



SOO KEE GROUP LTD.

(Incorporated in the Republic of Singapore)
(Company Registration No. 201214694Z)

ENTRY INTO MEMORANDUM OF UNDERSTANDING RELATING TO THE PROPOSED JOINT VENTURE (THE "PROPOSED JOINT VENTURE") IN THE PEOPLE'S REPUBLIC OF CHINA ("PRC") AND HONG KONG SPECIAL ADMINISTRATIVE REGION ("HKSAR")

The board of directors ("**Board**") of Soo Kee Group Ltd. (the "**Company**" and together with its subsidiaries, the "**Group**") is pleased to announce that the Company's wholly-owned subsidiary, Love & Co. International Pte. Ltd. ("**Love & Co. International**"), has entered into a memorandum of understanding ("**MOU**") dated 19 July 2017 with Global Crown Group Holding Limited (環冠集團股份有限公司) ("**Global Crown**" and collectively with its affiliates, the "**Global Crown Group**") and Diamond Avenue Investments Limited (the "**JVC**") in relation, *inter alia*, to the Proposed Joint Venture.

Global Crown is an investment holding company incorporated in the HKSAR wholly-owned by Mdm. Cheung Yuen Kwan. Global Crown's wholly-owned subsidiary, Shenzhen Batar Investment Holding Group Co., Ltd. (深圳百泰投资控股集团有限公司) and together with its subsidiaries (the "**Batar Group**"), is a major gold jewellery company in the PRC primarily involved in the manufacture, wholesale and retail of gold jewellery. The Batar Group currently has more than 20 subsidiaries engaged in various businesses, has industrial bases in Shenzhen, Hangzhou, Tianjin, and owns more than 400 franchises and retail jewellery stores across the PRC. Further information on the Batar Group is available at its website at <http://www.batar.cn/>.

The JVC is incorporated in the British Virgin Islands and as at the date of this announcement, has an issued and paid-up share capital of US\$20,000, comprising 20,000 shares of US\$1.00 each ("**JVC Shares**"), wholly-owned by Global Crown.

Pursuant to the terms of the MOU, Love & Co. International and Global Crown intend to, *inter alia*, subscribe for new JVC Shares (the "**Proposed Subscription**") pursuant to which upon completion of the Proposed Subscription, Love & Co. International and Global Crown shall hold 55% and 45% of the issued and paid-up share capital of the JVC, respectively. The aggregate initial investment amount by Love & Co. International and Global Crown under the Proposed Subscription shall be RMB50 million (approximately S\$10.2 million).

It is also contemplated under the MOU that the JVC shall develop and operate the business of selling gold and diamond products under the Group's "*Love & Co.*" trademarks, trade or brand name in the PRC and HKSAR and target to establish approximately 550 points-of-sales (including franchised outlets) in the PRC and HKSAR and to achieve an aggregate amount of RMB2 billion in revenue by the end of its fifth year of operation. It is further proposed that the Group will license such intellectual property rights to the JVC in connection with the Proposed Joint Venture.

For a period of six (6) months from the date of the MOU (or such other extended period as may be mutually agreed between the parties), the Global Crown Group, Love & Co. International, and Love & Co. Pte. Ltd., a wholly-owned subsidiary of the Company, will not directly or indirectly participate in discussions with any other party regarding proposed business ventures which may be similar to, or

which may compete with, the Proposed Joint Venture. If the parties do not enter into definitive agreements for the Proposed Joint Venture by the end of such period, the MOU shall terminate and the parties shall have no further obligations to one another save for the confidentiality obligations therein.

Save for certain provisions, the MOU is not legally binding and the Proposed Joint Venture is subject to, *inter alia*, the entry into definitive agreements by the parties, and receipt of approvals from the relevant authorities in the PRC and HKSAR.

None of the directors or controlling shareholders of the Company has any interest, direct or indirect, in the MOU or the Proposed Joint Venture, save for their respective shareholdings in the Company (if any).

Love & Co. International's entry into the MOU 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 2017.

The Board will make further announcements as and when there are material updates and developments in respect of the Proposed Joint Venture.

Shareholders and potential investors of the Company are advised to exercise caution when trading in the shares of the Company as there is no certainty or assurance as at the date of this announcement that the Proposed Joint Venture will materialise. Shareholders and potential investors of the Company are further 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 as to the actions they should take.

BY ORDER OF THE BOARD

Lim Yong Sheng
Executive Director and Chief Executive Officer

19 July 2017

*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.*

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 Khat, Director, Equity Capital Markets, who can be contacted at 80 Raffles Place, #03-03 UOB Plaza 1, Singapore 048624, Telephone: +65 6533 9898.