



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 2011
("FY2011")

Challenger achieves another year of high sales and profits during FY2011 with 14% net profit increase on the back of 31% revenue growth

	FY2011	FY2010	Change
	S\$'M	S\$'M	
Revenue	316.9	241.0	+31%
Profit before tax	19.0	16.5	+15%
Net profit	15.7	13.8	+14%
EPS	4.53 cents	*3.96 cents	+14%
Dividend/share - Interim	1.00 cents	1.20 cents	-17%
Dividend/share - Final	1.20 cents	1.10 cents	+9%
NAV/share	As at 31/12/11 12.37 cents	As at 31/12/10 *9.93 cents	+25%

** Restated*

Highlights:

- Revenue up 31% on retail network expansion and higher existing store sales.
- Net profit surged 14% due to continued growth in retail operations in Singapore, as well as gain on disposal of quoted equities offset by exchange loss recorded in FY2011 compared to exchange gain recorded for FY2010.
- Group declares final tax-exempt dividend of 1.2 cents per share (FY2010: 1.1 cents).

Singapore, 16 February 2012 – SGX Mainboard-listed Challenger Technologies Limited (“Challenger” or the “Company”), a leading IT products and services provider in Singapore, today announced its results for the financial year ended 31 December 2011.

Group revenue jumped 31% from \$241.0 million in FY2010 to \$316.9 million in FY2011 largely due to the expansion of the Group’s retail operations and improved performance of its existing stores.

Driven by strong retail performance, net profit increased 14% to \$15.7 million in FY2011. This is mainly attributed to the growth in retail operations in Singapore and gain from disposal of quoted equities which have been offset by exchange loss recorded in FY2011 compared to the exchange gain in FY2010.

To date in Singapore, the Group has a total of 27 stores comprising one flagship Challenger megastore and 17 Challenger superstores, two Matrix specialty stores and seven Challenger Mini stores. In Malaysia, the Group operates one flagship Challenger megastore and three Challenger superstores.

Mr. Loo Leong Thye, the Chief Executive of the Company, said, “We have achieved our best Group results to-date in 2011. However, due to the global economic uncertainty, we noted that sales for Q4 FY2011 have been flat compared to the same quarter a year ago. We expect FY2012 to be challenging, especially during the first half of FY2012, where there is no visibility as to where the economy will be heading.”

He further added, “Going forward, we will continue to open more outlets. At the same time, we will not hesitate to make difficult decisions to close outlets that are not operationally viable.”

To reward shareholders for their unwavering support, the Company has proposed a final tax-exempt dividend of 1.2 cents per ordinary share for FY2011. This, together with the interim dividend of 1.0 cent paid for 1H FY2011, gives a total of 2.2 cents for the full year ended 31 December 2011. Although the total dividend for FY2011 is 2.2 cents compared to FY2010 of 2.3 cents, however taking into account the bonus share issued during FY2011, shareholders who have been with the Company during these two years would have received about 43% more for their dividend.

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 and services provider in Singapore and Malaysia with extensive network of strategically located retail outlets. Today, Challenger has approximately 280,000 members who regularly patronise its outlets.

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