



**CHALLENGER TECHNOLOGIES LIMITED**

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

**NEWS RELEASE - FOR IMMEDIATE RELEASE**

Results for first quarter ended 31 March 2015 ("1Q2015")

**Challenger achieves 12% net profit growth despite overall soft retail conditions in 1Q2015**

	<b>1Q2015</b> <b>S\$'M</b>	<b>1Q2014</b> <b>S\$'M</b>	<b>Change</b>
Revenue	<b>83.8</b>	<b>85.4</b>	-1.9%
Profit before tax	<b>4.6</b>	<b>4.2</b>	+9.5%
Profit after tax	<b>3.8</b>	<b>3.4</b>	+11.8%
EPS	<b>1.07 cents</b>	<b>0.96 cents</b>	+11.5%
NAV/share	<b>As at 31/03/15</b> <b>20.24 cents</b>	<b>As at 31/03/14</b> <b>18.37 cents</b>	+10.2%

**Highlights:**

- Group net profit up 12% to \$3.8M despite lower Group revenue mainly due to closure of unprofitable retail operations in Malaysia in FY2014 which was offset by lower profit from Singapore's retail operations.

**Singapore, 12 May 2015** – 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 2015.

Net profit for 1Q2015 grew by \$0.4 million or 12% compared to 1Q2014. This was mainly attributable to exchange gains from revaluation of foreign currency balances, higher other income that rose from the government wage credit scheme, as well as lower operating expenses due to the closure of Malaysia's retail business in the second

half of FY2014. The above were offset by weaker Group gross profit that resulted from lower retail sales, with gross margin dropping slightly by 1%.

Group revenue fell by about \$1.6 million or 2% to about \$83.8 million for the first quarter ended 31 March 2015. The decrease was mainly due to loss of revenue resulted from the cessation of Malaysia retail operations in the second half of FY2014. This was partially offset by higher revenue from corporate sales and tradeshows in Singapore.

To date in Singapore, the Group has a total of 44 stores comprising one flagship Challenger megastore, 21 Challenger superstores and 22 small format stores. Its extensive network of conveniently-located stores island-wide is able to cater to the IT needs of its customers.

Chief Executive Mr. Loo Leong Thye said, "We had a strong showing in Q42014 and continued the momentum into the first quarter of 2015 despite a soft retail scene in Singapore. To drive in-store retail excitement, we rolled out new concepts like Go Android! and Game On! across our stores island-wide."

"We remain optimistic in the Singapore retail scene and have just announced four new stores that will open in the second and third quarters," he added. "These locations will serve our growing member base more conveniently."

### **About Challenger Technologies Limited**

Incorporated in 1984, listed on the SGX in January 2004, Challenger operates a chain of IT retail stores known as Challenger and lifestyle retail concepts such as audio specialty store Musica in Singapore. 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.

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