



**CHALLENGER TECHNOLOGIES LIMITED**  
(Incorporated in the Republic of Singapore)  
(Company Registration No. 198400182K)

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## **FY2021 AGM - RESPONSE TO QUESTIONS RECEIVED**

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The board of directors ("Board" or "Directors") of Challenger Technologies Limited (the "Company" and together with its subsidiaries, the "Group") refers to (i) the notice of the annual general meeting ("AGM") announced on 4 April 2022 informing the shareholders of the Company that the AGM will be convened and held by way of electronic means on 26 April 2022 at 10:00 a.m. and (ii) the annual report of the Company for the financial year ended 31 December 2021 ("FY2021 AR").

The Company has received various questions from its shareholders and would like to thank all shareholders for their ongoing interest in the Company and for their cooperation in submitting their questions ahead of the deadline. The Company would like to take this opportunity to respond to the substantial and relevant questions received in this announcement. Broadly, we have classified our responses to the queries received, into the five (5) categories below:

### **1. Possibility of Privatisation of the Company**

The Board has not received any privatisation proposals at this present moment. The Board will review and inform the shareholders of any relevant privatisation proposals received in a timely manner.

### **2. Group Revenue Breakdown**

Our Group revenue for FY2021 may be categorised approximately as follows:

- (a) retail stores sales 88% (FY2020: 83%);
- (b) online sales 4% (FY2020: 9%);
- (c) corporate sales 6% (FY2020: 6%); and
- (d) other sales 2% (FY2020: 2%).

The increase in the percentage of retail store sales and the decrease in percentage of online sales for FY2021 from FY2020 are attributable to the closure of our retail outlets during the circuit breaker period from 7 April 2020 to 19 June 2020 in FY2020, where we experienced higher volumes of online sales as our physical stores were not allowed to operate during the circuit breaker period.

### **3. Queries on the Annual Remuneration in Respect of the Deputy Chief Executive Officer ("DCEO")**

The increase in remuneration of the DCEO is attributable to the DCEO's promotion to senior management and the increase in the DCEO's basic pay and allowances which took effect from November 2020, as well as and the payment of higher bonuses in FY2021 as a result of the

DCEO's participation in the Group's incentive plan for top key management after assuming the new role.

For FY2021, the DCEO was tasked with new responsibilities in various areas of the Company's business such as, sales, retail operations, logistics, merchandising and IT functions, in addition to the responsibility of marketing management, which the DCEO had previously performed as the Company's Chief Marketing Officer.

#### **4. Capital Commitments in the Short Term and the Need for External Funding**

The Company has sufficient internal funds to cater to the ordinary course of expansion of businesses within the Group for two (2) to three (3) succeeding years.

Currently, the Company does not have any projects or plans which will require funding from external sources.

#### **5. Management of Cash and Financial Assets**

As at 31 December 2021, the Group's cash flow has increased as a result of the Company previously raising approximately S\$32.8 million in net proceeds from the share placement exercise conducted in November 2021.

The Board has also set limits to the amounts of funds which can be used for investments or to be placed as fixed deposits with various financial institutions. This is subject to the usage of the proceeds from the share placement exercise towards the expansion of our businesses. Investments at FVTPL (notes 17 and 17B of the Notes to the Financial Statements) is for investments in equities. This is a discretionary equity portfolio fund managed by a reputable financial institution in Singapore.

BY ORDER OF THE BOARD  
**CHALLENGER TECHNOLOGIES LIMITED**

Chia Foon Yeow  
Company Secretary  
18 April 2022