



## CHALLENGER TECHNOLOGIES LIMITED

(Incorporated in the Republic of Singapore on 14 January 1984)  
(Registration No. 198400182K)

### NEWS RELEASE - FOR IMMEDIATE RELEASE

**Full-year results for financial year ended 31 December 2010  
("FY2010")**

### **Challenger has achieved historical high sales and profits during the recovery year of FY2010**

**Net profit surged 24% on 26% revenue growth**

	<b>FY2010</b>	<b>FY2009</b>	<b>Change</b>
	<b>S\$'M</b>	<b>S\$'M</b>	
Revenue	<b>241.0</b>	<b>191.6</b>	+26%
Profit before tax	<b>16.5</b>	<b>13.7</b>	+20%
Net profit	<b>13.8</b>	<b>11.1</b>	+24%
EPS - Basic	<b>5.94 cents</b>	<b>4.83 cents</b>	+23%
EPS – Fully-diluted	<b>5.94 cents</b>	<b>4.80 cents</b>	+24%
Dividend/share - Interim	<b>1.20 cents</b>	<b>1.20 cents</b>	NIL
Dividend/share - Final	<b>1.10 cents</b>	<b>1.30 cents</b>	-15%
	<b>As at 31/12/10</b>	<b>As at 31/12/09</b>	
NAV/share	<b>14.90 cents</b>	<b>11.47 cents</b>	+30%

#### Highlights:

- Revenue up 26% on retail network expansion and higher existing store sales.
- Net profit surged 24% due to continued growth in retail operations in Singapore, offset by lower exchange gain and lower other income from job credit scheme during FY2010 compared to the previous FY2009.
- Group declared final tax-exempt dividend of 1.1 cents per share, subject to shareholders' approval at the forthcoming Annual General Meeting, and has proposed a bonus share issue of one share for every two existing ordinary

**shares held by shareholders, subject to the approval of the Singapore Exchange Securities Trading Limited (“SGX-ST”).**

**Singapore, 21<sup>st</sup> February 2011** – SGX Mainboard-listed Challenger Technologies Limited (“Challenger” or the “Company”), a leading IT products & services provider in Singapore, today announced its results for the financial year ended 31 December 2010.

Group revenue jumped 26% from \$191.6 million in FY2009 to \$241.0 million in FY2010 largely due to the expansion of the Group’s retail operations and improved performance of its existing stores.

Driven by strong retail performance, net profit increased 24% to \$13.8 million in FY2010. This has been mainly due to growth in retail operations in Singapore, which has been offset by lower exchange gain and lower other income from job credit scheme in FY2010 compared to FY2009.

During FY2010, the Group closed two Matrix specialty stores at Sim Lim Square and opened three Challenger superstore (all in Q4 FY2010) and two small format retail outlets, Challenger Mini in Singapore. This brings the Group’s network to a total of 26 outlets comprising one flagship Challenger megastore and 14 Challenger superstores in Singapore, one Challenger megastore in Malaysia, six Matrix/Pixels specialty stores and four Challenger Mini store.

Mr. Loo Leong Thye, the Chief Executive of the Company, said, “FY2010 has been another record breaking year for us. We have achieved historical high sales and profits. We will continue our retail network expansion in Singapore and Malaysia by strategically opening more retail outlets in high-traffic areas.”

He further added, “Challenger will open another two outlets at Clementi and Ang Mo Kio in Singapore by Q2 FY2011. From the 1<sup>st</sup> of March 2011, our megastore located at Funan DigiLife Mall will also be operational 24 hours. This is part of our outreach and service enhancement initiatives. We will also open in Malaysia at Mahkota Parade in Malacca and Suria KLCC in Kuala Lumpur during the same period.”

To reward shareholders for their unwavering support, the Company has proposed a final tax-exempt dividend of 1.1 cents per ordinary share for FY2010. This, together with the interim dividend of 1.2 cents per ordinary share paid for 1H FY2010, gives a total of 2.3 cents per ordinary share for the full year ended 31 December 2010. The Company is also proposing a bonus share issue to its shareholders on the basis of one bonus share for every two existing ordinary shares held by shareholders, subject to the approval of SGX-ST. If approved and allotted, the bonus shares will also be entitled to the proposed final dividend of 1.1 cents per ordinary share.

### **About Challenger Technologies Limited**

Established in 1984, listed on the SGX-Sesdaq in January 2004 and upgraded to the SGX Mainboard in August 2007, Challenger is the leading IT products & services provider in Singapore with an extensive network of 25 strategically located retail outlets. The Group currently has one flagship megastore in Funan DigitaLife Mall, 14 superstores and 10 specialty stores (under Challenger Mini, Matrix and Pixels brand name) throughout Singapore. It also operates one mega store in Malaysia. The Company offers a diverse range of IT products and services. Today, Challenger has approximately 230,000 members who regularly patronise its outlets.

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