



CHALLENGER TECHNOLOGIES LIMITED

(Incorporated in the Republic of Singapore on 14 January 1984)
(Registration No. 198400182K)

NEWS RELEASE - FOR IMMEDIATE RELEASE
Results for quarter ended 31 March 2012 ("1QFY2012")

Net profit for the quarter decreased by \$0.1M to \$4M due to a 6% decrease in Group revenue to \$71.4M

	1QFY2012 S\$'M	1QFY2011 S\$'M	Change
Revenue	71.4	75.9	-6%
Profit before tax	4.8	4.8	-
Net profit	4.0	4.1	-2%
EPS	1.15 cents	1.19 cents	-3%
NAV/share	As at 31/03/12 13.43 cents	As at 31/12/11 12.37 cents	+9%

Highlights:

- Revenue down 6% or \$4.5M mainly due to decrease in revenue from Singapore retail operations by \$5.7M, which was offset by increase in Malaysian retail operations by \$1.8M.
- Net profit down 2% or \$0.1M due to better overall GP margin which was offset by increase in operating expenses.

Singapore, 10 May 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 quarter ended 31 March 2012.

Group revenue decreased 6% from \$75.9 million in 1QFY2011 to \$71.4 million in 1QFY2012 largely due to the decrease in revenue from the Group's retail operations in Singapore. This has been due to reduction in same-store sales for this quarter compared to the corresponding quarter last year.

Net profit decreased by 2% to \$4.0 million in 1QFY2012. This is despite an increase in GP margin which has been offset by higher operating expenses.

To date in Singapore, the Group has a total of 29 stores comprising one flagship Challenger megastore, 20 Challenger superstores, two Matrix specialty stores and six 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, "As we have expected, the first quarter of FY2012 turned out to be challenging due to the global economic uncertainty, resulting in a decrease in revenue from our Singapore retail operations."

He further added, "Whilst considerably increased spending by our customers was seen towards the end of the first quarter, we hope that this trend can continue in the second quarter of FY2012."

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 more than 296,000 members who regularly patronise its outlets.

For further information, please contact:

Mr Tan Wee Ko

Chief Financial Officer

Tel: (65) 6318-9800

Email: wktan@challenger.sg