



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

NEWS RELEASE - FOR IMMEDIATE RELEASE
Results for first quarter ended 31 March 2017 ("1Q2017")

**Revenue and net profit decrease due to soft retail environment
and lesser corporate sales**

	1Q2017 S\$'M	1Q2016 S\$'M	Change
Revenue	76.5	90.4	-15.4%
Profit before tax	3.8	4.5	-15.6%
Profit after tax	3.2	3.7	-13.5%
Profit attributable to shareholders	3.2	3.8	-15.8%
EPS	0.93 cent	1.09 cents	-14.7%
NAV/share	As at 31/03/17 23.84 cents	As at 31/12/16 22.91 cents	+4.1%

Singapore, 9 May 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 first quarter ended 31 March 2017.

Group revenue decreased by about \$13.9 million or 15.4% to about \$76.5 million for the first quarter ended 31 March 2017. The decrease was mainly due to lower revenue from retail sales, corporate sales and contribution from trade show, partially offset by higher online sales revenue. The online sales contributed about 10% of our total retail and online sales revenue.

Net profit for 1Q2017 decreased to \$3.2 million compared to 1Q2016. This was mainly attributable to lower gross profit and other income from government grants, partially

offset by lower staff costs, premises and other operating expenses. Despite the lower gross profit noted above, gross margins for 1Q2017 improved by 1% to 20.9%.

Despite the soft retail environment, Challenger opened the doors to its much-awaited new flagship store on 1 May 2017 just ten months after closing its previous flagship. Spanning 14,000 square feet at Bugis Junction basement 1, the new flagship's productive size and efficient layout has already generated encouraging early sales figures. "With a new flagship, customers can expect more events and activities at a central location in the months to come," Chief Executive Mr Loo Leong Thye said.

Challenger's online tech marketplace, Hachi.tech, has been making good progress a year into its launch. It will be further enhanced to improve its range of products available, user experience and faster fulfilment options. Mr. Loo said, "Hachi.tech has just turned one but is already an important growth engine for us. We have confidence in growing online revenue, having put in place clear strategies for member acquisition, retention and growth. Hachi.tech will also play a critical role in contributing to our omnichannel approach, which has now strengthened our Bugis flagship opening."

Currently, the Group has a total of 40 stores comprising one flagship Challenger megastore, 25 Challenger superstores and 14 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. 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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