

PRESS RELEASE

Soo Kee Group's Q1-2017 revenue up 11.3% to S\$40.8 million lifted by sales from SK Bullion

- **Material costs increased 24.7% to S\$25.1 million mainly due to a change in product mix**
- **Profit, net of tax attributable to equity holders of the Company fell 45.7% to S\$1.4 million**
- **Continues to drive product and service innovation and develop new business channels to boost top-line growth**

Singapore, 8 May 2017 – 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, announced today a net profit after tax of S\$1.4 million for the three months ended 31 March 2017 (“Q1-2017”).

The Group recorded higher revenue of 11.3% year-on-year (“yoy”) to S\$40.8 million in Q1-2017 mainly from sales of bullion by the Group’s subsidiary, SK Bullion Pte Ltd (“SK Bullion”), which contributed S\$6.9 million to the Group’s total revenue.

Financial Highlights

S\$'000	Q1-2017	Q1-2016	Change (%)
Revenue	40,814	36,683	11.3%
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 expenses	(7,941)	(7,940)	-
Profit, net of tax	1,390	2,587	(46.3%)
Profit, net of tax attributable to equity holders of the Company	1,405	2,587	(45.7%)

Material costs increased by S\$5.0 million or 24.7% from S\$20.1 million in the three months ended 31 March 2016 (“Q1-2016”) to S\$25.1 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 decreased by approximately S\$0.1 million or 2.7% from S\$5.0 million in Q1-2016 to S\$4.8 million in Q1-2017 mainly due to an absence of director’s variable bonus which was provided for a year ago.

Depreciation and amortisation expense declined marginally by S\$0.1 million or 6.9% yoy mainly due to lower depreciation expenses for renovations and plant and equipment for our Malaysian subsidiaries as certain fixed assets have been fully depreciated.

As a result of the above, the Group recorded a net profit attributable to equity holders of the Company of S\$1.4 million for Q1-2017 as compared to S\$2.9 million a year ago.

As at 31 March 2017, the Group's balance sheet remained healthy with cash and cash equivalents amounting to S\$20.8 million.

Commenting on the Group's results, Mr. Daniel Lim (“林雍胜”), Executive Director and Chief Executive Officer, commented, **“The retail sector is expected to remain under pressure amid a soft economic environment. Against such a backdrop, it is important for us to stay relevant and to enhance customer engagement to drive sustainable top-line growth. Therefore, innovation continues to be key as we seek to deliver new initiatives and new product offerings to our customers.**

Besides strengthening our retail presence locally, we also seek to expand our distribution network in the region. Our intention to enter into the Thailand market through our partnership with Aurora Design Co., Ltd. marks our first step, as we remain on the lookout for new business channels to enhance our market leadership regionally.”

In line with the Group's commitment to introduce new product offerings to meet the demands of the evolving retail landscape, 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.

Soo Kee Group is also the exclusive retailer in Singapore to partner the 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 its proprietary *Lovemarque* diamond collection.

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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 25 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. The Group is also engaged in the bullion business through its *SK Bullion* brand, offering a holistic service that allows consumers to buy, sell, store and track precious gold, silver and platinum assets at their convenience.

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.

SK Jewellery offers an extensive range of fashionable jewellery and mementoes for a wider demographic. This includes 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. In collaboration with the World Gold Council, *SK Jewellery* also carries a premium 999 Pure Gold Si Dian Jin brand, the *Xifu* (囍福) Bridal Collection, which is conceptualised to honour Chinese wedding traditions with a contemporary approach. *SK Jewellery* is the exclusive distributor of the *ALLOVE* brand of diamonds, which pushes the boundaries in diamond-cutting techniques with an all-new 81-facet cut, specifically created to maximise light performance as well as the *Disney Tsum Tsum* jewellery collection in Singapore and Malaysia.

Love & Co. specialises in bespoke bridal jewellery, notably, made-to-order engagement rings and wedding bands such as the signature *LVC Lovemarque* and *LVC Promise* collections. Through customisable design elements and personalisation services, *Love & Co.* seeks to establish personal connections with customers.

SK Bullion is a trusted gold and silver dealer in Asia, offering an alternative investment platform for consumers to buy, sell and store precious gold and silver assets at their convenience. Leveraging on Singapore as a precious metals trade hub, *SK Bullion* is dedicated to offering a holistic investment platform to its regional 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*

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