

Soo Kee Group Ltd.

(Company Registration No.: 201214694Z)
(Incorporated in the Republic of Singapore on 13 June 2012)

UNAUDITED THIRD QUARTER FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2017

PART I - INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR ANNOUNCEMENTS

1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comprehensive statement for the corresponding period of the immediately preceding financial year.

CONSOLIDATED / COMBINED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Group Unaudited					
	Q3-2017 S\$'000	Q3-2016 S\$'000	Change %	9M-2017 S\$'000	9M-2016 S\$'000	Change %
Revenue	38,693	49,803	(22.3%)	117,788	122,069	(3.5%)
Other gains	226	295	(23.4%)	915	1,286	(28.8%)
Material costs	(25,003)	(36,369)	(31.3%)	(74,329)	(77,489)	(4.1%)
Employee benefits expense	(4,600)	(4,341)	6.0%	(14,173)	(13,912)	1.9%
Depreciation and amortisation expense	(1,010)	(1,060)	(4.7%)	(2,966)	(3,177)	(6.6%)
Other losses	-	(196)	N.M.	(40)	(48)	(16.7%)
Finance costs	(392)	(487)	(19.5%)	(1,143)	(1,561)	(26.8%)
Other expenses	(7,073)	(7,242)	(2.3%)	(22,279)	(22,831)	(2.4%)
Profit before tax	841	403	108.7%	3,773	4,337	(13.0%)
Income tax expense	(301)	(151)	99.3%	(1,070)	(933)	14.7%
Profit, net of tax	540	252	114.3%	2,703	3,404	(20.6%)
Other comprehensive income:						
Items that may be reclassified subsequently to profit or loss:						
Exchange differences on translating foreign operations, net of tax	6	(103)	N.M.	(10)	23	N.M.
Other comprehensive income for the period, net of tax	6	(103)	N.M.	(10)	23	N.M.
Total comprehensive income	546	149	266.4%	2,693	3,427	(21.4%)
Attributable to:						
Equity holders of the Company	560	236	137.3%	2,789	3,375	(17.4%)
Non-controlling interest	(20)	16	N.M.	(86)	29	N.M.
Profit, net of tax	540	252	114.3%	2,703	3,404	(20.6%)
Attributable to:						
Equity holders of the Company	566	133	325.6%	2,779	3,398	(18.2%)
Non-controlling interest	(20)	16	N.M.	(86)	29	N.M.
Total comprehensive income	546	149	266.5%	2,693	3,427	(21.4%)

N.M.: Not meaningful

1(a)(ii) Notes to consolidated / combined statements of profit or loss and other comprehensive income

The Group's profit before tax was arrived at after crediting/(charging) the following:

	Group Unaudited					
	Q3-2017 S\$'000	Q3-2016 S\$'000	Change %	9M-2017 S\$'000	9M-2016 S\$'000	Change %
Central support service income	50	50	-	149	149	-
Depreciation and amortisation expenses	(1,010)	(1,060)	(4.7%)	(2,966)	(3,177)	(6.6%)
Finance costs	(392)	(487)	(19.5%)	(1,143)	(1,561)	(26.8%)
Foreign exchange adjustment gains/(losses)	75	(131)	N.M.	344	147	134.0%
Interest income	19	69	(72.5%)	54	208	(74.0%)
Loss on disposal of property, plant and equipment	-	(65)	N.M.	(40)	(48)	(16.7%)
Miscellaneous income	25	185	(86.5%)	201	810	(75.2%)
Rental income	76	60	26.7%	221	180	22.8%

N.M.: Not meaningful

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

STATEMENTS OF FINANCIAL POSITION

	Group		Company	
	Unaudited As at 30 September 2017 S\$'000	Audited As at 31 December 2016 S\$'000	Unaudited As at 30 September 2017 S\$'000	Audited As at 31 December 2016 S\$'000
Assets				
<u>Non-current assets</u>				
Property, plant and equipment	33,428	33,256	-	-
Investment in subsidiaries	-	-	12,002	12,002
Investment in associates	2	2	-	-
Deferred tax assets	265	125	-	-
Other financial assets	30	30	-	-
Intangible assets	807	807	-	-
Other assets (land use rights)	5,375	5,540	-	-
Total non-current assets	39,907	39,760	12,002	12,002
<u>Current assets</u>				
Inventories	56,210	59,644	-	-
Trade and other receivables	1,344	1,968	27,102	28,581
Other assets (land use rights)	219	219	-	-
Other assets	7,223	6,164	66	77
Cash and cash equivalents	17,147	27,488	6,725	7,596
Total current assets	82,143	95,483	33,893	36,254
Total assets	122,050	135,243	45,895	48,256
Equity and liabilities				
<u>Equity</u>				
Share capital	42,399	42,399	42,399	42,399
Retained earnings	11,962	11,986	2,488	4,748
Other reserves	(964)	(954)	-	-
Equity attributable to owners of the Company	53,397	53,431	44,887	47,147
Non-controlling interest	234	320	-	-
Total equity	53,631	53,751	44,887	47,147
<u>Non-current liabilities</u>				
Deferred tax liabilities	126	126	-	-
Other financial liabilities	29,415	33,296	-	-
Other liabilities	983	919	-	-
Total non-current liabilities	30,524	34,341	-	-
<u>Current liabilities</u>				
Income tax payable	1,058	2,230	-	44
Trade and other payables	11,965	18,433	1,008	1,065
Other financial liabilities	22,827	23,832	-	-
Other liabilities	2,045	2,656	-	-
Total current liabilities	37,895	47,151	1,008	1,109
Total liabilities	68,419	81,492	44,985	48,256
Total equity and liabilities	122,050	135,243	44,985	48,256

1(b)(ii) Aggregate amount of group's borrowings and debt securities

Amount repayable by the Group in one year or less, or on demand

As at 30 September 2017		As at 31 December 2016	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
17,872	4,955	18,845	4,987

Amount repayable by the Group after one year

As at 30 September 2017		As at 31 December 2016	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
21,333	8,082	22,515	10,781

Details of collaterals

The Group's credit facilities are secured by one or several of, *inter alia*,

- (a) Corporate guarantees from the Company;
- (b) Assignment of, *inter alia*, all rights, title, interests and benefits arising out of the building agreement in respect of the Group's land located at Changi Business Park (the "**Changi Business Park Land**"); and
- (c) Assignment of, *inter alia*, all rights, title, interests and benefits arising out of all present and future leases of any units or part thereof of the Group's building located on the Changi Business Park Land (the "**Changi Business Park Headquarters**").

The Group's hire purchase facilities are secured against the respective motor vehicles.

The Group's unsecured credit facilities comprise (a) the loans extended by the Company's Non-Executive Chairman, Dato' Sri Dr. Lim Yong Guan, and the Company's Executive Directors, Mr. Lim Yong Sheng and Mdm. Lim Liang Eng, pursuant to the loan agreements dated 1 June 2015 (the "**Directors' Loans**") and (b) a loan of S\$1.20 million to the Company's 70%-owned subsidiary, SK Bullion Pte Ltd, from its minority shareholders.

- 1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

CONSOLIDATED / COMBINED STATEMENTS OF CASH FLOWS

	Unaudited			
	Q3-2017 S\$'000	Q3-2016 S\$'000	9M-2017 S\$'000	9M-2016 S\$'000
<u>Cash flows from operating activities</u>				
Profit before tax	841	403	3,773	4,337
Adjustments for:				
Depreciation of property, plant and equipment	954	1,008	2,801	3,016
Amortisation of land use rights	56	55	165	164
Interest expense	392	487	1,143	1,561
Interest income	(19)	(69)	(54)	(208)
Loss on disposal of property, plant and equipment	-	65	40	48
Net effect of foreign exchange rate changes in consolidating foreign subsidiaries	6	8	(108)	106
Operating cash flows before changes in working capital	2,230	1,957	7,760	9,024
Inventories	(980)	1,950	3,434	3,779
Trade and other receivables	(599)	196	624	580
Other assets	(461)	(206)	(1,062)	(232)
Trade and other payables	(332)	1,595	(6,467)	(1,372)
Other liabilities	215	2,472	(548)	3,326
Net cash flows from operations	73	7,964	3,741	15,105
Income taxes paid	(1,129)	(910)	(2,243)	(1,823)
Net cash flows (used in)/from operating activities	(1,056)	7,054	1,498	13,282
<u>Cash flows from investing activities</u>				
Purchase of property, plant and equipment	(751)	(1,323)	(3,080)	(4,006)
Disposal of property, plant and equipment	-	-	-	87
Acquisition of a subsidiary	-	-	-	(300)
Interest received	19	69	54	208
Net cash flows used in investing activities	(732)	(1,254)	(3,026)	(4,011)
<u>Cash flows from financing activities</u>				
Decrease in borrowings	(322)	(2,979)	(2,103)	(9,579)
(Decrease)/Increase in other financial liabilities	-	(32)	-	1,568
Finance lease repayments	9	(18)	(22)	(49)
Net movement in amounts due to directors	(909)	(1,209)	(2,732)	(1,922)
Interest paid	(392)	(487)	(1,143)	(1,561)
Dividend paid	-	-	(2,813)	(2,813)
Net cash flows used in financing activities	(1,614)	(4,725)	(8,813)	(14,356)
<u>Net (decrease)/increase in cash and cash equivalents</u>	(3,402)	1,075	(10,341)	(5,085)
Cash and cash equivalents, statement of cash flows, beginning balance	20,549	27,865	27,488	34,026
Cash and cash equivalents, statement of cash flows, ending balance	17,147	28,941	17,147	28,941

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

STATEMENTS OF CHANGES IN EQUITY

Group	Share Capital	Retained Earnings	Other reserves	Attributable to Owners	Non-Controlling Interests	Total Equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance as at 1 January 2017	42,399	11,986	(954)	53,431	320	53,751
Dividends paid	-	(2,813)	-	(2,813)	-	(2,813)
Total comprehensive income for the period	-	2,789	(10)	2,779	(86)	2,693
Balance as at 30 September 2017	42,399	11,962	(964)	53,397	234	53,631
Balance as at 1 January 2016	42,399	8,336	(810)	49,925	-	49,925
Dividends paid	-	(2,813)	-	(2,813)	-	(2,813)
Total comprehensive income for the period	-	3,375	23	3,398	29	3,427
Acquisition of interest in subsidiary	-	-	-	-	300	300
Balance as at 30 September 2016	42,399	8,898	(787)	50,510	329	50,839

Company	Share Capital	Retained Earnings	Total Equity
	S\$'000	S\$'000	S\$'000
Balance as at 1 January 2017	42,399	4,748	47,147
Dividends paid	-	(2,813)	(2,813)
Total comprehensive income for the period	-	553	553
Balance as at 30 September 2017	42,399	2,488	44,887
Balance as at 1 January 2016	42,399	3,320	45,719
Dividends paid	-	(2,813)	(2,813)
Total comprehensive income for the period	-	219	219
Balance as at 30 September 2016	42,399	726	43,125

1(d)(ii) Details of any changes in the company’s share capital arising from rights issues, bonus issues, share buy-backs, exercises of share options or warrants, conversion of other issues of equity securities, issues of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

CHANGES IN ISSUED AND PAID-UP SHARE CAPITAL

	Company	
	Number of shares	Issued and paid-up share capital S\$
Issued and fully paid-up share capital Balance as at 30 September 2017	562,500,000	42,398,917

During Q3-2017 and 9M-2017, there were no changes in the Company’s issued and paid-up share capital.

There were no outstanding convertibles, shares held as treasury shares, or subsidiary holdings as at 30 September 2017 and 30 September 2016.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	As at 30 September 2017	As at 31 December 2016
Total number of issued shares (excluding treasury shares)	562,500,000	562,500,000

The Company has no treasury shares or securities convertible into shares that were outstanding as at 30 September 2017 and 31 December 2016.

1(d)(iv) A statement showing all sales, transfers, disposals, cancellation and/or use of treasury share as at the end of the current financial period reported on.

Not applicable. The Company did not have any treasury shares during and as at the end of the current financial period reported on.

1(d)(v) A statement showing all sales, transfers, disposals, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable. The Company did not have any subsidiary holdings during and as at the end of the current financial period reported on.

2. **Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.**

The figures have not been audited or reviewed by the auditors of the Company.

3. **Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter).**

Not applicable.

4. **Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

The Group has applied the same accounting policies and methods of computation in the financial statements for Q3-2017 and 9M-2017 as its most recently audited consolidated financial statements for the financial year ended 31 December 2016 ("FY2016").

5. **If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

There are no changes in the Group's accounting policies and methods of computation including any required by an accounting standard.

6. **Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

EARNINGS PER SHARE ("EPS")

	Group Unaudited			
	Q3-2017	Q3-2016	9M-2017	9M-2016
Profit, net of tax attributable to equity holders of the Company (S\$'000)	560	236	2,789	3,375
Weighted average number of ordinary shares ⁽¹⁾				
(a) Basic	562,500,000	562,500,000	562,500,000	562,500,000
(b) Diluted	562,500,000	562,500,000	562,500,000	562,500,000
EPS (cents)				
(a) Basic	0.10	0.04	0.50	0.60
(b) Diluted	0.10	0.04	0.50	0.60

Note:

(1) The weighted average number of ordinary shares on a basic and fully diluted basis were the same as there were no potentially dilutive instruments as at 30 September 2017 and 30 September 2016.

7. **Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the**
- (a) **Current financial period reported on; and**
 (b) **Immediately preceding financial year.**

NET ASSET VALUE (“NAV”)

	Group		Company	
	Unaudited As at 30 September 2017	Audited As at 31 December 2016	Unaudited As at 30 September 2017	Audited As at 31 December 2016
NAV per ordinary share (cents)	9.49	9.50	7.98	8.38

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group’s business. It must include a discussion of the following:-**
- (a) **any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
 (b) **any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

REVIEW OF THE GROUP’S PERFORMANCE

Revenue

Revenue decreased by S\$4.28 million or 3.5% from S\$122.07 million in 9M-2016 to S\$117.79 million in 9M-2017 and decreased by S\$11.11 million or 22.3% from S\$49.80 million in Q3-2016 to S\$38.69 million in Q3-2017. The decrease in revenue for 9M-2017 as compared to 9M-2016 was mainly due to the decrease in demand for the Group’s jewellery products and mementoes while the decrease in revenue for Q3-2017 as compared to Q3-2016 was mainly due to the decrease in sales by our subsidiary, SK Bullion Pte Ltd.

Other gains

Other gains decreased by S\$0.37 million or 28.8% from S\$1.29 million in 9M-2016 to S\$0.92 million in 9M-2017. This was mainly attributable to a decrease in government grants of S\$0.23 million and a decrease in miscellaneous and commission income.

In Q3-2017, other gains was S\$0.23 million, as compared to S\$0.30 million in Q3-2016. The decrease of S\$0.07 million was mainly due to a decrease in miscellaneous income of S\$0.16 million offset by foreign exchange adjustment gains of S\$0.07 million and rental income of S\$0.02 million.

Material costs

Material costs decreased by S\$3.16 million or 4.1% from S\$77.49 million in 9M-2016 to S\$74.33 million in 9M-2017 and decreased by S\$11.37 million or 31.3% from S\$36.37 million in Q3-2016 to S\$25.00 million in Q3-2017. The more than proportionate decrease in material costs as compared to the decrease in revenue in the respective periods was mainly due to the change in product mix.

Employee benefits expense

Employee benefits expense increased by S\$0.26 million or 6.0% from S\$4.34 million in Q3-2016 to S\$4.60 million in Q3-2017. The increase was mainly due to an (i) increase in employer's CPF contribution due to increase in CPF contribution rate, (ii) increase in salaries and sales commission and (iii) increase in recruitment expenses.

Employee benefits expense increased by S\$0.26 million or 1.9% from S\$13.91 million in 9M-2016 to S\$14.17 million in 9M-2017 for the same reasons as mentioned above.

Depreciation and amortisation expense

Depreciation and amortisation expense decreased by S\$0.21 million or 6.6% from S\$3.18 million in 9M-2016 to S\$2.97 million in 9M-2017 and decreased by S\$0.05 million or 4.7% from S\$1.06 million in Q3-2016 to S\$1.01 million in Q3-2017. The decrease was mainly due to lower depreciation expenses for renovations and plant and equipment for our Malaysian subsidiaries as certain fixed assets have been fully depreciated.

Other losses

The other losses, due mainly to a loss on disposal of property, plant and equipment, was relatively unchanged at S\$0.04 million in 9M-2016 and 9M-2017.

The decrease in other losses of S\$0.20 million in Q3-2017 as compared to Q3-2016 was due to an absence of foreign exchange adjustment losses of S\$0.13 million attributable to the weakening of the MYR which had been recognized in Q3-2016 and absence of loss on disposal of property, plant and equipment which was recognised in Q3-2016.

Finance costs

Finance costs decreased by S\$0.42 million or 26.8% from S\$1.56 million in 9M-2016 to S\$1.14 million in 9M-2017 and decreased by S\$0.10 million or 19.5% from S\$0.49 million in Q3-2016 to S\$0.39 million in Q3-2017. The decrease was mainly due to lower borrowings following the repayment of certain term loans facilities and the Directors' Loans.

Other expenses

Other expenses decreased by S\$0.55 million or 2.4% from S\$22.83 million in 9M-2016 to S\$22.28 million in 9M-2017 and decreased by S\$0.17 million or 2.3% from S\$7.24 million in Q3-2016 to S\$7.07 million in Q3-2017. The decrease was mainly due to property tax refund.

Profit before tax

As a result of the foregoing, profit before tax decreased by S\$0.57 million or 13.0% from S\$4.34 million in 9M-2016 to S\$3.77 million in 9M-2017 and increased by S\$0.44 million or 108.7% from S\$0.40 million in Q3-2016 to S\$0.84 million in Q3-2017.

Income tax expense

Income tax expense increased by S\$0.14 million or 14.7% from S\$0.93 million in 9M-2016 to S\$1.07 million in 9M-2017 mainly due to provision for certain expenses which may not be tax deductible in 9M-2017.

Income tax expense increased by S\$0.15 million or 99.3% from S\$0.15 million in Q3-2016 to S\$0.30 million in Q3-2017 mainly due to the increase in profit before tax.

REVIEW OF THE GROUP'S FINANCIAL POSITION

Non-current assets

Non-current assets increased by S\$0.15 million or 0.4% from S\$39.76 million as at 31 December 2016 to S\$39.91 million as at 30 September 2017. This was mainly due to the (i) increase in property, plant and equipment of S\$0.17 million and (ii) increase in deferred tax assets of S\$0.14 million, partially offset by the decrease in other assets (land use rights) of S\$0.16 million.

The increase in property, plant and equipment was mainly due to capital expenditures incurred in relation to the construction costs for the Group's Changi Business Park Headquarters and purchase of other plant and equipment.

Current assets

Current assets decreased by S\$13.34 million or 14.0% from S\$95.48 million as at 31 December 2016 to S\$82.14 million as at 30 September 2017. This was mainly due to the (i) decrease in cash and cash equivalents of S\$10.34 million mainly due to repayment of trade payables for raw materials and finished goods purchased on credit terms of S\$6.47 million and repayment of the Directors' Loans of S\$2.73 million, (ii) decrease in inventories of S\$3.43 million and (iii) decrease in trade and other receivables of S\$0.63 million, partially offset by increase in other assets of S\$1.06 million.

The decrease in inventories of S\$3.43 million was mainly due to the decrease in inventories held in Singapore.

Non-current liabilities

Non-current liabilities decreased by S\$3.82 million or 11.1% from S\$34.34 million as at 31 December 2016 to S\$30.52 million as at 30 September 2017. This was mainly due to the repayment of certain term loans facilities of S\$1.18 million and repayment of the Directors' Loans of S\$2.70 million, partially offset by increase in other liabilities of S\$0.06 million.

Current liabilities

Current liabilities decreased by S\$9.25 million or 19.6% from S\$47.15 million as at 31 December 2016 to S\$37.90 million as at 30 September 2017. This was mainly attributable to (i) decrease in trade and other payables of S\$6.47 million, (ii) decrease in other financial liabilities of S\$1.00 million, (iii) decrease in income tax payable of S\$1.17 million and (iv) decrease in other liabilities of S\$0.61 million.

The decrease in trade and other payables was mainly due to settlement for the jewellery products purchased on credit terms.

The decrease in other financial liabilities was mainly due to the repayment of certain term loans facilities.

The decrease in income tax payables of S\$1.17 million or 52.6% from S\$2.23 million as at 31 December 2016 to S\$1.06 million as at 30 September 2017 was mainly due to income tax expenses provided for in 9M-2017 of S\$1.07 million which was offset by income tax payment of S\$2.24 million.

Total equity

Total equity decreased marginally by S\$0.12 million or 0.2% from S\$53.75 million as at 31 December 2016 to S\$53.61 million as at 30 September 2017. The decrease was mainly due to the total comprehensive income, net of tax attributable to owners of the Company of S\$2.79 million for 9M-2017 offset by (i) increase in foreign currency translation reserve (other reserves) of S\$0.01 million, (ii) decrease in non-controlling interest of S\$0.09 million and (iii) payment of ordinary dividends in respect of FY2016 of S\$2.81 million in Q2-2017.

REVIEW OF THE GROUP'S CASHFLOW STATEMENT

For 9M-2017, net cash flows from operating activities was S\$1.50 million, which consisted of operating cash flows before changes in working capital of S\$7.76 million, net of income tax paid of S\$2.24 million and working capital outflows of S\$4.02 million.

The net working capital outflows arose mainly from the following:

- (a) (i) a decrease in trade and other payables of S\$6.47 million, (ii) decrease in other liabilities of S\$0.55 million and (iii) decrease in other assets of S\$1.06 million,
- (b) offset by (i) decrease in trade and other receivables of S\$0.63 million and (ii) decrease in inventories of S\$3.43 million.

For 9M-2017, net cash flows used in investing activities amounted to S\$3.03 million mainly due to the purchase of property, plant and equipment relating to capital expenditures incurred in relation to the construction costs for the Group's Changi Business Park Headquarters and purchase of other plant and equipment.

For 9M-2017, net cash flows used in financing activities was S\$8.81 million mainly due to (i) dividend payment of S\$2.81 million, (ii) loan repayment of S\$2.10 million, (iii) net movement in amounts due to directors of S\$2.73 million arising from the repayment of the Directors' Loans and (iv) interest payment of S\$1.14 million.

As a result of the above, there was a net decrease of S\$10.34 million in cash and cash equivalents for 9M-2017, from a net cash surplus of S\$27.49 million as at 31 December 2016 to a net cash surplus of S\$17.15 million as at 30 September 2017.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not applicable as no forecast for 9M-2017 was provided.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or event that may affect the group in the next reporting period and the next 12 months.

The local retail operating environment remains challenging as retailers continue to face margin pressures from weaker retail spending and labour costs. As cautious consumer spending continues, the Group will keep up its efforts to enhance customer engagement through the introduction of new initiatives and new product offerings so as to boost top-line growth.

Concurrently, the Group will continue to drive operational efficiencies such as improving its inventory turnover days which can generate savings from decreased inventory costs. In addition, to provide a source of recurring income, the Group has secured a tenant for a portion of the unutilised office space at its Changi Business Park Headquarters, and remains on the lookout for tenants for the remaining empty office space.

Beyond the retail scene in Singapore and Malaysia, the Group is actively expanding its regional footprint to generate new revenue streams. On 19 July 2017, the Group entered into a memorandum of understanding with Global Crown Group Holding Limited and Diamond Avenue Investments Limited (the "JVC") in relation to a proposed joint venture whereby the JVC shall develop and operate the business of selling gold and diamond products under the Group's bridal jewellery brand, *Love & Co.*, in both the People's Republic of China and Hong Kong Special Administration Region

11. Dividend

(a) Any dividend declared for the current financial period reported on?

None.

(b) Corresponding period of the immediately preceding financial year?

None.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

12. If no dividend has been declared (recommended), a statement to that effect.

No dividend has been declared or recommended for 9M-2017.

13. If the group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Group does not have a general mandate from shareholders for interested person transactions pursuant to Rule 920(1)(a)(ii) of the Singapore Exchange Securities Trading Limited (“SGX-ST”) Listing Manual Section B: Rules of Catalist (“Catalist Rules”). However, pursuant to Rule 905 of the Catalist Rules, the following is disclosed:

Name of Interested Person	Aggregate value of all Interested Person Transactions during the year under review (including transactions of less than S\$100,000 and transactions conducted under Shareholders’ Mandate pursuant to Rule 920 of the Catalist Rules)	
	9M-2017 S\$’000	9M-2016 S\$’000
Purchases of products Moneymax Financial Services Ltd. and its subsidiaries (the “MoneyMax Group”)	38	5
Sales of products MoneyMax Group	352	-
Soo Kee Capital Pte Ltd	-	879
Central support services MoneyMax Group	149	149
Rental income MoneyMax Group	171	144
Rental expense Lim Yong Guan	243	243
	953	1,420

14. **Confirmation by the issuer pursuant to Rule 720(1)**

The Company confirms that it has procured undertakings from all of its directors and executive officers as required under Rule 720(1) of the Catalist Rules.

15. **Negative Confirmation by the Board pursuant to Rule 705(5)**

The board of directors of the Company (the “Board”) confirms that, to the best of its knowledge, nothing has come to the attention of the Board which may render the unaudited interim financial statements for Q3-2017 and 9M-2017 to be false or misleading in any material aspect.

ON BEHALF OF THE BOARD OF DIRECTORS

Dato’ Sri Dr. Lim Yong Guan
Non-Executive Chairman

Lim Yong Sheng
Executive Director and Chief Executive Officer

6 November 2017

*This announcement 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 (“**Sponsor**”), for compliance with the relevant rules of the SGX-ST. The Sponsor has not independently verified the contents of this announcement.*

This 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 person for the Sponsor is Mr. Lim Hoon Khiat, Director, Equity Capital Markets, who can be contacted at 80 Raffles Place, #03-03 UOB Plaza 1, Singapore 048624, Telephone: +65 6533 9898.