection with the Exit Offer.

9. CONFIRMATION OF FINANCIAL RESOURCES

DBS, being the Offeror's financial adviser for the Delisting and in connection with the Exit Offer, has confirmed that, taking into account the Irrevocable Undertakings, sufficient financial resources are available to the Offeror to satisfy in full all acceptances of the Exit Offer on the basis of the Exit Offer Price.

10. DISCLOSURES

- 10.1 As at the Joint Announcement Date, (a) the Offeror and its directors; (b) each member of the Loo Family Group; (c) Loo SPV and its directors; (d) Dymon SPV and its directors; and (e) DBS, as financial adviser to the Offeror (collectively, the "**Relevant Persons**") collectively own, control or have agreed to acquire an aggregate of 271,475,450 Shares, representing approximately 78.64% of the total number of issued Shares.

10.2 Save as disclosed in this Joint Announcement, as at the Joint Announcement Date, none of the Relevant Persons:

- (a) owns, controls or has agreed to acquire any:
 - (i) Shares;
 - (ii) securities which carry voting rights in the Company; or
 - (iii) convertible securities, warrants, options or derivatives in respect of such Shares or securities which carry voting rights in the Company,(collectively, the "**Company Securities**");
- (b) has received any irrevocable undertaking or commitment from any party to accept or reject the Exit Offer;
- (c) has entered into any arrangement (whether by way of option, indemnity or otherwise) in relation to shares of the Offeror or the Company which might be material to the Exit Offer; or
- (d) has:
 - (i) granted a security interest over any Company Securities to another person, whether through a charge, pledge or otherwise;
 - (ii) borrowed from another person any Company Securities (excluding borrowed Company Securities which have been on-lent or sold); or
 - (iii) lent any Company Securities to another person,

save that the Offeror has entered into financing arrangements with DBS for the purposes of the Exit Offer pursuant to which Shares to be acquired by the Offeror will be charged in favour of DBS as security for such financing.

All references to "derivative" in this paragraph shall mean any financial product whose value in whole or in part is determined directly or indirectly by reference to the price of an underlying security or securities, as at the Joint Announcement Date.

10.3 In the interests of confidentiality, the Offeror has not made enquiries in respect of certain other parties who are or may be deemed to be acting in concert with it in connection with the Exit Offer. Similarly, DBS has also not made any enquiries in respect of the other members of DBS Group Holdings Ltd. Further enquiries will be made of such persons and the relevant disclosures, if any, will be made in due course subsequently and in the Exit Offer Letter and/or the Delisting Circular.

11. **INDEPENDENT FINANCIAL ADVISER**

The Company will be appointing an independent financial adviser (the "**IFA**") to advise the Directors who are considered independent for the purposes of the Delisting Proposal and the Exit Offer (the "**Independent Directors**") on the Exit Offer.

12. **OVERSEAS SHAREHOLDERS**

This Joint Announcement does not constitute an offer to sell or the solicitation of an offer to subscribe for or buy any security, nor is it a solicitation of any vote or approval in any jurisdiction, nor shall there be any sale, issuance or transfer of the securities referred to in this Joint Announcement in any jurisdiction in contravention of applicable law. The Exit Offer will be made solely by the Exit Offer Letter and the relevant acceptance form(s) accompanying the Exit Offer Letter, which will contain the full terms and conditions of the Exit Offer, including details of how the Exit Offer may be accepted.

The release, publication or distribution of this Joint Announcement in certain jurisdictions may be restricted by law and therefore persons in any such jurisdictions into which this Joint Announcement is released, published or distributed should inform themselves about and observe such restrictions.

Copies of this Joint Announcement and any formal documentation relating to the Exit Offer are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in or into or from any jurisdiction where the making of or the acceptance of the Exit Offer would violate the applicable law of that jurisdiction ("**Restricted Jurisdiction**") and will not be capable of acceptance by any such use, instrumentality or facility within any Restricted Jurisdiction and persons receiving such documents (including custodians, nominees and trustees) must not mail or otherwise forward, distribute or send them in or into or from any Restricted Jurisdiction. For the avoidance of doubt, the Exit Offer shall be made to all Shareholders including those to whom the Exit Offer Letter and the relevant acceptance form(s) will not be sent.

The Exit Offer (unless otherwise determined by the Offeror and permitted by applicable law and regulation) will not be made, directly or indirectly, in or into, or by the use of mails of, or by any means or instrumentality (including, without limitation, telephonically or electronically) of interstate or foreign commerce of, or any facility of a national, state or other securities exchange of, any Restricted Jurisdiction and the Exit Offer will not be capable of acceptance by any such use, means, instrumentality or facilities.

The ability of the Shareholders who are not resident in Singapore to accept the Exit Offer may be affected by the laws of the relevant jurisdictions in which they are located. Persons who are not resident in Singapore should inform themselves of, and observe, any applicable requirements.

13. FURTHER INFORMATION

No immediate action is required of Shareholders on their part in respect of the Delisting Proposal and the Exit Offer.

The Delisting Circular will be despatched by the Company to Shareholders in due course. The Delisting Circular shall include, *inter alia*, further information regarding the Delisting Proposal, the terms and conditions of the Exit Offer, the advice of the IFA and the recommendation of the Independent Directors regarding the Exit Offer, and a notice of the EGM. The Exit Offer Letter, together with the relevant acceptance form(s), are expected to be despatched by or on behalf of the Offeror to Shareholders on the same day as the Delisting Circular.

In the meantime, Shareholders are advised to exercise caution in their dealings in the Shares and to refrain from taking any action in relation to their Shares which may be prejudicial to their interests. **Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional advisers.**

14. RESPONSIBILITY STATEMENTS

The directors of the Offeror (the "**Offeror Directors**") (including any Offeror Director who may have delegated detailed supervision of this Joint Announcement) have taken all reasonable care to ensure that the facts stated and opinions expressed herein (other than those relating to the Company and any opinion expressed by the Company) are fair and accurate and that no material facts have been omitted from this Joint Announcement, the omission of which would make any statement in this Joint Announcement misleading. Where any information in this Joint Announcement has been extracted or reproduced from published or otherwise publicly available sources or obtained from the Company, the sole responsibility of the Offeror Directors has been to ensure, through reasonable enquiries, that such information has been accurately and correctly extracted from such sources or, as the case may be, accurately reflected or reproduced in this Joint Announcement. The Offeror Directors jointly and severally accept responsibility accordingly.

The Directors (including any Director who may have delegated detailed supervision of this Joint Announcement) have taken all reasonable care to ensure that the facts stated and opinions expressed herein (other than those relating to the Delisting Proposal, the Offeror, and persons acting in concert with it, including the Relevant Persons) are fair and accurate and that no material facts have been omitted from this Joint Announcement, the omission of which would make any statement in this Joint Announcement misleading. Where any information in this Joint Announcement has been extracted or reproduced from published or otherwise publicly available sources or obtained from the Offeror or persons acting in concert with it, including the Relevant Persons, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from such sources or, as the case may be, accurately reflected or reproduced in this Joint Announcement. The Directors jointly and severally accept responsibility accordingly.

BY ORDER OF THE BOARD
CHALLENGER TECHNOLOGIES LIMITED

Mr. Tan Wee Ko
Director
20 March 2019

BY ORDER OF THE BOARD
DIGILEAP CAPITAL LIMITED

Mr. Loo Leong Thye
Director
20 March 2019

Mr. Tan Keng Soon (Keith)
Director
20 March 2019

Any enquiries relating to this Joint Announcement, the Delisting Proposal or the Exit Offer should be directed during office hours to:

DBS Bank Ltd.
Strategic Advisory
Tel: (65) 6878 6212

Forward-Looking Statements

All statements other than statements of historical facts included in this Joint Announcement are or may be forward-looking statements. Forward-looking statements include but are not limited to those using words such as "seek", "expect", "anticipate", "estimate", "believe", "intend", "project", "plan", "strategy", "forecast" and similar expressions or future or conditional verbs such as "will", "would", "should", "could", "may" and "might". These statements reflect the current expectations, beliefs, hopes, intentions or strategies of the party making the statements regarding the future and assumptions in light of currently available information. Such forward-looking statements are not guarantees of future performance or events and involve known and unknown risks and uncertainties. Accordingly, actual results may differ materially from those described in such forward-looking statements. Shareholders and investors should not place undue reliance on such forward-looking statements, and none of the Company, the Directors, the Offeror, the Offeror Directors or DBS undertakes any obligation to update publicly or revise any forward-looking statements.

Disclosure of Dealings

The associates (as defined under the Code, and which includes all substantial shareholders) of the Company and the Offeror are hereby reminded to disclose their dealings in any securities of the Company in accordance with Rule 12 of the Code.