



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 2015 ("FY2015")

Net profit jumps 50% in 4Q FY2015; proposed dividend increases 24%

	FY2015	FY2014	Change	4Q2015	4Q2014	Change
	S\$'M	S\$'M		S\$'M	S\$'M	
Revenue	352.2	355.1	-1%	95.6	104.6	-9%
Profit before tax	21.7	18.4	18%	8.8	6.2	42%
Profit after tax	18.3	15.0	22%	7.5	5.0	50%
Earnings per share	5.29	4.28	24%	2.22	1.43	55%
	cents	cents		cents	cents	
Dividend per share	2.65 cents	2.35 Cents	13%	1.55 cents	1.25 Cents	24%
	As at 31/12/15	As at 31/12/14	Change			
NAV/share	22.00	19.21	15%			

Singapore, 15 February 2016 – 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 2015.

Net profit increased 22% to \$18.3 million for the year ended 31 December 2015, mainly due to higher government grants received and lower operating expenses from the closure of Malaysia retail operations. Net profit for the fourth quarter also increased 50% to \$7.5 million year-on-year as a result of stronger gross profit and lower operating expenses.

Group revenue dipped slightly by 1% or \$2.9 million to \$352.2 million for the full year ended 31 December 2015. This was mainly due to lower contribution from retail revenue in Singapore and absence of revenue arising from closure of retail operations in Malaysia in the second half of last year, which was partially offset by higher corporate sales and write back of deferred revenue on loyalty programme activities. 4Q2015 revenue decreased by \$9.0 million or 9% compared to 4Q2014 mainly due to lower retail and corporate sales, which was partially offset by the write back of deferred revenue.

Looking at the year ahead, Chief Executive Mr Loo Leong Thye observed that FY2016 will continue to be a challenging year for the retail industry in general. “Weak market sentiment from last year will spill over into 2016. Hence, retailers like us have to keep innovating to retain existing customers and attract new ones,” Mr Loo said. “On top of that, we will continue to focus on other hygiene factors like keeping operating costs low with better cost management and increasing productivity.”

To maintain its relevance in a fragmented and slow retail market, the Group has invested in establishing a new online store that will unveil in April 2016. Known as Hachi.sg, it will boast significantly more products, an improved shopper interface, as well as a robust online sales platform. While higher expenses will be incurred to kick-start and grow online sales, the Company’s online focus corresponds with the overall market trend of online sales growth in the region. “The next wave of growth is online, and we are building up to a stronger position by investing our resources and manpower for the next 3 to 5 years towards the online business,” Mr Loo said. “Our strong network of offline stores will complement the online business so our customers can enjoy a true shop-anywhere, offline-to-online and vice versa experience.”

To date in Singapore, the Group has a total of 48 stores comprising one flagship Challenger megastore, 23 Challenger superstores and 24 small format stores. Its extensive network of conveniently-located stores island-wide enables it to reach its half a million members and customers near where they live, work or play.

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. In addition, Challenger owns investment arm Challenge Ventures Pte Ltd, which manages digital subsidiaries like end-to-end integrated marketing solutions provider, inCall System Pte Ltd and mobile marketplace platform Andios Pte Ltd. Challenger also owns LED signage and services provider, CBD eVision Pte Ltd.

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