



## 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 2007

## Another Record-Breaking Year

Net profit surged 56% on 47% revenue growth

|                          | <b>FY2007</b><br><b>S\$'000</b>           | <b>FY06</b><br><b>S\$'000</b>     | <b>Change</b> |
|--------------------------|---|-----------------------------------|---------------|
| Revenue                  | <b>136,089</b>                            | 92,311                            | +47%          |
| Profit before tax        | <b>8,773</b>                              | 6,069                             | +45%          |
| Net profit               | <b>7,059</b>                              | 4,531                             | +56%          |
| EPS - Basic              | <b>3.61 cts</b>                           | 2.54 cts                          | +42%          |
| EPS – Fully-diluted      | <b>3.56 cts</b>                           | 2.54 cts                          | +40%          |
| Dividend/share - Interim | <b>1.00 cts</b>                           | 1.00 cts                          | -             |
| Dividend/share - Final   | <b>2.30 cts</b>                           | 1.00 cts                          | +130%         |
| NAV/share                | <b>As at 31/12/07</b><br><b>10.74 cts</b> | <b>As at 31/12/06</b><br>9.12 cts | +18%          |

#### Highlights:

- Revenue up 47% on retail network expansion and higher existing store sales.
- Net profit soared 56% lifted by growing retail operations.
- Group declared final tax-exempt (one-tier) dividend of 2.3 cts per share.
- Group optimistic of business outlook supported by key growth driver - Singapore IT retail business, government tourism drive, strong brand equity, well-established local retail network, and loyal customers.

**Singapore, 14 February 2008** – SGX Mainboard-listed Challenger Technologies Limited (“Challenger” or the “Company”), a leading IT products & services provider in Singapore, today announced another record-breaking performance for the financial year ended 31 December 2007.

Group revenue jumped 47.5% from \$92.3 million in FY2006 to \$136.1 million in FY2007 largely due to the expansion of the Group’s retail operations and improved performance of its existing stores. The biggest revenue contributor, IT products and services business segment, increased retail sales 49.0% to \$135.3 million in FY2007.

Net profit expanded 56% to \$7.1 million in FY2007 on the back of strong retail performance.

During the year, the Group added another 4 Challenger superstores, 1 Matrix and 2 Pixels specialty stores. This brings the Group’s network to a total of 17 outlets comprising 1 flagship Challenger megastore, 8 Challenger superstores, 6 Matrix specialty stores and 2 Pixels specialty stores.

Mr. Loo Leong Thye, the Chief Executive of the Company, said, “2007 was another exciting year marked by momentous milestones. We achieved strong growth on solid business foundation and successful expansion drive. Our profit and margins expanded as we broke \$100-million mark in revenue for the first time. Over the last 5 years, our revenue and net profit had grown at CAGR of 18% and 31% respectively from \$59.1 million and \$1.8 million in FY2002. To top it all up, our Company accomplished an upgrade to the SGX Mainboard in August 2007, escalating us higher on the investors’ radar.”

“We are optimistic of the retail industry in Singapore in view of many government-led initiatives to transform Singapore into a tourism hotspot. If Singapore's economy continues to do well this year, it would boost higher local spending and therefore higher retail sales for our Group. We will continue our retail network expansion in Singapore by strategically opening more retail outlets in high-traffic areas over time

to better serve the IT needs of local consumers. We are also actively pursuing strategic partner and new business opportunities to secure more projects and to grow our electronic signage business,” Mr. Loo added.

As a show of appreciation for the shareholders’ support, the Company had proposed a final tax-exempt one-tier dividend of 2.30 cents per ordinary share for FY2007. This, together with the interim dividend of 1.00 cent paid for 1H07, represent about 95% of the Group’s FY2007 net profit.

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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 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:**

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