



**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 2014 ("9M2014")

**Challenger Achieves Highest Quarterly Profit To Date in FY2014**

	9M2014	9M2013	Change	3Q2014	3Q2013	Change
	S\$'M	S\$'M		S\$'M	S\$'M	
<b>Revenue</b>	250.5	291.3	-14%	82.5	98.4	-16%
<b>Profit before tax</b>	12.2	15.3	-20%	4.5	4.8	-6%
<b>Profit after tax</b>	10.0	12.7	-21%	3.7	4.1	-10%
<b>Earnings per share</b>	2.85	3.64	-22%	1.05	1.17	-10%
	cents	cents		cents	cents	
<b>Dividend per share</b>	1.1	1.1	--	--	--	--
	cents	Cents		--	--	
	<b>As at 30/09/14</b>	<b>As at 31/12/13</b>	Change			
<b>NAV/share</b>	17.73	17.42	+2%			

**Highlights:**

- Improved net profit margin of 21% achieved for the period ended 30 September 2014 compared to 18% achieved for the corresponding period last year
- Best quarterly profit of \$3.7 million achieved in the third quarter of 2014

**Singapore, 6 November 2014** – 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 2014.

Group revenue decreased by \$40.8 million or 14% to \$250.5 million for the nine months ended 30 September 2014. Revenue for 3Q2014 decreased by \$15.9 million or 16% compared to 3Q2013. This

has been mainly attributable to higher sales from Singapore's retail business, offset by lower sales from Malaysia's retail business due to cessation of Malaysia operations by the end of June 2014 and lower corporate sales. Higher sales from Singapore's retail business has been driven by new stores opened in 2013 and the first nine months of this year.

Net profit decreased by 21% to \$10.0 million for the nine months ended 30 September 2014. Net profit for the third quarter decreased by about 10% to \$3.7 million compared to the same corresponding period last year. This is mainly due to higher staff costs, rental and other operating expenses, partially offset by higher gross profit from Singapore retail operations.

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 puts Challenger in good stead for the upcoming holiday season quarter.

"Q4 is traditionally a good quarter for retailers like us so we are looking forward to it," said Mr Loo Leong Thye, the Chief Executive of the Company. "Having said that, like most local retailers, we continue to face challenges such as higher costs when it comes to manpower, store rentals and other operating costs. Our numbers continue to be driven strongly by higher gross profits from our Singapore retail operations since we saw lower corporate sales and the cessation of our Malaysia retail operations."

Focusing on in-house private label has also contributed positively towards the bottom line. "We are able to achieve better gross profit margins this year due to our initiative to source products under our Valore private label last year." 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, and IT accessories private label Valore 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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