



CHALLENGER TECHNOLOGIES LIMITED

Incorporated in the Republic of Singapore on 14 January 1984

Registration No. 198400182K

NEWS RELEASE - FOR IMMEDIATE RELEASE

Results for third quarter ended 30 September 2017

Net profit jumped 83% to \$3.3M, revenue up 5% to \$78.0M YoY for 3Q2017

	9M2017	9M2016	Change	3Q2017	3Q2016	Change
	S\$'M	S\$'M		S\$'M	S\$'M	
Revenue	233.1	256.0	-9%	78.0	74.4	5%
Profit before tax	12.6	11.2	13%	4.1	2.1	95%
Profit after tax	10.4	9.1	14%	3.3	1.8	83%
Earnings per share	3.00 cents	2.68 cents	12%	0.96 cent	0.51 cent	88%
Dividend per share	1.1 cents	1.1 cents	--	--	--	--
	As at 30/09/17	As at 31/12/16	Change			
NAV/share	23.25 cents	22.91 cents	1%			

Singapore, 3 November 2017 – 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 nine months and third quarter ended 30 September 2017.

Comparing 3Q2017 with 3Q2016, revenue increased by 5% or \$3.6 million to \$78.0 million while net profit increased by about 83% to \$3.3 million. Comparing 9M2017 with 9M2016, net profit increased by about 14% to \$10.4 million while gross profit margin improved to 21%. An absence of impairment provision for investments in a last-mile delivery provider in 3Q2016, higher gross profit and lower operating expenses contributed to the net profit increase. A rise in revenue from project

completions from the electronic signage business as well as better sales from corporate and omnichannel retail channels contributed to the revenue increase.

“Q3 marked the first quarterly growth in sales for 2017, and we are working to ensure this growth of revenue continues into Q4. Amid the challenging retail environment, we kept operating expenses from increasing and worked hard to push up gross profit this quarter,” said Mr Loo Leong Thye, Chief Executive of the Group. “This puts us in a good position to tackle a possibly tougher 2018 to come.”

One of the initiatives in the coming months that Challenger will undertake to continue sales growth is to improve its omnichannel experience. Its ValueClub app, serving over half a million members, will be upgraded by the end of the year with additional features for members to conveniently track transaction and account information, seamlessly transfer reward points to loved ones or donate to an appointed charity as well as conveniently transact without needing to go to a physical Challenger store.

To date, the Group has a total of 38 stores comprising one flagship Challenger megastore, 25 Challenger superstores and 12 small format stores in Singapore. Its extensive network of conveniently-located stores island-wide enables it to reach its half million members and customers where they live, work or play.

About Challenger Technologies Limited

Incorporated in 1984 and listed on the SGX in January 2004, Challenger Technologies Limited operates the Challenger chain of IT retail stores and online tech marketplace Hachi.tech. With an extensive network of strategically-located retail stores, Challenger has over half a million ValueClub members. Challenger also owns inCall System Pte Ltd, which provides call centre services, extended warranty for products and IT repair services.

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