



**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 2014 ("1Q2014")

**Challenger achieves lower Net Profit of S\$3.4 million  
and Revenue of S\$85.4 million for 1Q2014**

	<b>1Q2014</b>	<b>1Q2013</b>	<b>Change</b>
	<b>S\$'M</b>	<b>S\$'M</b>	
Revenue	<b>85.4</b>	<b>100.7</b>	-15.2%
Profit before tax	<b>4.2</b>	<b>5.6</b>	-25.0%
Profit after tax	<b>3.4</b>	<b>4.6</b>	-26.1%
EPS	<b>0.96 cents</b>	<b>1.33 cents</b>	-27.8%
NAV/share	<b>As at 31/03/14</b> <b>18.37 cents</b>	<b>As at 31/03/13</b> <b>16.11 cents</b>	+14.0%

**Highlights:**

- Group revenue and net profit down 15% to \$85.4M and 26% to \$3.4M respectively, mainly due to weaker corporate sales in Singapore, higher operating costs and winding down of retail operations in Malaysia. Gross profit margins higher compared to 1Q2013.

**Singapore, 8 May 2014** – SGX Mainboard-listed Challenger Technologies Limited ("Challenger" or the "Company"), the largest IT products and services provider in Singapore, today announced its results for the first quarter ended 31 March 2014.

Group revenue achieved was lower by about \$15.3 million or 15% to about \$85.4 million for the first quarter ended 31 March 2014. The decrease was mainly due to

weaker corporate sales business in Singapore and lower retail revenue from Malaysia operations.

In Singapore, the retail business grew by about 2%. This was largely contributed by the revenue generated from full operations of those stores which opened during the second half of last year. Gross profit margins were also higher for 1Q2014.

Net profit for 1Q2014 fell by \$1.2 million or 26% compared to 1Q2013. This was mainly due to increase in Group gross profit which was offset by higher depreciation charge, rental, staff costs and other operating expenses.

To date in Singapore, the Group has a total of 42 stores comprising one flagship Challenger megastore, 22 Challenger superstores, 11 Challenger mini stores, six Valore concept stores and two Musica concept stores. In Malaysia, the Group operates one flagship Challenger megastore. This store will close by the second quarter of this year.

Chief Executive Mr. Loo Leong Thye said, “Despite the slow retail scene and lower corporate sales we saw in the first quarter, we look forward to a better next quarter. We will harness our key strengths, such as improving our core IT lifestyle retail business as well as tapping on our large ValueClub member base in Singapore. In addition to the three new stores opened in Singapore so far this year, we will open another four new stores in the second and third quarters of 2014.”

He further added, “We are also looking into exploring expansion opportunities via sales of our private label products in the ASEAN region.”

### **About Challenger Technologies Limited**

Incorporated in 1984, listed on the SGX in January 2004, Challenger operates a chain of IT retail stores and lifestyle retail concepts such as audio specialty store Musica, and mobility & lifestyle private label Valore in Singapore and Malaysia. With an extensive network of strategically-located retail stores, Challenger has over half a million ValueClub members. Challenger also owns end-to-end integrated marketing solutions provider, inCall System Pte Ltd and LED signage and services provider, CBD eVision Pte Ltd.

**For further information, please contact:**

**Mr Tan Wee Ko**

Executive Director & Chief Financial Officer

Tel: (65) 6318-9800

Email: [wktan@challenger.sg](mailto:wktan@challenger.sg)