



MEDIA RELEASE

For Immediate Release

Challenger Technologies Limited announces greater push towards digital retail ecosystem and advanced software development initiatives for continued growth

Growth plans will put Challenger in good stead despite closure of its retail flagship megastore due to redevelopment of Funan DigitaLife Mall

Singapore, 10 December 2015 – SGX Mainboard-listed Challenger Technologies Limited (“Challenger” or the “Group”), the largest IT products and services provider in Singapore, today announced a greater push towards a digital retail ecosystem and advanced software development initiatives for continued growth.

On the back of a 10 December 2015 announcement by CapitaLand Mall Trust Limited (“CMTL”) Management Limited of its Q42016 plans to redevelop Funan DigitaLife Mall where Challenger has its 53,000 sqft flagship megastore, the Group is well-positioned to continue bringing value and relevance to its half a million members and established base of corporate customers.

Long-term business planning began in 2009

Chief Executive Mr Loo Leong Thye noted that Funan’s redevelopment had been in CMTL’s plans over seven years ago. Challenger’s planning also began then. “We relocated our entire back office operations to our Ubi Link corporate building in 2009,” he said. This was followed by rapid retail expansion, with a total store count at 47 as of 12 December 2015 and three new leases confirmed for the first half of 2016.

Continued growth in digital space to remain relevant to consumers

Apart from restarting its retail ecommerce engine in 2014 with a mobile-first revamp coming in early 2016, the Group also announced its foray into a digital lifestyle ecosystem by establishing Challenge Ventures Pte Ltd (“CVPL”) in Q32015 to invest in digital businesses and services.

One such service is the group’s existing end-to-end integrated marketing solutions provider, inCall System Pte Ltd, which has been injected into CVPL. Another business is e-commerce marketplace Andios, which provides customers a platform to buy or sell their smartphones online. To create the next wave of business growth, CVPL will continue to invest in relevant businesses from outside of the Group.

To cater for the rapid growth from its digital businesses, the Group has plans to establish a logistics hub in Singapore for ecommerce warehousing and fulfilment.



Reduced financial impact from flagship megastore closure

The Group believes the impact from its megastore closure is significantly reduced to the extensive planning efforts over the last seven years. “When we first listed on SGX in 2004, our Funan store contributed to 60% of our total group revenue. As of Q32015, this number is only 20% of our total group revenue,” Mr Loo noted. “Over the last seven years, many of our members and even tourists have also begun shopping at our heartland mall stores because of proximity convenience. With our mobile-first revamp coming in early 2016, more Challenger customers will switch to shopping with us online. They will enjoy online-only member deals, always-on rebates credited to their eWallets and even same-day express delivery.”

“We can stock 10 times more products online than at our megastore”

The idea of a destination specialist shopping mall is not as relevant as being able to provide a wider range of products for customers to browse on-the-go, noted Mr Loo. “We can stock 10 times more products online than at our megastore, creating a mega mall effect for customers to browse and transact on their mobile devices. We need to go where the customers are,” he said. “Our physical retail stores will evolve to become more experiential, with our brand partners having better concepts to showcase their products’ capabilities. They will complement our online store, which will serve customers at their own time— not dictated by a mall’s operating hours.”

The Group is continuing to keep its physical store expansion options open. “Our retail strategy has always been and will continue to see us expanding at suitable locations with reasonable rentals,” Mr Loo said.

The Group will also continue to explore more ways to remain relevant to its customers, and push new initiatives in order to secure new markets.

“I have a big sales target of \$1 billion to be achieved in five years’ time,” Mr Loo said. “This is entirely possible because we have scalable business plans to roll out progressively to regional markets.”

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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. 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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