

Soo Kee Group Ltd.

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

UNAUDITED FIRST QUARTER FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 31 MARCH 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 Q1-2017 S\$'000	Unaudited Q1-2016 S\$'000	Change %
Revenue	40,814	36,683	11.3%
Other gains	235	1,083	(78.3%)
Material costs	(25,066)	(20,099)	24.7%
Employee benefits expense	(4,831)	(4,963)	(2.7%)
Depreciation and amortisation expense	(964)	(1,035)	(6.9%)
Other losses	(30)	-	N.M.
Finance costs	(354)	(538)	(34.2%)
Other expenses	(7,941)	(7,940)	-
Profit before tax	1,863	3,191	(41.6%)
Income tax expense	(473)	(604)	(21.7%)
Profit, net of tax	1,390	2,587	(46.3%)
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operations, net of tax	(125)	297	N.M.
Other comprehensive income for the period, net of tax	1,265	2,884	(56.1%)
Total comprehensive income	1,265	2,884	(56.1%)
Attributable to:			
Equity holders of the Company	1,405	2,587	(45.7%)
Non-controlling interest	(15)	-	N.M.
Profit, net of tax	1,390	2,587	(46.3%)
Attributable to:			
Equity holders of the Company	1,280	2,884	(55.6%)
Non-controlling interest	(15)	-	N.M.
Total comprehensive income	1,265	2,884	(56.1%)

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 Q1-2017 S\$'000	Unaudited Q1-2016 S\$'000	Change %
Central support service income	50	50	-
Depreciation and amortisation expenses	(964)	(1,035)	(6.9%)
Finance costs	(354)	(538)	(34.2%)
Foreign exchange adjustment gains	5	581	(99.1%)
Interest income	23	70	(67.1%)
(Loss)/Gain on disposal of property, plant and equipment	(30)	33	N.M.
Miscellaneous income	116	359	(67.7%)
Rental income	64	60	6.7%

NM: 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 31 March 2017 S\$'000	Audited As at 31 December 2016 S\$'000	Unaudited As at 31 March 2017 S\$'000	Audited As at 31 December 2016 S\$'000
Assets				
<u>Non-current assets</u>				
Property, plant and equipment	33,814	33,256	-	-
Investment in subsidiaries	-	-	12,002	12,002
Investment in associates	2	2	-	-
Deferred tax assets	207	125	-	-
Other financial assets	30	30	-	-
Intangible assets	807	807	-	-
Other assets (land use rights)	5,486	5,540	-	-
Total non-current assets	40,346	39,760	12,002	12,002
<u>Current assets</u>				
Inventories	60,528	59,644	-	-
Trade and other receivables	864	1,968	27,961	28,581
Other assets (land use rights)	219	219	-	-
Other assets	6,533	6,164	58	77
Cash and cash equivalents	20,753	27,488	8,153	7,596
Total current assets	88,897	95,483	36,172	36,254
Total assets	129,243	135,243	48,174	48,256
Equity and liabilities				
<u>Equity</u>				
Share capital	42,399	42,399	42,399	42,399
Retained earnings	13,391	11,986	4,786	4,748
Other reserves	(1,079)	(954)	-	-
Equity attributable to owners of the Company	54,711	53,431	47,185	47,147
Non-controlling interest	305	320	-	-
Total equity	55,016	53,751	47,185	47,147
<u>Non-current liabilities</u>				
Deferred tax liabilities	126	126	-	-
Other financial liabilities	32,154	33,296	-	-
Other liabilities	964	919	-	-
Total non-current liabilities	33,244	34,341	-	-
<u>Current liabilities</u>				
Income tax payable	2,472	2,230	34	44
Trade and other payables	12,616	18,433	955	1,065
Other financial liabilities	23,081	23,832	-	-
Other liabilities	2,814	2,656	-	-
Total current liabilities	40,983	47,151	989	1,109
Total liabilities	74,227	81,492	48,174	48,256
Total equity and liabilities	129,243	135,243	48,174	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 31 March 2017		As at 31 December 2016	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
18,126	4,955	18,845	4,987

Amount repayable by the Group after one year

As at 31 March 2017		As at 31 December 2016	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
22,254	9,900	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 Q1-2017 S\$'000	Unaudited Q1-2016 S\$'000
<u>Cash flows from operating activities</u>		
Profit before tax	1,863	3,191
Adjustments for:		
Depreciation of property, plant and equipment	910	980
Amortisation of land use rights	55	55
Interest expense	354	538
Interest income	(23)	(70)
Loss/(Gain) on disposal of property, plant and equipment	30	(33)
Net effect of foreign exchange rate changes in consolidating foreign subsidiaries	(121)	256
Operating cash flows before changes in working capital	3,068	4,917
Inventories	(884)	1,153
Trade and other receivables	1,103	(30)
Other assets	(373)	(36)
Trade and other payables	(5,817)	(3,540)
Other liabilities	203	938
Net cash flows from operations	(2,700)	3,402
Income taxes paid	(231)	(14)
Net cash flows (used in)/from operating activities	(2,931)	3,388
<u>Cash flows from investing activities</u>		
Purchase of property, plant and equipment	(1,574)	(1,699)
Disposal of property, plant and equipment	-	58
Interest received	23	70
Net cash flows used in investing activities	(1,551)	(1,571)
<u>Cash flows from financing activities</u>		
Decrease in borrowings	(960)	(2,796)
(Decrease)/Increase in other financial liabilities	(19)	100
Finance lease repayments	(6)	(12)
Net movement in amounts due to directors	(914)	197
Interest paid	(354)	(538)
Net cash flows used in financing activities	(2,253)	(3,049)
<u>Net decrease in cash and cash equivalents</u>		
Cash and cash equivalents, statement of cash flows, beginning balance	27,488	34,026
Cash and cash equivalents, statement of cash flows, ending balance	20,753	32,794

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
Total comprehensive income for the period	-	1,405	(125)	1,280	(15)	1,265
Balance as at 31 March 2017	42,399	13,391	(1,079)	54,711	305	55,016
Balance as at 1 January 2016	42,399	8,336	(810)	49,925	-	49,925
Total comprehensive income for the period	-	2,587	297	2,884	-	2,884
Balance as at 31 March 2016	42,399	10,923	(513)	52,809	-	52,809

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
Total comprehensive income for the period	-	38	38
Balance as at 31 March 2017	42,399	4,786	47,185
Balance as at 1 January 2016	42,399	3,320	45,719
Total comprehensive income for the period	-	66	66
Balance as at 31 March 2016	42,399	3,386	45,785

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 31 March 2017	562,500,000	42,398,917

During Q1-2017, there was no change 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 31 March 2017 and 31 March 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 31 March 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 31 March 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 Q1-2017 as its most recently audited consolidated financial statements for the financial year ended 31 December 2016.

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 Q1-2017	Unaudited Q1-2016
Profit, net of tax attributable to equity holders of the Company (S\$'000)	1,405	2,587
Weighted average number of ordinary shares ⁽¹⁾		
(a) Basic	562,500,000	562,500,000
(b) Diluted	562,500,000	562,500,000
EPS (cents)		
(a) Basic	0.25	0.46
(b) Diluted	0.25	0.46

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 31 March 2017 and 31 March 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 31 March 2017	Audited As at 31 December 2016	Unaudited As at 31 March 2017	Audited As at 31 December 2016
NAV per ordinary share (cents)	9.73	9.50	8.39	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 increased by S\$4.13 million or 11.3% from S\$36.68 million in Q1-2016 to S\$40.81 million in Q1-2017. The increase in revenue was mainly from the sales by our subsidiary, SK Bullion Pte Ltd, which contributed revenue of S\$6.91 million.

Other gains

In Q1-2017, other gains was S\$0.24 million, as compared to S\$1.08 million in Q1-2016. The decrease of S\$0.84 million or 78.3% was mainly due to the decrease in foreign exchange adjustment gains of S\$0.58 million and the decrease in government grant of S\$0.23 million.

Material costs

Material costs increased by S\$4.97 million or 24.7% from S\$20.10 million in Q1-2016 to S\$25.07 million in Q1-2017. The more than proportionate increase in material costs as compared to the increase in revenue in the respective periods was mainly due to the change in product mix following the acquisition of the Group’s bullion business in April 2016.

Employee benefits expense

Employee benefits expense decreased by S\$0.13 million or 2.7% from S\$4.96 million in Q1-2016 to S\$4.83 million in Q1-2017. The decrease was mainly due to absence of directors’ variable bonus which was provided for in Q1-2016.

Depreciation and amortisation expense

Depreciation and amortisation expense decreased marginally by S\$0.08 million or 6.9% from S\$1.04 million in Q1-2016 to S\$0.96 million in Q1-2017. 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 increase in other losses of S\$0.03 million was due to a loss on disposal of property, plant and equipment which was recognised in Q1-2017.

Finance costs

Finance costs decreased by S\$0.19 million or 34.2% from S\$0.54 million in Q1-2016 to S\$0.35 million in Q1-2017. The decrease was mainly due to lower borrowings following the repayment of certain term loans facilities and the Directors' Loans.

Other expenses

Other expenses remained relative stable at S\$7.94 million in Q1-2016 and Q1-2017.

Profit before tax

As a result of the foregoing, profit before tax decreased by S\$1.33 million or 41.6% from S\$3.19 million in Q1-2016 to S\$1.86 million in Q1-2017.

Income tax expense

Income tax expense decreased by S\$0.13 million from S\$0.60 million in Q1-2016 to S\$0.47 million in Q1-2017 due to the decrease in profit before tax.

REVIEW OF THE GROUP'S FINANCIAL POSITION**Non-current assets**

Non-current assets increased by S\$0.59 million or 1.5% from S\$39.76 million as at 31 December 2016 to S\$40.35 million as at 31 March 2017. This was mainly due to the (i) increase in property, plant and equipment of S\$0.56 million and (ii) increase in deferred tax assets of S\$0.08 million, partially offset by the decrease in other assets (land use rights) of S\$0.05 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\$6.58 million or 6.9% from S\$95.48 million as at 31 December 2016 to S\$88.90 million as at 31 March 2017. This was mainly due to the (i) decrease in cash and cash equivalents of S\$6.74 million mainly due to repayment of trade payables for raw materials and finished goods purchased on credit terms of S\$5.82 million and repayment of certain loan facilities of S\$0.96 million and (ii) decrease in trade and other receivables of S\$1.10 million, partially offset by (i) increase in inventories of S\$0.89 million and (ii) increase in other assets of S\$0.37 million.

The increase in inventories of S\$0.89 million was mainly due to inventories catered for the newly opened retail store in Malaysia and reserved inventories for customers secured by sales order deposits yet to be delivered.

Non-current liabilities

Non-current liabilities decreased by S\$1.10 million or 3.2% from S\$34.34 million as at 31 December 2016 to S\$33.24 million as at 31 March 2017. This was mainly due to the repayment of certain term loans facilities of S\$0.26 million and repayment of the Directors' Loans of S\$0.88 million, partially offset by increase in other liabilities of S\$0.04 million.

Current liabilities

Current liabilities decreased by S\$6.17 million or 13.1% from S\$47.15 million as at 31 December 2016 to S\$40.98 million as at 31 March 2017. This was mainly attributable to (i) decrease in trade and other payables of S\$5.82 million and (ii) decrease in other financial liabilities of S\$0.75 million, partially offset by (i) increase in income tax payable of S\$0.24 million and (ii) increase in other liabilities of S\$0.16 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 increase in income tax payables of S\$0.24 million was mainly due to income tax expenses provided in Q1-2017 of S\$0.47 million which was offset by income tax payment of S\$0.23 million.

The increase in other liabilities was mainly due to higher sales order deposits received from customers.

Total equity

Total equity increased by S\$1.27 million or 2.4% from S\$53.75 million as at 31 December 2016 to S\$55.02 million as at 31 March 2017. The increase was mainly due to the total comprehensive income, net of tax of S\$1.41 million for Q1-2017 offset by (i) increase in foreign currency translation reserve (other reserves) of S\$0.12 million and decrease in non-controlling interest of S\$0.02 million

REVIEW OF THE GROUP'S CASHFLOW STATEMENT

For Q1-2017, net cash flows used in operating activities was S\$2.93 million, which consisted of operating cash flows before changes in working capital of S\$3.07 million, net of income tax paid of S\$0.23 million and working capital outflows of S\$5.77 million.

The net working capital outflows arose mainly from the following:

- (a) (i) a decrease in trade and other payables of S\$5.82 million, (ii) an increase in inventories of S\$0.89 million and (iii) increase in other assets of S\$0.37 million due mainly to security deposits made to our gold supplier,
- (b) offset by (i) decrease in trade and other receivables of S\$1.10 million and (ii) increase in other liabilities of S\$0.21 million.

For Q1-2017, net cash flows used in investing activities amounted to S\$1.55 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 Q1-2017, net cash flows used in financing activities was S\$2.25 million mainly due to loan repayment of S\$0.96 million, net movement in amounts due to directors of S\$0.91 million arising from the repayment of the Directors' Loans and interest payment of S\$0.35 million.

As a result of the above, there was a net decrease of S\$6.74 million in cash and cash equivalents for Q1-2017, from a net cash surplus of S\$27.49 million as at 31 December 2016 to a net cash surplus of S\$20.75 million as at 31 March 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 the first quarter ended 31 March 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 retail sector in Singapore is expected to remain under pressure amid a soft economic environment. Against this backdrop, we aim to continue to boost top-line growth by enhancing customer engagement through the introduction of new initiatives and new product offerings.

To this end, in February 2017, *SK Jewellery* brand launched its premium *999 Pure Gold Xifu* (囍福) Collection. The *Xifu* Collection celebrates the art and culture of Si Dian Jin (四点金) through innovative designs, top-notch craftsmanship using laser technology and the use of highest quality 999 Pure Gold. In addition, the Group announced that it is the exclusive retailer in Singapore to partner The International Institute of Diamond Grading & Research, which is part of the De Beers Group of Companies, to offer grading reports through its bridal specialist brand, *Love & Co.*, for the proprietary *Lovemarque* diamond collection.

The Group is on the lookout for new business channels to meet the demands of the evolving retail landscape and to achieve sustainable growth so as to deliver greater value for both our customers and shareholders. In February 2017, the Group had also expressed its intention to enter the Thailand market through a partnership with Aurora Design Co., Ltd.

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 Q1-2017.

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)	
	Q1-2017 S\$’000	Q1-2016 S\$’000
Purchases of products Moneymax Financial Services Ltd. and its subsidiaries (the “ MoneyMax Group ”)	-	5
Sales of products MoneyMax Group	327	-
Central support services MoneyMax Group	64	50
Rental income MoneyMax Group	50	48
Rental expense Lim Yong Guan	81	81
	522	184

14. Use of proceeds from the initial public offering (“IPO”) of the Company

Pursuant to the Company’s IPO, the Company received net proceeds of approximately S\$31.6 million (the “**Net Proceeds**”). As at the date of this announcement, the Net Proceeds have been utilised as follows:

Purpose	Allocation of Net Proceeds (S\$’000)	Net Proceeds utilised as at the date of this announcement (S\$’000)	Balance of Net Proceeds as at the date of this announcement (S\$’000)
Expansion of network of retail stores and introduction of new product lines	12,000	12,000	-
Capital expenditure for new Changi Business Park Headquarters including jewellery product design and development facilities and equipment which will be housed at the same premises	3,000	3,000	-
Repayment in part of DBS Bank loans in connection with the construction of the new Changi Business Park Headquarters	6,000	2,355	3,645
Working capital and general corporate purposes	10,564	10,564	-
	31,564	27,919	3,645

The Company will make periodic announcements on the use of Net Proceeds as and when the funds are materially disbursed. Pending the deployment of the Net Proceeds, the funds will be placed in deposits with banks and financial institutions or invested in money market instruments.

15. 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.

16. 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 Q1-2017 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

8 May 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.