



SOO KEE GROUP LTD.

(Company Registration No.: 201214694Z)

(Incorporated in the Republic of Singapore on 13 June 2012)

**PROPOSED ACQUISITION OF 70.00% OF THE
TOTAL ISSUED AND PAID-UP SHARE CAPITAL OF DK BULLION**

1. INTRODUCTION

- 1.1 The board of directors (the "**Board**" or "**Directors**") of Soo Kee Group Ltd. (the "**Company**" and, together with its subsidiaries, the "**Group**") refers to the Company's announcements dated 16 February 2016 and 18 March 2016 (the "**Prior Announcements**") in connection with the acquisition of shares in DK Bullion by the Company from TMK (the "**Share Acquisition**"). Capitalised terms not defined herein bear the same meanings ascribed to them in the Prior Announcements.
- 1.2 Further to the Prior Announcements, the Board wishes to announce that the Company has on 16 April 2016 entered into a share transfer agreement (the "**Share Transfer Agreement**") with TMK and the Warrantors pursuant to which TMK will sell to the Company such number of shares in DK Bullion comprising 70.00% of the total issued and paid-up share capital of DK Bullion (the "**Sale Shares**").

2. DETAILS OF THE SHARE ACQUISITION

2.1 Sale Shares

The Sale Shares will be acquired by the Company free from any lien, charge and other encumbrances and together with all rights and benefits attached and accruing thereto as at the Completion Date (as defined below).

2.2 Completion

Completion is to take place on the first working day immediately following the fulfilment of the conditions precedent set out below within 30 days from the date of the Share Transfer Agreement (the "**Long Stop Date**"), unless otherwise extended by the Company in accordance with the terms and conditions set out in the Share Transfer Agreement (the "**Completion Date**"):

- (a) Completion of the transfer of the Relevant Business Assets from Dai Keng to DK Bullion under the terms of the Asset Transfer Agreement dated 29 March 2016 between DK Bullion and Dai Keng;
- (b) Completion of satisfactory legal and financial due diligence by the Company, in its sole and absolute discretion, on DK Bullion and the Relevant Business Assets;
- (c) Receipt by the Company of all requisite consents, approvals and waivers required to be obtained by the Company under any applicable laws and regulations in respect of the

Share Acquisition, and where any consent or approval is subject to any condition, such condition is satisfactory to the Company;

- (d) All representations and warranties under the Share Transfer Agreement being true, correct and complete in all material respects as at the Completion Date;
- (e) There being no change, whether individually or in the aggregate, that can reasonably be expected to have a material adverse effect on the financial condition, results, operations or prospects of the business of DK Bullion as contemplated by the Parties under the Share Transfer Agreement; and
- (f) There being no order by a governmental body of competent jurisdiction in effect which has the effect of restraining, enjoining or otherwise prohibiting the consummation of any of the transactions contemplated under the Share Transfer Agreement.

2.3 Consideration

On Completion, the Company will pay to TMK a cash payment of S\$300,000 while a balance sum of S\$500,000 will only be payable by the Company to TMK if DK Bullion achieves the Minimum NPAT within the Performance Period.

For purposes of determining the Minimum NPAT, the Company shall only be obliged to rely solely on the audited annual financial statements of DK Bullion during the Performance Period. For the avoidance of doubt, the Minimum NPAT is a fixed target such that:

- (a) no Performance Pay-out shall be payable if the Company's audited net profit after tax whether in a single financial year or in aggregate over three (3) financial years during the Performance Period, falls below the Minimum NPAT; and
- (b) no additional amount above the agreed amount of S\$500,000 is payable even if the Minimum NPAT is exceeded.

The total consideration payable for the Sale Shares as aforesaid was arrived at after taking into consideration, *inter alia*, the business prospects and a mutually agreed forward price-earnings multiple of DK Bullion.

2.4 Management of DK Bullion after Completion

Following Completion, the share capital of DK Bullion will be held in the following proportions:

Company	:	70.00%
TMK	:	25.00%
Ean	:	5.00%

DK Bullion will carry on the business of distributing precious metals, including those supplied by refiners accredited by the LBMA and minted product producers, and providing secure precious metal storage services. The board of directors of DK Bullion, comprising Ean and three (3) directors nominated and/or approved by the Company, will have the general overall power and authority to determine the strategy of the business, while the day-to-day operations of the business will be managed by Ean.

Dai Keng will wind-down and cease any business activity that is similar to or identical to the business of DK Bullion, and will refer all business opportunities, potential or otherwise, relating to the business of DK Bullion which Dai Keng obtains or receives from a third party or knows about.

TMK and the Warrantors jointly and severally undertake to the Company that upon Completion, they will not, either on their own account or in conjunction with or on behalf of any other person, firm or company, carry on or be engaged, concerned or interested, directly or indirectly (whether as shareholder, partner, agent or otherwise) in any business activity that is similar or identical to the business of DK Bullion, excluding their respective equity stake in, and control of, Dai Keng and other than as a holder of not more than 5.00% of the issued shares or debentures of any company listed on any recognised stock exchange. TMK and Ean will further ensure that their respective equity stakes in and control of Dai Keng will not result in any conflict with their duties and obligations to DK Bullion, and they will use their best efforts to avoid any such conflict.

3. RATIONALE FOR THE SHARE ACQUISITION

The Board believes that DK Bullion's primary business activities comprising distribution of precious metals, including those supplied by refiners accredited by the LBMA and minted product producers, and the provision of secure precious metal storage service, will be a strategic fit to the Group's business expansion and product diversification plan, and has potential for growth which will benefit the Company and its shareholders.

4. RULE 1008 OF THE CATALIST RULES

The relative figures for the Share Acquisition computed on the bases set out in Rule 1006 of the Catalist Rules do not exceed 5.00%. As such, the Share Acquisition is a non-discloseable transaction under Rule 1008 of the Catalist Rules but for the purpose of good practice and transparency, is disclosed hereto by the Company.

The Company will fund the Share Acquisition through internal resources. The Share Acquisition is not expected to have a material impact on the net tangible assets per share or earnings per share of the Group for the current financial year ending 31 December 2016.

5. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in the Share Acquisition, other than through their shareholdings in the Company.

6. SERVICE CONTRACT

Ean shall enter into a service contract with DK Bullion to provide his services as managing director (or such other title as designated by the board of directors of DK Bullion) of DK Bullion for an initial period of three years on Completion, such service contract to be on terms and conditions as may be substantially provided in accordance with the Share Transfer Agreement.

7. TERMINATION

The Share Transfer Agreement may be terminated at any time prior to the Completion Date:

- (a) by mutual written agreement of the Parties; or

- (b) by the Company by written notice given to TMK and the Warrantors upon the occurrence of any of the following (whether such events amount to repudiatory breaches or not):-
- (i) The Long Stop Date has not occurred on or before the date specified or where such date has been extended in accordance with the terms and conditions of the Share Transfer Agreement.
 - (ii) Completion has not occurred on or before the Long Stop Date (or such extended later date) as provided under certain circumstances in the Share Transfer Agreement.
 - (iii) TMK has breached any obligation or undertaking required to be performed or caused to be performed under the Share Transfer Agreement on or before the Completion Date.
 - (iv) There shall be in effect any law or regulation or a final non-appealable order or directive of any governmental body of competent jurisdiction restraining, enjoining or otherwise prohibiting the consummation of any of the transactions contemplated therein.
 - (v) The Company has elected in writing to the Vendor and the Warrantors to rescind the Share Transfer Agreement in the event that any of the conditions precedent therein have not been fulfilled by TMK or waived by the Company prior to the Long Stop Date (or such extended later date).

8. DOCUMENTS AVAILABLE FOR INSPECTION

The Share Transfer Agreement shall be available for inspection at the Company's registered office at 7 Changi Business Park Vista, #01-01, Singapore 486042 during normal business hours for a period of three (3) months from the date of this announcement.

9. FURTHER ANNOUNCEMENTS

The Company will make further announcements to keep the shareholders of the Company ("**Shareholders**") informed, as and when there are material updates and developments in respect of the Share Acquisition in due course.

10. RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Share Acquisition, the Company and its subsidiaries, and the shares of the Company, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading.

Where information in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this announcement in its proper form and context.

11. TRADING CAUTION

Shareholders and potential investors of the Company are advised to read this announcement and any further announcements by the Company carefully, and should consult their stockbrokers, bank managers, solicitors or other professional advisors if they have any doubt about the actions they should take.

BY ORDER OF THE BOARD

Lim Yong Sheng
Executive Director and Chief Executive Officer
16 April 2016

*This announcement has been prepared by 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 announcement. The announcement has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

The contact persons for the Sponsor are Mr Khong Choun Mun, Managing Director, Equity Capital Markets and Mr David Tham, Senior Director, Equity Capital Markets, who can be contacted at 80 Raffles Place, #03-03 UOB Plaza 1, Singapore 048624, telephone: +65 6533 9898.