

PRESS RELEASE

Soo Kee Group's FY2015 revenue up 3.5% to S\$139.3 million on higher demand for its jewellery products and mementoes

- *Profit, net of tax decreased 22.8% to S\$8.3 million mainly due to higher material costs, higher employee benefits expense and IPO-related expenses*
- *Company proposes first and final dividend of S\$0.5 cents per share, representing 33.7% of Group's profit, net of tax, for FY2015*
- *Strong cash position of S\$34.0 million as at 31 December 2015 enables Group to seek further business expansion*

Singapore, 28 February 2016 – 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, reported a 3.5% year-on-year increase in its revenue to S\$139.3 million for the financial year ended 31 December 2015 ("FY2015").

Financial Highlights

S\$'000, unless otherwise stated	FY2015	FY2014	Change (%)
Revenue	139,288	134,542	3.5
Material costs	(72,987)	(70,590)	3.4
Employee benefits expense	(18,893)	(16,608)	13.8
Other expenses	(32,242)	(30,159)	6.9
Profit, net of tax	8,345	10,806	(22.8)

The increase in revenue was mainly due to the increase in demand for the Group's jewellery products and mementoes, while profit, net of tax, decreased 22.8% to S\$8.3 million, mainly due to the increase in material costs, employee benefits expense and IPO-related expenses.

Employee benefit expense increased by S\$2.3 million, or 13.8%, mainly due to the increase in the directors' remuneration and directors' fees in conjunction with the Company's initial public offering on Catalist of the Singapore Exchange Securities Trading Limited (the "IPO"), annual salary increments for existing employees and higher commissions payable to sales staff which are in line with the higher revenue.

Other expenses increased by S\$2.1 million, or 6.9%, mainly due to IPO-related expenses as well as an increase in advertising and promotion expenses.

Notwithstanding a lower profit, the Company is proposing a first and final dividend of S\$0.5 cents per ordinary share, representing 33.7% of the Group's profit, net of tax for FY2015, to shareholders. This is in line with the stated intention in the Company's IPO offer document of recommending and distributing dividends of at least 20.0% of the Group's profit, net of tax for FY2015 and FY2016.

The net proceeds from the IPO of about S\$31.6 million has strengthened the Group's cash position to S\$34.0 million as at 31 December 2015, and will primarily be used for the expansion of the Group's network of retail stores and introduction of new product lines and for working capital and general corporate purposes. With its stronger cash position, the Group is better poised to invest in brand-enhancing campaigns, execute product

diversification strategies to reach out to customers of varying tastes and preferences, and will also continue to enhance its new e-store platforms to reach out to a wider spectrum of customers.

The Group has moved into its new Changi Business Park Headquarters – Soo Kee HQ, in November 2015. Soo Kee HQ serves as the regional hub to support the Group’s local and overseas operations in activities such as design and development, branding and training. The Group will continue to develop its design and development capabilities and provide customer care services at its new premises.

As disclosed in the Company’s announcement on SGXNET dated 16 February 2016, the Company has entered into a memorandum of understanding with Dai Keng Trading Pte Ltd to invest up to S\$0.8 million in a joint venture company, DK Bullion Pte Ltd (“DK Bullion”), pursuant to which the Company will hold a 70.0% stake in DK Bullion, which will be engaged in the business of distributing precious metals in Singapore, Malaysia and Indonesia, as well as the provision of storage services for precious metals. The Company sees the bullion business as a strategic fit to its overall strategy in business expansion and introduction of new product lines.

On the Group’s future plans, Mr. Daniel Lim (“林雍胜”), Executive Director and Chief Executive Officer, commented, **“With our strong cash position, we are well-poised to seek good business opportunities through mergers and acquisitions, market expansion, product development and/or channel expansion strategies. We will continue to explore suitable opportunities to grow our business locally and overseas, and diversify our revenue streams to achieve a more robust business foundation.”**

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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.

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.

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SK Jewellery offers an extensive range of fashionable jewellery and mementoes for a wider demographic. This includes *SK Jewellery's* signature *True Love* premium diamonds set in proprietary designs, exclusive distributorship of the *ALLOVE* brand of diamonds, which pushes the boundaries in diamond-cutting techniques with an all-new 81-facet cut, specifically created to maximize light performance, in Singapore and Malaysia, and 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.

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.

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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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