



CHALLENGER TECHNOLOGIES LIMITED

(Incorporated in the Republic of Singapore on 14 January 1984)

(Registration No. 198400182K)

NEWS RELEASE

FOR IMMEDIATE RELEASE

Half-year results for 6 months ended 30 June 2007

RISING TO CHALLENGES

Net profit jumped 73% on 56% revenue growth

	1H07 S\$'000	1H06 S\$'000	Change
Revenue	65,326	41,957	+56%
Profit before tax	4,882	2,859	+71%
Net profit	3,822	2,235	+71%
EPS	2.01	1.26	+60%
Dividend/share	1.00	1.00	-
NAV/share	As at 30/6/07 10.14	As at 31/12/06 9.12	+11%

Highlights:

- Revenue jumped 56% on successful retail outlet expansion.
- Net profit surged 71% fueled by strong retail performance.
- IT retail business in Singapore will remain key growth driver.
- Business outlook looks positive, supported by strong economy, strong brand equity, well-established local retail network, and loyal customers.

Singapore, 30 July 2007 – SGX-Sesdaq listed Challenger Technologies Limited (“Challenger” or the “Company”), a leading IT products & services provider in Singapore, today announced a sterling set of financial results for the half year ended 30 June 2007.

Revenue jumped 56% from \$42.0 million in 1H06 to \$65.3 million in 1H07 as the Group began to yield positive results from its strategic retail outlet expansion successfully implemented since April 2006.

Net profit surged 71% from \$2.2 million in 1H06 to \$3.8 million in 1H07 fueled by strong retail performance.

Challenger expanded its retail presence in Singapore by setting up another 3 superstores at Whitesands, United Square and Hougang Mall, and 3 specialty stores at Funan DigitaLife Mall and Sim Lim Square during the period. This brings the Group’s retail network to a total of 16 outlets under the Challenger, Matrix and Pixels brands.

Challenger will continue its expansion within Singapore by opening more retail outlets over time to better serve the IT needs of local consumers.

Mr. Loo Leong Thye, the Chief Executive of the Company, said, “We are pleased with the strong growth we had achieved for the period under review. Our investments in outlet expansion have paid off. Our Group is cautiously optimistic of our business outlook for the rest of the year, supported by the strong economy, our strong brand equity, well-established local retail network, and loyal customers.”

“IT retail business in Singapore will remain our key growth driver, backed by Challenger’s strong brand equity. To sustain growth, we will continue to strategically add new retail outlets in high-traffic areas in Singapore. The local economy continued to register strong growth with advance GDP estimates by the Ministry of Trade and Industry, Singapore (“MTI”) rising 8.2% year-on-year in 2Q07 (*Source: MTI website*). We are well-positioned to take advantage of the rising IT spending driven

by such robust economic conditions. To grow our electronic signage business, we are actively pursuing strategic partner and new business opportunities, including large commercial and residential architectural lighting projects,” Mr. Loo added.

To reward shareholders for their unwavering support, the Company had declared an interim tax-exempt one-tier dividend of 1.0 cent per ordinary share for 1H07, representing about 53% of the Group’s 1H07 net profit. This is payable to shareholders on 29 August 2007.

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About Challenger Technologies Limited

Established in 1984 and listed on the SGX-Sesdaq in January 2004, Challenger is the leading IT products & services provider in Singapore with extensive network of 16 strategically located retail outlets. The Group currently has 1 flagship mega store in Funan IT Mall, and 7 superstores and 8 specialty stores (under Matrix and Pixels brand name) throughout Singapore. The Company offers a diverse range of IT products and services. Today, Challenger has over 100,000 members who regularly patronise its outlets.

For further information, please contact:

<p><i>Company:</i></p> <p>Challenger Technologies Limited</p> <p>Mr. Tan Wee Ko Chief Financial Officer Tel: 65-63367747 Email: wk-tan@challenger.sg</p>	<p><i>IR Consultant to the Company:</i></p> <p>SPIN Capital Asia</p> <p>Mr. Michael Tan Tel: 65-62277790 Email: michael@spin.com.sg</p>
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