



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 2008

MANAGED GROWTH WITHOUT OPENING NEW STORES

Net profit increased 10% on 23% revenue growth

	1H08 S\$'000	1H07 S\$'000	Change
Revenue	80,530	65,326	+23%
Profit before tax	5,285	4,882	+8%
Net profit	4,189	3,822	+10%
EPS	2.07	2.01	+3%
Dividend/share	1.20	1.00	+20%
NAV/share	As at 30/6/08 10.18	As at 31/12/07 10.74	-5%

Highlights:

- Revenue jumped 23% despite not having opened any new stores during 1H08.
- Net profit would have also increased by 23% if not for the impairment charge of about \$0.5m on acquisition of a new subsidiary company, Incall Systems Pte Ltd, carrying on the business of operating telephonic call centers, event management, direct marketing, database management/profiling and publishing of directories.
- IT retail business in Singapore will remain key revenue contributor.
- Business outlook appears to be positive, despite current uncertainty in the global financial markets due to our well-established local retail network, and loyal customers.

Singapore, 6 August 2008 – SGX listed Challenger Technologies Limited (“Challenger” or the “Company”), a leading IT products & services provider in Singapore, today announced its financial results for the half year ended 30 June 2008.

Revenue jumped 23% from \$65.3 million in 1H07 to \$80.5 million in 1H08 as the Group continued to grow its existing stores as no new outlet was opened during 1H08.

Net profit increased by 10% from \$3.8 million in 1H07 to \$4.2 million in 1H08 due to its core retail business.

Challenger has not opened any new retail outlets during 1H08. To date, the Group’s retail network has a total of 19 outlets (18 outlets in Singapore and 1 outlet in Malaysia) under the Challenger, Matrix and Pixels brands. The latest outlet which is a 30,000 sq ft flagship store was opened in July 2008 at Mines Shopping Fair in Kuala Lumpur, Malaysia.

Challenger will continue its expansion within Singapore and Malaysia 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 to grow our Group revenue by 23% despite not opening any new outlets during the first half of 2008. Our Group is cautiously optimistic of our business outlook for the rest of the year, despite current uncertainty over the global financial markets due to our strong brand equity, well-established local retail network, and loyal customers.”

“IT retail business in Singapore will remain our key revenue contributor, 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. By the first quarter of 2009, we will add about 20,000 sq ft of retail space by opening three new retail outlets in Singapore. We have also recently opened our 30,000 sq ft flagship store at Mines Shopping Fair in Kuala Lumpur, Malaysia,” Mr. Loo added.

To reward shareholders for their unwavering support, the Company had declared an interim dividend of 1.2 cent per ordinary share for 1H08. This is payable to shareholders on 3rd September 2008.

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About Challenger Technologies Limited

Established in 1984, the Company was listed on the SGX-Sesdaq in January 2004 and subsequently upgraded to SGX-Mainboard in August 2007. Challenger is the leading IT products & services provider in Singapore with extensive network of 19 strategically located retail outlets. The Group currently has two flagship mega stores in Funan Digitalife Mall in Singapore and Mines Shopping Fair in Malaysia, and 8 superstores and 9 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 150,000 members who regularly patronise its outlets.

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