

PRESS RELEASE

**Soo Kee Group's FY2016 Revenue Increased 26.9%
 FY2016 Net Profit of S\$6.5 million and Proposes Final Dividend of
 0.50 Singapore cents per share**

- *FY2016 revenue increased 26.9% to S\$176.8 million*
- *FY2016 profit, net of tax attributable to equity holders of the Company fell 22.6% to S\$6.5 million*
- *Q4-2016 profit, net of tax attributable to equity holders of the Company increased 38.4% year-on-year to S\$3.1 million*
- *Eyes expansion into Thailand market with bespoke bridal jewellery brand, "Love & Co.", to further growth*

Singapore, 24 February 2017 – Soo Kee Group Ltd. ("Soo Kee Group" or the "Company" and, together with its subsidiaries, the "Group"), ("树记珠宝集团"), a leading and established trendsetting jeweller, announced today a net profit after tax of S\$6.5 million for the financial year ended 31 December 2016 ("FY2016").

The Group recorded higher revenue of 26.9% year-on-year ("yoy") to S\$176.8 million in FY2016 mainly from the sales by the Group's subsidiary, SK Bullion Pte Ltd ("SK Bullion"), which contributed S\$42.6 million to the Group's revenue.

Financial Highlights

S\$'000	Q4-2016	Q4-2015	Change (%)	FY2016	FY2015	Change (%)
Revenue	54,721	36,439	50.2	176,790	139,288	26.9
Material costs	36,820	19,258	91.2	114,309	72,987	56.6
Employee benefits expense	4,523	5,206	(13.1)	18,435	18,893	(2.4)
Depreciation and amortisation expense	1,052	895	17.5	4,230	2,564	65.0
Other expenses	7,369	8,356	(11.8)	30,200	32,242	(6.3)
Profit, net of tax	3,064	2,231	37.3	6,468	8,345	(22.5)
Profit, net of tax attributable to equity holders of the Company	3,088	2,231	38.4	6,463	8,345	(22.6)

Material costs increased by S\$41.3 million or 56.6% from S\$73.0 million in for the financial year ended 2015 ("FY2015") to S\$114.3 million in FY2016 mainly due to the change in product mix following the acquisition of the Group's bullion business in April 2016.

Employee benefits expense declined by S\$0.5 million or 2.4% from S\$18.9 million in FY2015 to S\$18.4 million in FY2016 mainly attributable to a reduction in staff-related expenses as a result of lower headcount.

Depreciation and amortisation expense for FY2016 increased by S\$1.7 million or 65.0% yoy mainly due to depreciation expenses for the Group's Changi Business Park Headquarters ("SOOKEE HQ") and amortisation expenses of the land use-rights relating thereto, from November 2015, upon completion of the SOOKEE HQ.

Other expenses decreased by 6.3% yoy to S\$30.2 million for FY2016 due to the absence of IPO-related expenses of S\$1.3 million which was incurred in FY2015 as well as lower advertising and promotion expenses and rental expenses. These were offset by expenses incurred for the upkeep of SOOKEE HQ, from November 2015.

The Group recorded a net profit after tax attributable to equity holders of the Company of S\$6.5 million for FY2016 as compared to S\$8.3 million a year ago.

For the three-month period ended 31 December 2016 (“Q4-2016”), the Group recorded higher revenue of 50.2% to S\$54.7 million from S\$36.4 million over the same corresponding period in the previous financial year (“Q4-2015”). Net profit after tax attributable to equity holders in Q4-2016 increased 38.4% to S\$3.1 million.

As at 31 December 2016, the Group’s balance sheet remained healthy with cash and cash equivalents amounting to S\$27.5 million.

The Board of Directors of Soo Kee Group has proposed a tax exempt (one-tier) final cash dividend of 0.50 Singapore cents per share for FY2016, subject to shareholders’ approval at the annual general meeting of the Company to be convened.

Commenting on the Group’s results, Mr. Daniel Lim (“林雍胜”), Executive Director and Chief Executive Officer, commented, **“Despite the challenging operating environment, we continue to drive top-line growth by staying focused on introducing new products as well as new initiatives to meet the demands of the evolving retail landscape and to enhance our market leadership in the industry**

Besides driving organic growth in our existing markets, we are also continuously on the lookout for new business channels and expansion into new markets to achieve sustainable growth”

On 9 February 2017, the Group announced that it has entered into a memorandum of understanding (“MOU”) with Aurora Design Co., Ltd (“Aurora” and together with its subsidiaries, the “Aurora Group”), marking its foray into Thailand. Under the terms of the MOU, the Group intends to establish a joint venture company with Aurora Group that will offer a range of gold and diamond products in Thailand under the Group’s bespoke bridal jewellery brand, “Love & Co.”. The Group’s entry into Thailand comes as increasing affluence and rising consumerism fuel the luxury goods market in Thailand. The Group is cautiously optimistic about its growth potential in the Thailand market.

As part of the Group’s strong commitment to deliver product excellence and high quality diamonds to its customers, it had also announced on 9 February 2017 that it will be the first Asian partner of The International Institute of Diamond Grading & Research (“IIDGR”), part of the De Beers Group of Companies, for polished diamond grading services. The Group is the exclusive retailer in Singapore to offer bespoke IIDGR grading reports through its bridal specialist brand, “Love & Co.”, for the proprietary “Lovemarque” diamond collection.

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About Soo Kee Group Ltd.

Headquartered in Singapore, Soo Kee Group Ltd. (“**Soo Kee Group**” or the “**Company**” and, together with its subsidiaries, the “**Group**”) was founded in 1991 and has an established presence of over 20 years in Singapore and over a decade in Malaysia. It has one of the largest networks of over 60 retail stores in both countries, strategically situated in prime shopping malls.

As a leading and established jeweller, Soo Kee Group offers a wide range of jewellery products and mementoes through its *Soo Kee Jewellery*, *SK Jewellery* and *Love & Co.* brands to cater to a diverse range of consumer tastes and preferences, occasions, and demographics. Each brand has a unique identity, with distinctive branding, marketing efforts and product offerings. The Group is also engaged in the bullion business through its *SK Bullion* brand, offering a holistic service that allows consumers to buy, sell, store and track precious gold and silver assets at their convenience.

Soo Kee Jewellery offers upmarket, exquisite luxury jewellery pieces designed for confident, contemporary women with refined and discerning tastes. Its collections predominantly feature premium diamonds complemented by gold or platinum settings, and contemporary jewellery featuring precious gemstones and pearls. It is the exclusive distributor in Singapore and Malaysia for the distinctive *Brilliant Rose* brand of diamonds produced by an international diamond manufacturer.

SK Jewellery offers an extensive range of fashionable jewellery and mementoes for a wider demographic. This includes the innovative *Dancing Star* and *Star Carat* collections as well as the *SK 999 Pure Gold* collection, featuring bridal jewellery, sculpted art pieces, commemorative gold bars and coins. Exclusively distributed by the Group, *SK Jewellery* also carries the *ALLOVE* brand of diamonds, which pushes the boundaries in diamond-cutting techniques with an all-new 81-facet cut, specifically created to maximise light performance, in Singapore and Malaysia.

Love & Co. specialises in bespoke bridal jewellery, notably, made-to-order engagement rings and wedding bands such as the signature *LVC Lovemark* and *LVC Promise* collections. Through customisable design elements and personalisation services, *Love & Co.* seeks to establish personal connections with customers.

SK Bullion is a trusted gold and silver dealer in Asia, offering an alternative investment platform for consumers to buy, sell and store precious gold and silver assets at their convenience. Leveraging on Singapore as a precious metals trade hub, *SK Bullion* is dedicated to offering a holistic investment platform to its regional customers.

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*This press release ("**Press Release**") has been prepared by Soo Kee Group Ltd. (the "**Company**") and its contents have been reviewed by the Company's sponsor, United Overseas Bank Limited (the "**Sponsor**"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"). The Sponsor has not independently verified the contents of this Press Release.*

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