



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 2018 ("1Q2018")

68% increase in net profit for 1Q2018 due to increased sales and margins

	1Q2018	1Q2017 (Restated)	Change
	S\$'M	S\$'M	
Revenue	77.6	76.3	2%
Profit before tax	6.3	3.7	70%
Profit after tax	5.2	3.1	68%
Earnings per share	1.51 cents	0.90 cents	68%
	As at 31/3/18	As at 31/12/17 (Restated)	Change
NAV/share	25.84	24.33	6%

Singapore, 10 May 2018 – 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 first quarter ended 31 March 2018.

1Q2018 revenue increased by 2% or \$1.3 million to \$77.6 million, which was mainly due to better retail as well as trade show sales which increased by about \$5.0 million. 1Q2018 net profit increased by 68% or \$2.1 million to \$5.2 million, which was mainly due to higher gross profit of about \$1.7 million and a \$0.8 million decrease in operating expenses. This was offset by higher income tax provision of about \$0.4 million due to higher profit.

"We are encouraged by our improved retail sales in 1Q2018 despite the uncertain retail sentiments brought over from 2017," said Chief Executive Mr Loo Leong Thye. "We will amplify on the positive results by rolling out new concepts from the second half of the year, both at new locations as well as within our existing stores. One of them is the Musica Boutique, specialising in quality audio products;

the other is our pre-owned IT store which will retail pre-owned IT products with extended warranty so customers can have a peace of mind buying from an established brand like Challenger.”

Apart from these two new concepts, Challenger will have a new store-within-store concept focusing on travel essential products. This concept will be progressively rolled out to selected Challenger stores from 2Q2018. “We are constantly improving our product range across our stores. Some of our stores will have space limitations in stocking the travel essential range, so our customers can shop on Hachi.tech for the full range,” said Mr Loo.

Challenger recently celebrated its first anniversary of its flagship store located at the basement of Bugis Junction with an exclusive members’ sale event. The flagship houses Challenger’s IT concepts across its various product categories. Mr Loo said, “One year post-opening, we are ready to refresh our flagship store with a new layout. We are taking this opportunity to introduce new concepts and expand existing concepts that show potential to do better in our flagship store.”

To date in Singapore, the Group has a total of 38 stores comprising one flagship Challenger store, 25 Challenger superstores and 12 small format stores. With stores conveniently located island-wide, Challenger will continue to grow its retail footprint at suitable locations where available in order to serve its customers within close proximity.

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 half a million ValueClub members. Challenger also owns inCall System Pte Ltd, providing extended warranty for products as well as call centre and IT repair services.

For further information, please contact:

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