



CHALLENGER TECHNOLOGIES LIMITED
(Incorporated in the Republic of Singapore on 14 January 1984)
(Registration No. 198400182K)

NEWS RELEASE - FOR IMMEDIATE RELEASE
Results for first half ended 30 June 2017 (“1H2017”)

2Q 2017 net profit up 2% despite 14% drop in revenue

	1H2017	1H2016	Change	2Q2017	2Q2016	Change
	S\$'M	S\$'M		S\$'M	S\$'M	
Revenue	155.13	181.63	-15%	78.68	91.24	-14%
Profit before tax	8.47	9.09	-7%	4.63	4.62	--%
Profit after tax	7.12	7.32	-3%	3.87	3.64	6%
Profit attributable to shareholders	7.05	7.52	-6%	3.84	3.76	2%
Earnings per share	2.04 cents	2.18 cents	-6%	1.11 cents	1.09 cents	2%
Dividend per share	1.10 cents	1.10 cents	-	--	--	--
	As at 30/06/17	As at 31/12/16	Change			
NAV/share	23.36 cents	22.91 cents	2%			

Singapore, 4 August 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 half year and second quarter ended 30 June 2017.

Net profit for 1H2017 decreased by 6% to \$7.1M and for 2Q2017 increased by 2% to \$3.8M. This was mainly attributable to stronger gross profit margin, as well as an efficiency drive to reduce expenses like staff costs, rental and depreciation. This

efficiency drive will continue to be in place to meet the demands of the current soft retail landscape where margins and costs will be managed even more keenly. In 2Q2017, it already resulted in a positive impact on the Group's bottom line.

Revenue for 1H2017 decreased by 15% to \$155.1M mainly due to decrease in retail sales and trade show sales. Revenue for 2Q2017 decreased by 14% to \$78.7M for the same reasons noted for 1H2017 which was partially offset by increase in corporate sales noted for 2Q2017.

In looking ahead at the second half of this year with Challenger's latest 14,000 sq ft flagship opened at Bugis Junction, Chief Executive Mr. Loo Leong Thye said, "We have seen two full months of operations at our new flagship store and look to continuously increase sales there as more customers become familiar with its presence at the basement of Bugis Junction.

The online tech marketplace Hachi.tech also recently celebrated its full year of operations with good traction achieved. Hachi.tech will continue to improve on user experience as well as faster fulfillment for in-store self-collection and delivery time. "Now that Hachi.tech is growing to become a familiar name to local online shoppers, we will focus on improving our omnichannel experience and deliver better experiences to our online shoppers," Mr Loo said.

Currently, the Group has a total of 38 stores comprising one flagship Challenger megastore store, 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 half a million ValueClub members to date. Challenger also owns inCall System Pte Ltd, which provides extended warranty for products as well as call centre and IT repair services.

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