



CHALLENGER TECHNOLOGIES LIMITED

(Incorporated in the Republic of Singapore on 14 January 1984)

(Registration No. 198400182K)

NEWS RELEASE - FOR IMMEDIATE RELEASE
Results for first half ended 30 June 2013 ("1H2013")

**1H2013 interim dividend up 10% year-on-year
Net Profit grew by 18% in line with 22% increase in revenue**

	1H2013	1H2012	Change	2Q2013	2Q2012	Change
	S\$'M	S\$'M		S\$'M	S\$'M	
Revenue	192.9	157.8	+22%	92.2	86.4	+7%
Profit before tax	10.4	8.8	+18%	4.9	4.0	+23%
Profit after tax	8.7	7.4	+18%	4.0	3.4	+18%
Earnings per share	2.47 cents	2.13 cents	+16%	1.15 cents	0.98 cents	+17%
Dividend per share	1.1 cents	1.0 Cents	+10%	--	--	--
	As at 30/06/13	As at 31/12/12	Change			
NAV/share	16.02 cents	14.79 cents	+8%			

Highlights:

- Group revenue increased by 22% or \$35.1M mainly due to growth in Singapore retail operations.
- Group net profit up 18% or \$1.3M primarily driven by higher gross profit from Singapore retail operations partly offset by increase in operating expenses.
- Interim dividend increased by 10% to 1.1 cents for 1H2013.

Singapore, 7 August 2013 – SGX Mainboard-listed Challenger Technologies Limited (“Challenger” or the “Group”), the largest IT products and services provider in Singapore, today announced its results for the half year and second quarter ended 30 June 2013.

Group revenue increased by \$35.1 million or 22% to \$192.9 million for the half year ended 30 June 2013, mainly contributed by higher sales from Singapore’s retail business by about \$36.3 million or 25%, offset by lower sales from Malaysia’s retail business by about \$1.7 million or 16%.

Higher sales from Singapore’s retail business can be attributed to the opening of new stores in the first half of this year, as well as better same store sales. On the other hand, declining same store sales and the closure of one store during this period contributed to lower sales in Malaysia’s retail business.

Net profit increased by 18% to \$8.7 million for 1H2013. This is mainly due to higher gross profit from Singapore retail operations, partly offset by higher staff costs, rental and other operating expenses.

Compared with 2Q2012, revenue for 2Q2013 increased by \$5.8 million or 7%. This is mainly due to an increase in Singapore’s retail revenue by about \$8.3 million or 11%, offset by decrease in Malaysia retail revenue by \$2.7 million or 40%. Net profit increased by 18% to \$4.0 million in the second quarter of the year, driven by higher gross profit, which was partly offset by higher staff costs, rental and other operating expenses compared to last year’s second quarter.

To date in Singapore, the Group has a total of 31 stores comprising one flagship Challenger megastore, 19 Challenger superstores, and 11 Challenger Mini stores. In Malaysia, the Group operates one flagship Challenger megastore and two Challenger superstores.

Mr. Loo Leong Thye, the Chief Executive of the Company, said, “Revenue and profit increased despite the tough retail environment for the first half of this year. This will continue for the rest of the year due to uncertainty in the economy, which may affect our sales, rising costs and availability of staff in the retail sector.”

In order to mitigate these uncertainties, the management has been charting new grounds via store expansion and product sourcing in the first half of the year. “Between January and June this year, we opened five new stores in Singapore, with three more coming up in the second half of the year as well as an expansion at our existing Lot 1 store,” said Mr Loo.

Mr Loo adds, “In addition, our subsidiary in Shenzhen, China, has also been aggressively sourcing for unique offerings under our house brand Valore. Meaning “value” in Italian, Valore products are exclusive to Challenger to cater to the mobility and lifestyle needs of our members and customers.”

About Challenger Technologies Limited

Incorporated 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 416,000 members who regularly patronise its stores.

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