



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 2008

Higher Operating Profits Offset By Exchange and Investment Losses

Net profit decreased 24% on 23% revenue growth

	FY2008 S\$'M	FY2007 S\$'M	Change
Revenue	168.0	136.1	+23%
Profit before tax	7.2	8.8	-18%
Net profit	5.4	7.1	-24%
EPS - Basic	2.39 cents	3.61 cents	-34%
EPS – Fully-diluted	2.30 cents	3.56 cents	-35%
Dividend/share - Interim	1.20 cents	1.00 cents	+20%
Dividend/share - Final	1.20 cents	2.30 cents	-48%
NAV/share	As at 31/12/08 9.66 cents	As at 31/12/07 10.74 cents	-10%

Highlights:

- Revenue up 23% on retail network expansion and higher existing store sales.
- Despite higher operating profit, net profit decreased 24% due mainly to exchange and investment losses.
- Group declared final tax-exempt dividend of 1.2 cents per share.

Singapore, 17 February 2009 – 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 2008.

Group revenue jumped 23% from \$136.1 million in FY2007 to \$168.0 million in FY2008 largely due to the expansion of the Group’s retail operations and improved performance of its existing stores. Revenue for IT products and services business segment increased by 22% from \$135.3 million in the previous year to \$165.5 million in FY2008.

Despite strong retail performance, net profit decreased 24% to \$5.4 million in FY2008 mainly due to exchange and investment losses of about \$2.3 million and \$0.8 million respectively.

During the year, the Group added another two Challenger superstores in Singapore and one Challenger megastore in Malaysia. This brings the Group’s network to a total of 21 outlets comprising one flagship Challenger megastore and 10 Challenger superstores in Singapore, one Challenger megastore in Malaysia, seven Matrix specialty stores and two Pixels specialty stores.

Mr. Loo Leong Thye, the Chief Executive of the Company, said, “2008 has been a mixed year for us. We have achieved growth in our retail operations but saw a decline in profitability due to exchange and investment losses.”

“Going forward, we have to be cautious in terms of our costs control and inventory management in view of slow down in of the global economy. This will certainly affect the consumption power of locals and tourists alike. We will continue our retail network expansion in Singapore and Malaysia by strategically opening more retail outlets in high-traffic areas. We are also actively pursuing strategic partner to secure more projects and to grow our electronic signage business,” Mr. Loo added.

The Company had proposed a final tax-exempt dividend of 1.2 cents per ordinary share for FY2008. This, together with the interim dividend of 1.2 cent paid for 1H08, gives a total of 2.4 cents for the full year ended 31 December 2008.

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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 extensive network of 21 strategically located retail outlets. The Group currently has one flagship megastore in Funan Digitalife Mall, 10 superstores and nine specialty stores (under 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 over 160,000 members who regularly patronise its outlets.

For further information, please contact:

Mr. Tan Wee Ko

Chief Financial Officer

Tel: 65-63367747

Email: wk-tan@challenger.sg