



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 2018 (“1H2018”)

1H2018 net profit up 31% on a marginal 1% drop in revenue

	1H2018	Restated 1H2017	Change	2Q2018	Restated 2Q2017	Change
	S\$'M	S\$'M		S\$'M	S\$'M	
Revenue	153.8	155.1	-1%	76.2	78.8	-3%
Profit before tax	11.5	8.4	37%	5.2	4.7	11%
Profit after tax	9.3	7.1	31%	4.0	3.9	3%
Earnings per share	2.67 cents	2.03 cents	31%	1.16 cents	1.13 cents	3%
Dividend per share	1.10 cents	1.10 cents	-	--	--	--
	As at 30/06/18	As at 31/12/17 (Restated)	Change			
NAV/share	24.80 cents	24.33 cents	2%			

Singapore, 3 August 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 half year and second quarter ended 30 June 2018.

Net profit increased 31% to \$9.3M for 1H2018 and increased 3% to \$4.0M for 2Q2018. This was due to stronger gross profit margin and reduced operating expenses.

Revenue for 1H2018 decreased marginally by 1% to \$153.8M mainly due to lower online sales, which was offset by stronger growth in retail, trade show and corporate sales.

Meanwhile, revenue for electronic signage business decreased due to lack of completion of projects compared to the last corresponding period. Revenue for 2Q2018 decreased by 3% to \$76.2M for the same reasons noted for 1H2018.

In May 2018, the Group celebrated its first full year of operation at its 14,000 sq ft. flagship store at the basement level of Bugis Junction with a store refresh. Chief Executive Mr. Loo Leong Thye said, “After a year at our flagship, we redecorated our store layout based on feedback from the operations team and customers. We will continuously improve customer shopping experience in order to increase our sales there.”

Towards the end of the second quarter, the Group noticed a slowdown in retail sales. This challenging operating environment is expected to continue on into the second half of 2018. In anticipation of this, the Group had already made plans to unveil two new retail concepts by end-2018 to reach out to a more diverse group of customers. By August, PIT.money will open at JCube, stocking end-of-life, demo and trade-in IT products. At a later phase, the store will accept pre-owned IT products from ValueClub members. By December, Musica.Boutique will open at ION Orchard, ranging mid to high-end audio products in a lush setting.

Continuing on growth, the ValueClub membership programme expanded in the last quarter to reach out to student members as well as associate members, where each main member can sign up to 3 free members. Payment partnerships have also commenced with Grab, KrisPay and CapitaStar to facilitate seamless transactions across various groups of customers. These activities are expected to mitigate the effects from a quieter retail environment.

Currently, the Group has a total of 37 stores comprising one flagship Challenger megastore store, 25 Challenger superstores and 11 small format stores in Singapore. 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 4Q2018, a 5,000 sq ft store will open at Paya Lebar Quarter, located at the heart of the URA’s urban regeneration masterplan for that area.

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 over 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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