



CHALLENGER TECHNOLOGIES LIMITED

Incorporated in the Republic of Singapore on 14 January 1984

Registration No. 198400182K

NEWS RELEASE - FOR IMMEDIATE RELEASE

Results for third quarter ended 30 September 2016

Group revenue for 9 months remained flat despite weak economy and did not slide

	9M2016	9M2015	Change	3Q2016	3Q2015	Change
	S\$'M	S\$'M		S\$'M	S\$'M	
Revenue	256.0	256.7	--	74.4	88.2	-16%
Profit before tax	11.2	13.0	-14%	2.1	3.9	-46%
Profit after tax	9.1	10.8	-16%	1.8	3.5	-49%
Earnings per share	2.68	3.07	-13%	0.51	1.01	-50%
	Cents	cents		cent	cents	
Dividend per share	1.1	1.1	--	--	--	--
	cents	cents				
	As at 30/09/16	As at 31/12/15	Change			
NAV/share	22.03	22.00	--			

Singapore, 1 November 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 nine months and third quarter ended 30 September 2016.

Group revenue remained flat at \$256.0 million for the nine months ended 30 September 2016. Revenue for 3Q2016 decreased by \$13.8 million or 16% to \$74.4 million compared to 3Q2015. This was mainly due to a drop of \$7.5 million in lower retail sales brought on by weakened retail sentiment, as well as a drop of \$5.6 million in lower corporate sales.

Net profit decreased by about 16% to \$9.1 million for the nine months ended 30 September 2016. Net profit for the 3Q2016 decreased by about 49% to \$1.8 million compared to the last corresponding period. This was caused by an impairment provision of about \$1.2 million for

investments in a last-mile delivery provider, which has scaled down its operations recently. Without the impairment loss provision, net profit for the nine months and third quarter would only decrease by 6% and 17% respectively. The rest of the net profit decrease was due to lower gross profit as a result of lower revenue, despite a marginal increase in gross profit margin.

“Local retail consumption was weak and we saw a slowdown in Q3 retail sales due to worsening economic sentiment,” said Mr Loo Leong Thye, Chief Executive of the Company. “To stimulate growth opportunities for us and mitigate the impact of this weak economy, we will continue to enhance our omnichannel offerings to allow us to reach our offline and online customers faster. One way is through our online dedicated tech marketplace Hachi.tech. Another way is improving our O2O experience so that our offline store customers can understand the convenience of online shopping anytime, anywhere even when the physical store is not opened during operating hours.”

“Profit for this quarter was lower as we had to make a one-off full impairment provision for our investments in a last-mile delivery provider,” said Mr Loo. “We now move on to focusing on our omnichannel approach so that our online and offline customers enjoy an improved shopping experience.”

To date in Singapore, the Group has a total of 44 stores comprising 25 Challenger superstores and 19 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 call centre services, extended warranty for products and IT repair services.

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