



For Immediate Release

Challenger Technologies Limited Records Profit Jump Of Over 40% For 1H05

SINGAPORE, 4 August 2005— SGX-Sesdaq listed Challenger Technologies Limited, a Singapore-incorporated company involved in the principal businesses of IT products and services and electronic signage services, today reported achieving revenue of \$37.3 million for the half year ended 30 June 2005. Net profit after taxation jumped 44% to \$2.0 million from \$1.4 million from the previous corresponding period.

Revenue of \$37.3 million was contributed by our IT retail business and electronic signage business, which is consistent with the revenue achieved from the previous corresponding period. The increase in net profit has been mainly due to gain on disposal of a former subsidiary company, exchange gain derived in the current period and higher interest income.

In our Funan DigitaLife Mall and DBS Tampines Centre Superstores, we have embarked on the following initiatives in order to attract and retain customers:

- (1) Customers' reward programme- we have enhanced our customers' reward programme since April 2005. These customers earn reward points on their purchase and are able to use these points to redeem our exciting range of products available. Under this programme, customers are also able to access their transaction history and reserve products which they would like to redeem over the Internet.
- (2) Dedicated sections for popular products- we have set up sections within our superstores that are dedicated solely to selling Apple products and their accessories. With this change towards being more product-focused, our staff will be trained and equipped with better product knowledge. This would enable them to serve our customers better.

An interim gross dividend of 1 cent per ordinary share was declared for the half year ended 30 June 2005. This will be payable to shareholders on 9 September 2005.

About Challenger Technologies Limited

Established in 1984 as a retailer of IT products, Challenger Technologies has grown from one outlet to two superstores and two small format outlets in Singapore. Challenger Technologies offers a diverse range of IT products and services. In 1994, we also expanded into the electronic signage business. Today, our Group counts amongst its customers well-known corporate clients as well as walk-in customers. Challenger Technologies Limited was listed on SGX-Sesdaq in January 2004.

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