

## EXIT OFFER

in connection with

### THE PROPOSED VOLUNTARY DELISTING OF CHALLENGER TECHNOLOGIES LIMITED

by



#### DBS BANK LTD.

(Company Registration No.: 196800306E)  
(Incorporated in the Republic of Singapore)

for and on behalf of

#### DIGILEAP CAPITAL LIMITED

(Company Registration No.: 347926)  
(Incorporated in the Cayman Islands)

to acquire all the issued ordinary shares in the capital of

#### CHALLENGER TECHNOLOGIES LIMITED

(Company Registration No.: 198400182K)  
(Incorporated in the Republic of Singapore)

#### DESPATCH OF EXIT OFFER LETTER NO REVISION OF EXIT OFFER PRICE

## 1. INTRODUCTION

DBS Bank Ltd. ("**DBS**") refers to:

- (a) the joint announcement released by Challenger Technologies Limited (the "**Company**") and Digileap Capital Limited (the "**Offeror**") on 20 March 2019 (the "**Joint Announcement**") in connection with the 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**") and the exit offer (the "**Exit Offer**") in cash to be made by DBS, for and on behalf of the Offeror, to acquire all the issued ordinary shares in the capital of the Company ("**Shares**")<sup>1</sup>, 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 ("**Offer Shares**"); and

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<sup>1</sup> In this Announcement, unless otherwise stated, each reference to the total number of Shares is a reference to 345,207,961 Shares as at 4 June 2019, being the latest practicable date prior to the printing of the Exit Offer Letter. The Company does not have any treasury shares.

- (b) the announcement made by the Company today in relation to the despatch of the circular to the shareholders of the Company ("**Shareholders**") containing, *inter alia*, further information on the Delisting and the Exit Offer (the "**Delisting Circular**").

All capitalised terms used but not defined in this announcement ("**Announcement**") shall have the same meanings given to them in the Joint Announcement, unless otherwise expressly stated or the context otherwise requires.

## 2. **DESPATCH OF EXIT OFFER LETTER AND ACCEPTANCE FORMS**

The exit offer letter dated 12 June 2019 issued by DBS, for and on behalf of the Offeror, to the Shareholders containing, *inter alia*, the terms of the Exit Offer (the "**Exit Offer Letter**"), together with the Form of Acceptance and Authorisation ("**FAA**") for Offer Shares and/or the Form of Authorisation and Transfer ("**FAT**") for Offer Shares, as the case may be (collectively, the "**Acceptance Forms**"), will be despatched to the Shareholders today.

Copies of the Exit Offer Letter, the Acceptance Forms and the Delisting Circular are attached to this Announcement, and are also available on the website of the SGX-ST at [www.sgx.com](http://www.sgx.com).

Shareholders are advised to read the Exit Offer Letter and the Delisting Circular (including (a) the advice of Deloitte & Touche Corporate Finance Pte. Ltd., the independent financial adviser to the directors of the Company (the "**Directors**") who are considered to be independent for the purposes of making recommendations to the Shareholders ("**Non-conflicted Directors**") on the Delisting and the Exit Offer, and (b) the recommendations of the Non-conflicted Directors on the Delisting and the Exit Offer) carefully and in their respective entirety.

If any Shareholder is in doubt as to any of the matters referred to in the Exit Offer Letter and/or the course of action he should take, he should consult his stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

## 3. **NO REVISION OF EXIT OFFER PRICE**

### 3.1 **No Revision of Exit Offer Price**

DBS, for and on behalf of the Offeror, wishes to announce that **the Offeror does not intend to revise the Exit Offer Price**. Therefore, in accordance with Rule 20.2 of the Code, the Offeror will not be allowed to subsequently amend the terms of the Exit Offer, including the Exit Offer Price, in any way.

As stated in the Joint Announcement and the Exit Offer Letter, the Exit Offer Price of S\$0.560 for each Offer Share, which is the Exit Offer Price before the final one-tier tax exempt dividend (the "**FY2018 Final Dividend**") of S\$0.020 per Share for the financial year ended 31 December 2018 was paid out on 3 June 2019, was determined on the basis that the Offer Shares will be acquired with the right to receive and retain all Distributions, if any, which may be announced, declared, paid or made thereon by the Company on or after the Joint Announcement Date.

As the FY2018 Dividend of S\$0.020 per Share was approved by the Shareholders at the Annual General Meeting of the Company held on 29 April 2019 and paid by the Company to Shareholders on 3 June 2019, the Exit Offer Price payable to a Shareholder who validly accepts the Exit Offer will be reduced by the amount of the FY2018 Final Dividend to **S\$0.540 for each Offer Share**.

**Shareholders are advised to exercise caution when dealing in their Shares and refrain from taking any action in relation to their Shares which may be prejudicial to their interests. Shareholders who are in any doubt about the Exit Offer or the action they should take should consult their stockbroker, bank manager, solicitor or other professional adviser immediately.**

### 3.2 Background to the Delisting

In conjunction with the above, DBS, for and on behalf of the Offeror, wishes to provide Shareholders with further details of the background to the Delisting Proposal.

In October 2017, Mr. Loo Leong Thye ("**LLT**") received an unsolicited offer from a minority Shareholder, Pangolin Investment Management Pte. Ltd. ("**Pangolin**"), to sell its stake in the Company to LLT at S\$0.435 per Share. In March 2018, Pangolin again made a subsequent offer to sell its Shares to LLT without stating the price at which it would be willing to sell its Shares, which prompted LLT to consider exploring the possibility of the Delisting. Instead of only entering into a transaction with a single Shareholder, LLT wanted to make an offer to all Shareholders, and started looking for a partner to commence such a process.

In view of the historical low trading liquidity of the Shares prior to the Joint Announcement Date, the Offeror believes that the Delisting represents an opportunity for Shareholders who do not wish to bear business risks associated with weak retail sentiment and industry disruption to realise their investments in the Company by making a clean exit at a premium.

Full details of the Offeror's rationale for the Delisting are set out in paragraph 4 of the Exit Offer Letter, a copy of which is attached to this Announcement.

## 4. CONDITIONS OF THE DELISTING AND THE EXIT OFFER

As set out in paragraph 3.2 of the Joint Announcement, the Delisting and the Exit Offer are conditional on:

- (a) the resolution to approve the Delisting (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 Extraordinary General Meeting of the Company ("**EGM**") to be convened for 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 Shareholders present and voting, on a poll, either in person or by proxy at the EGM,

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

As at the date of this Announcement, 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 controlling Shareholders are not required to abstain from voting on the Delisting Resolution. Accordingly, the Undertaking Shareholders are entitled to, and have undertaken pursuant to their respective Irrevocable Undertakings 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, and further details of the Irrevocable Undertakings, are set out in the Exit Offer Letter.

**Shareholders are to note that if any of the Delisting Resolution Approval Conditions is not fulfilled, the Delisting will not proceed and the Company will remain listed on the SGX-ST. The Exit Offer will also lapse and all acceptances of the Exit Offer will be returned.**

**In the event that the Exit Offer lapses, pursuant to Rule 33.1 of the Code, neither the Offeror, any persons who acted in concert with it in the course of the Exit Offer nor any other person who is subsequently acting in concert with any of them may, except with the consent of the Securities Industry Council, within 12 months from the date on which the Exit Offer lapses (i) announce an offer or possible offer for the Company or (ii) acquire any voting rights of the Company if the Offeror or persons acting in concert with it would thereby become obliged under Rule 14 of the Code to make an offer.**

## **5. REQUEST FOR DOCUMENTS**

Shareholders who have not received the Exit Offer Letter and/or the relevant Acceptance Form(s) within one (1) week from the date of this Announcement should immediately contact either The Central Depository (Pte) Limited ("**CDP**") (in the case of Shareholders whose Offer Shares are deposited with CDP) or Boardroom Corporate & Advisory Services Pte. Ltd. (in the case of Shareholders whose Offer Shares are not deposited with CDP), as the case may be, at the following respective addresses:

**The Central Depository (Pte) Limited**  
9 North Buona Vista Drive  
#01-19/20 The Metropolis  
Singapore 138588

**Boardroom Corporate & Advisory Services  
Pte. Ltd.**  
50 Raffles Place  
#32-01 Singapore Land Tower  
Singapore 048623

If you hold Offer Shares that are deposited with CDP but you do not receive a FAA, you may obtain a copy from CDP upon production of satisfactory evidence that you are a Shareholder or have purchased Offer Shares on the SGX-ST.

If you hold Offer Shares that are not deposited with CDP but you do not receive a FAT, you may obtain a copy from Boardroom Corporate & Advisory Services Pte. Ltd. upon production of satisfactory evidence that you are a Shareholder.

## 6. **CLOSING DATE**

The Exit Offer is open for acceptance from the date of despatch of the Exit Offer Letter. Shareholders may choose to accept the Exit Offer before the EGM. However, such acceptances would be conditional and if the Delisting Resolution Approval Conditions are not fulfilled, the Exit Offer will lapse, and all the Shareholders as well as the Offeror will cease to be bound by any prior acceptances of the Exit Offer by any Shareholder.

If the Delisting Resolution Approval Conditions are fulfilled, the Exit Offer will continue to be open for acceptance by the Shareholders for at least 14 days after the date of the announcement of the fulfilment of the Delisting Resolution Approval Conditions.

**Accordingly, the Exit Offer will close at 5.30 p.m. on 11 July 2019 or such later date(s) as may be announced from time to time by or on behalf of the Offeror (the "Closing Date"). Please note that the Delisting and the Exit Offer are conditional upon the Delisting Resolution Approval Conditions being fulfilled.**

Full details of the procedures for acceptance and other details of the Exit Offer are set out in Appendix I of the Exit Offer Letter and in the Acceptance Forms, and Shareholders are advised to read the aforesaid appendix and the Acceptance Forms in their entirety.

## 7. **OVERSEAS SHAREHOLDERS**

### 7.1 **Overseas Shareholders**

The availability of the Exit Offer to the Shareholders whose addresses are outside Singapore, as shown on the Register of Members of the Company or, as the case may be, in the records of CDP ("**Overseas Shareholders**") may be affected by the laws of the relevant overseas jurisdictions. Accordingly, Overseas Shareholders should inform themselves about and observe any applicable legal requirements in their own jurisdictions, and exercise caution in relation to the Exit Offer, as the Exit Offer Letter, the Acceptance Forms and the Delisting Circular have not been reviewed by any regulatory authority in any overseas jurisdiction. **Where there are potential restrictions on sending the Exit Offer Letter, the Acceptance Forms and the Delisting Circular to any overseas jurisdiction, the Offeror, DBS, CDP and the Company each reserves the right not to send these documents to such overseas jurisdictions.** For the avoidance of doubt, the Exit Offer is open to all the Shareholders holding Offer Shares, including those to whom the Exit Offer Letter, the Acceptance Forms and the Delisting Circular have not been, or may not be, sent.

Copies of the Exit Offer Letter, the relevant Acceptance Forms, the Delisting Circular and any other 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.

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 facility.

## 7.2 Copies of the Exit Offer Letter, Acceptance Forms and Delisting Circular

Overseas Shareholders may, nonetheless, obtain copies of the Exit Offer Letter, the relevant Acceptance Form(s), the Delisting Circular and any related documents, during normal business hours, from the date of the Exit Offer Letter and up to the Closing Date, from the receiving agent of the Offeror and share registrar of the Company, Boardroom Corporate & Advisory Services Pte. Ltd., at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623. Alternatively, an Overseas Shareholder may write in to Boardroom Corporate & Advisory Services Pte. Ltd. at the address listed above to request for the Exit Offer Letter, the relevant Acceptance Form(s), the Delisting Circular and any related documents to be sent to an address in Singapore by ordinary post at the Overseas Shareholder's own risk (the last day for despatch in respect of such request shall be a date falling three (3) Market Days prior to the Closing Date).

## 7.3 Overseas Jurisdictions

It is the responsibility of any Overseas Shareholder who wishes to (a) request for the Exit Offer Letter, the relevant Acceptance Form(s), the Delisting Circular and/or any related documents, and/or (b) accept the Exit Offer, to satisfy himself as to the full observance of the laws of the relevant jurisdiction in that connection, including the obtaining of any governmental or other consent which may be required, and compliance with all necessary formalities or legal requirements and the payment of any taxes, imposts, duties or other requisite payments due in such jurisdiction. Such Overseas Shareholder shall be liable for any such taxes, imposts, duties or other requisite payments payable and the Offeror, DBS, CDP, the Company and/or any person acting on its behalf shall be fully indemnified and held harmless by such Overseas Shareholder for any such taxes, imposts, duties or other requisite payments as the Offeror, DBS, CDP, the Company and/or any person acting on its behalf may be required to pay. In (i) requesting for the Exit Offer Letter, the relevant Acceptance Form(s), the Delisting Circular and/or any related documents, and/or (ii) accepting the Exit Offer, the Overseas Shareholder represents and warrants to the Offeror, DBS, CDP and the Company that he is in full observance of the laws of the relevant jurisdiction in that connection, and that he is in full compliance with all necessary formalities or legal requirements.

**Overseas Shareholders who are in doubt about their positions should consult their own professional advisers in the relevant jurisdictions.**

7.4 Notice

The Offeror and DBS each reserves the right to (a) reject any acceptance of the Exit Offer where it believes, or has reason to believe, that such acceptance may violate the applicable laws of any jurisdiction, and (b) notify any matter, including the despatch of the Exit Offer Letter, any formal documentation relating to the Exit Offer, and the fact that the Exit Offer has been made, to any or all of the Shareholders (including the Overseas Shareholders) by announcement to the SGX-ST and if necessary, paid advertisement in a newspaper published and circulated in Singapore, in which case such notice shall be deemed to have been sufficiently given notwithstanding any failure by any Shareholder to receive or see such announcement or advertisement.

Overseas Shareholders are advised to read paragraph 9 of the Exit Offer Letter, with respect to Overseas Shareholders, in its entirety.

**8. INFORMATION RELATING TO CPFIS AND SRS INVESTORS**

Investors who have purchased Shares using (a) their Central Provident Fund ("**CPF**") savings under the CPF Investment Scheme ("**CPFIS**") ("**CPFIS Investors**") or (b) using their Supplementary Retirement Scheme ("**SRS**") contributions pursuant to the SRS ("**SRS Investors**") should receive further information on how to accept the Exit Offer from their respective banks approved by CPF to be its agent banks, being DBS, Oversea-Chinese Banking Corporation Limited and United Overseas Bank Limited (collectively, the "**CPF Agent Banks**") or respective agent banks included under the SRS ("**SRS Agent Banks**") shortly. CPFIS Investors and SRS Investors are advised to consult their respective CPF Agent Banks and SRS Agent Banks should they require further information, and if they are in any doubt as to the action they should take, CPFIS Investors and SRS Investors should seek independent professional advice.

CPFIS Investors and SRS Investors who wish to accept the Exit Offer are to reply to their respective CPF Agent Banks and SRS Agent Banks accordingly by the deadline stated in the letter from their respective CPF Agent Banks and SRS Agent Banks, which may be earlier than the Closing Date. CPFIS Investors and SRS Investors will receive the Exit Offer Price payable in respect of their Offer Shares validly tendered in acceptance of the Exit Offer through appropriate intermediaries in their respective CPF investment accounts and SRS investment accounts.

**9. RESPONSIBILITY STATEMENT**

The directors of the Offeror (the "**Offeror Directors**") (including any Offeror Director who may have delegated detailed supervision of this 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 Announcement, the omission of which would make any statement in this Announcement misleading. Where any information in this Announcement has been extracted or reproduced from published or otherwise publicly available sources or obtained from the Company and/or the Delisting Circular, the sole responsibility of the Offeror Directors has been to ensure, through reasonable enquiries, that such information is accurately extracted from such sources or, as the case may be, reflected or reproduced in this Announcement. The Offeror Directors jointly and severally accept responsibility accordingly.

Issued by  
**DBS BANK LTD.**

For and on behalf of  
**DIGILEAP CAPITAL LIMITED**  
12 June 2019

*Any enquiries relating to this 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 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 Offeror, the Offeror Directors or DBS undertakes any obligation to update publicly or revise any forward-looking statements.*