



For Immediate Release

Challenger's FY2006 Net Profit Jumps 22% To \$4.5 million

SINGAPORE, 14 February 2007- SGX-Sesdaq listed Challenger Technologies Limited ("Challenger"), a Singapore-incorporated company involved in the principal business of providing IT products and services, today announced achieving a net profit of \$4.5 million for the financial year ended 31 December 2006 ("FY2006"), an increase of 22% or \$0.8 million over Challenger's net profit of \$3.7 million for the financial year ended 31 December 2005 ("FY2005"). The revenue of Challenger and its subsidiaries increased by about \$14.8 million or 19% from \$77.5 million in FY2005 to \$92.3 million in FY2006. The increase in revenue was mainly due to the expansion of retail operations in FY2006.

Since May 2006, Challenger has expanded its retail presence in Singapore and has set up Challenger outlets at Eastpoint, VivoCity, IMM Jurong, Tiong Bahru Plaza and White Sands. Challenger will open another two outlets during the first quarter of 2007 at United Square and Hougang Mall.

Challenger intends to continue its expansion within Singapore by opening up to 20 outlets over the next five years to better serve the IT needs of local consumers.

A final tax-exempt-one tier dividend of 1.0 cent per ordinary share has been proposed for payment to Challenger's shareholders for FY2006. This is subject to shareholders' approval at the Annual General Meeting to be held on 20 April 2007.

As previously announced, Challenger is proposing to undertake a rights issue. In this connection, Challenger had received the approval of the SGX for the listing and quotation of, amongst other things, the rights shares to be issued pursuant to the proposed rights issue. The rights shares to be issued would also be entitled to the above dividend

As Challenger had earlier declared and paid out an interim tax-exempt-one tier dividend on 12 September 2006 of 1.0 cent per ordinary share, the total net dividend to be paid per ordinary share for FY2006 would therefore be 2.0 cents.

About Challenger Technologies Limited

Established in 1984 and listed on SGX on January 2004, Challenger is a provider of IT products and services. It has one flagship mega store, five superstores and five small format outlets (under Matrix Integration Pte Ltd) in Singapore. Challenger offers a diverse range of IT products and services. Today, the Challenger has over 70,000 members who regularly patronise its outlets.

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