



**CHALLENGER TECHNOLOGIES LIMITED**

Incorporated in the Republic of Singapore on 14 January 1984

Registration No. 198400182K

NEWS RELEASE - FOR IMMEDIATE RELEASE

Results for period ended 30 September 2015 ("9M2015")

**3Q2015 Revenue Increased 7% From  
Higher Corporate and Large-Format Show Sales**

	9M2015	9M2014	Change	3Q2015	3Q2014	Change
	S\$'M	S\$'M		S\$'M	S\$'M	
<b>Revenue</b>	256.7	250.5	2%	88.2	82.5	7%
<b>Profit before tax</b>	13.0	12.2	7%	3.9	4.5	-13%
<b>Profit after tax</b>	10.8	10.0	8%	3.5	3.7	-5%
<b>Earnings per share</b>	3.07	2.85	8%	1.01	1.05	-4%
	cents	cents		cents	cents	
<b>Dividend per share</b>	1.1	1.1	--	--	--	--
	cents	cents		--	--	
	As at 30/09/15	As at 31/12/14	Change			
<b>NAV/share</b>	19.87	19.21	+3%			

**Highlights:**

- Revenue increase mainly from higher corporate and large-format show sales
- Net profit declined mainly from lower gross profit offset by lower operating expenses

**Singapore, 4 November 2015** – 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 2015.

Group revenue increased by \$6.2 million or 2% to \$256.7 million for the nine months ended 30 September 2015. Revenue for 3Q2015 increased by \$5.7 million or 7% compared to 3Q2014. This came from stronger corporate and large-format show sales. Retail sales in Singapore remained relatively flat compared to previous corresponding period.

Net profit increased by about 8% to \$10.8 million for the nine months ended 30 September 2015. Net profit for the 3Q2015 decreased by about 5% to \$3.5 million compared to the last corresponding period. This was largely as a result of lower gross profit due to a change in product sales mix, and offset by lower operating expenses.

“Q3 retail sales continued to be sluggish after a slow Q2. Overall, retail demand continued to be weak. Some factors include bad weather and major local events happening that brought retail sentiment down,” said Mr Loo Leong Thye, Chief Executive of the Company. “However, Q4 is traditionally a good quarter for retailers like us, and we are looking forward to the seasonal uplift.”

To date in Singapore, the Group has a total of 46 stores comprising one flagship Challenger megastore, 23 Challenger superstores and 22 small format 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. In 4Q2015, one new store will open at White Sands.

“Manpower constraints and higher store rentals continue to be our main challenges. While we try to manage costs to increase profitability, we are also finding ways to accelerate our growth,” said Mr Loo. “Over the next five years, we will grow our Digital Lifestyle Ecosystem with offline and online e-commerce offerings, e-payment options, software technology development, call centre and extended warranty services, marketplace platforms for valuation and certification of mobile devices, logistics, e-Human Resources and other strategic investments within the digital landscape.”

To achieve this, the Group has set up a wholly-owned subsidiary, Challenge Ventures Pte Ltd, for the purpose of holding such investments. “It is still early days for Challenge Ventures. Even as we have injected two of our subsidiaries which were formerly held by Challenger, we are looking at suitable businesses for investments.” said Mr Loo.

**About Challenger Technologies Limited**

Incorporated in 1984, listed on the SGX in January 2004, Challenger Technologies Limited operates a chain of IT retail stores known as Challenger, 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. In addition, Challenger owns investment arm Challenge Ventures Pte Ltd, which manages digital subsidiaries like end-to-end integrated marketing solutions provider, inCall System Pte Ltd, mobile marketplace platform Andios Pte Ltd, and technology developer Alpmegea Technologies Pte Ltd. Challenger also owns LED signage and services provider, CBD eVision Pte Ltd.

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