



**CHALLENGER TECHNOLOGIES LIMITED**

Incorporated in the Republic of Singapore on 14 January 1984

Registration No. 198400182K

NEWS RELEASE - FOR IMMEDIATE RELEASE

Results for year ended 31 December 2016 ("FY2016")

**Full year dividend up 2% year-on-year;  
new flagship store to commence operating in May 2017**

	FY2016	FY2015	Change	4Q2016	4Q2015	Change
	S\$'M	S\$'M		S\$'M	S\$'M	
<b>Revenue</b>	339.4	352.2	-4%	83.4	95.6	-13%
<b>Profit before tax</b>	16.3	21.7	-25%	5.1	8.8	-42%
<b>Profit after tax</b>	13.3	18.3	-27%	4.2	7.5	-44%
<b>Earnings per share</b>	3.89	5.29	-26%	1.20	2.22	-46%
	cents	cents		cents	cents	
<b>Dividend per share</b>	2.70 cents	2.65 Cents	2%	1.60 cents	1.55 Cents	3%
	As at 31/12/16	As at 31/12/15	Change			
<b>NAV/share</b>	23.24	22.00	6%			

**Singapore, 15 February 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 full year and fourth quarter ended 31 December 2016.

Despite the tough retail climate, the Group continued to be profitable even as net profit decreased 27% to \$13.3 million for the year ended 31 December 2016 and 44% to \$4.2 million for 4Q2016. Affecting the Group's overall net profit were an impairment provision on the investment in a last-mile delivery company, the closure of used-smartphone online marketplace and right-sizing due to non-performing retail stores. Without impairment loss provision, net profit for the full year and 4Q2016 would decrease by only 15% and 29% respectively.

Group revenue dipped slightly by 4% or \$12.8 million to \$339.4 million for the full year ended 31 December 2016. 4Q2016 revenue decreased by 13% or \$12.2 million compared to 4Q2015. Revenue

from online marketplace Hachi.tech— which was launched in April 2016— managed to offset decrease in physical retail store revenue due to softer consumer demand.

The Group expects the challenging retail landscape in FY2016 to flow over to FY2017. However, it continues to bank on a sustainable business model with a strong omnichannel approach. “FY2016 was about building a strong foundation with our online expansion. This year, we will work on enhancing Hachi.tech’s capabilities and functions in order to create a better online experience for our members.”

At the same time, Mr Loo noted the importance of right-sizing and reacting promptly to shed non-performing business units. “In FY2016, we wrote off two businesses that did not perform up to our expectations. In the first half of 2017, we will also close a number of non-performing outlets. These will have a positive impact on our bottom line for FY2017.”

The bright spot in Challenger’s FY2017 retail activity calendar will be its new flagship store commencing operations in May 2017. Located at the basement of Bugis Junction, it will house Challenger’s well-loved plus brand-new IT concepts across its various product categories. “This is the answer to what our loyal customers have been asking for, ever since we closed our previous flagship store in June 2016. We look forward to providing an even more immersive omnichannel shopping experience with the new flagship.”

To date in Singapore, the Group has a total of 43 stores comprising 25 Challenger superstores and 18 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.

#### **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. Challenger also owns inCall System Pte Ltd, which provides extended warranted for products as well as call centre and IT repair services.

#### **For further information, please contact:**

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