



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

NEWS RELEASE - FOR IMMEDIATE RELEASE
Results for period ended 30 September 2012

Net profit increased 2% while revenue grew 3%

	9 Months Ended 30 Sep 2012 \$'M	9 Months Ended 30 Sep 2011 \$'M	Change	3Q2012 \$'M	3Q2011 \$'M	Change
Revenue	246.4	238.7	+3%	88.6	80.7	+10%
Profit before tax	13.8	13.5	+2%	5.0	3.8	+32%
Profit after tax	11.5	11.3	+2%	4.1	3.4	+21%
Earnings per share	3.29 cents	3.25 cents	+1%	1.16 cents	0.97 cents	+20%
Dividend per share	1 cent	1 cent	--	--	--	--
	As at 30/09/12	As at 31/12/11	Change			
NAV/share	13.39 cents	12.37 cents	+8%			

Highlights:

- Revenue grew by 3% or \$7.7M to \$246.4M and gross profit margins remain relatively unchanged for the 9 months ended 30 September 2012 compared to the same period last year.
- Net profit increased by 2% or \$0.2M to \$11.5M, in line with the growth in revenue noted for the period.

Singapore, 5 November 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 9 months-ended and third quarter-ended 30 September 2012.

Group revenue grew by about \$7.7 million or 3% to about \$246.4 million for the period ended 30 September 2012. This is mainly due to higher sales from retail businesses in Singapore and Malaysia by about \$4.0 million and \$5.0 million respectively. However, this has also been offset by a decrease in sales from the signage business by about \$2.0 million.

Higher sales from retail businesses in Singapore and Malaysia can be attributed to the opening of new stores in 2011 and 2012. The decrease in sales for our signage business has been due to completion of more and higher value projects noted during the same period last year.

Net profit increased by \$0.2 million or 2% to \$11.5 million for the 9 months ended 30 September 2012. This was backed by higher gross profit by about \$0.6 million, and exchange differences of about \$1.0 million. This was offset by higher depreciation charge, rental and other operating expenses by about \$1.4 million. Gross profit margins have been noted to be relatively flat during this period compared to the previous corresponding period.

Compared with 3Q2011, revenue for 3Q2012 increased by \$7.9 million mainly due to a 10% or about \$7.7 million increase in Singapore retail revenue. Revenue for the rest of the businesses remained relatively unchanged during 3Q2012 compared with 3Q2011. Net profit increased by 21% to \$4.1 million for the third quarter of this year due to higher gross profit and foreign exchange gain. This was offset by higher depreciation charge, rental and other operating expenses, staff costs, and income tax expense compared to last year’s third quarter.

To date in Singapore, the Group has a total of 28 stores comprising one flagship Challenger megastore, 20 Challenger superstores and seven 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 saw improvements in the third quarter sales this year compared with the same period last year. This has made up for the flat sales noted for the first half of this year compared with 2011."

He further added, "We hope that the launch of several new products, coupled with the traditional year-end buying and gifting season, will increase our sales in the fourth quarter."

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 338,000 members who regularly patronise its stores.

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