

PRESS RELEASE

Soo Kee Group delivers record revenue in FY2017 with 12.9% growth in net profit

- FY2017 revenue surged 31.2% to S\$231.94 million due to an increase in sales of bullion
- Proposes final dividend of 0.50 Singapore cents per share for FY2017
- Intends to capitalise on the opportunities in the growing bridal jewellery market in the People's Republic of China

Singapore, 28 February 2018 – 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 its results for the financial year ended 31 December 2017 (“FY2017”).

The Group recorded higher revenue of 31.2% year-on-year (“yoy”) to S\$231.94 million in FY2017 mainly due to the increase in sales by the Group’s subsidiary, SK Bullion Pte Ltd, which contributed S\$105.48 million to the Group’s revenue.

Financial Highlights

S\$'000	Q4-2017	Q4-2016	Change (%)	FY2017	FY2016	Change (%)
Revenue	114,152	54,721	108.6	231,940	176,790	31.2
Material costs	(96,500)	(36,820)	162.1	(170,829)	(114,309)	49.4
Employee benefits expense	(4,533)	(4,523)	0.2	(18,706)	(18,435)	(1.5)
Depreciation and amortisation expense	(1,086)	(1,052)	3.2	(4,052)	(4,230)	(4.2)
Other losses	(226)	(789)	(71.4)	(266)	(680)	(60.9)
Finance costs	(425)	(477)	(10.9)	(1,568)	(2,038)	(23.1)
Other expenses	(7,426)	(7,369)	0.8	(29,705)	(30,200)	(1.6)
Profit, net of tax	4,599	3,064	50.1	7,302	6,468	12.9
Profit, net of tax attributable to equity holders of the Company	4,618	3,088	49.5	7,407	6,463	14.6

Material costs increased by S\$56.52 million or 49.4% from S\$114.31 million in the financial year ended 31 December 2016 (“FY2016”) to S\$170.83 million in FY2017 mainly due to the change in product mix.

Employee benefits expense increased by S\$0.27 million or 1.5% from S\$18.44 million in FY2016 to S\$18.71 million in FY2017. The increase was mainly attributable to an increase in staff-related expenses and recruitment expenses.

Depreciation and amortisation expense for FY2017 decreased by S\$0.18 million or 4.2% yoy mainly due to lower depreciation expenses recorded for the Group's Malaysian subsidiaries. This comes as certain fixed assets of the Malaysian subsidiaries have been fully depreciated.

Other losses decreased by S\$0.41 million or 60.9% from S\$0.68 million in FY2016 to S\$0.27 million in FY2017 mainly due to an absence of foreign exchange adjustment losses.

Finance costs decreased by S\$0.47 million or 23.1% yoy mainly due to lower borrowings following the repayment of certain term loans facilities and the loans from directors of the Company.

The Group recorded a net profit after tax attributable to equity holders of the Company of S\$7.41 million for FY2017 as compared to S\$6.46 million in FY2016.

For the three-month period ended 31 December 2017 ("Q4-2017"), the Group recorded higher revenue of S\$59.43 million or 108.6% to S\$114.15 million from S\$54.72 million over the same corresponding period in the previous financial year ("Q4-2016"). Net profit after tax attributable to equity holders in Q4-2017 increased by S\$1.53 million or 49.5% to S\$4.62 million.

As at 31 December 2017, the Group's balance sheet remained healthy with cash and cash equivalents amounting to S\$31.26 million.

The Board of Directors of Soo Kee Group has proposed a tax exempt (one-tier) final cash dividend of 0.50 Singapore cents per share for FY2017, subject to shareholders' approval at the annual general meeting of the Company to be convened.

Commenting on the Group's results, Mr. Daniel Lim (林雍胜), Chief Executive Officer of Soo Kee Group commented, **"We are pleased to deliver a positive set of results for FY2017 as we hit record levels for revenue, with an increase in net profit of the Group. Despite the challenges faced in the local retail sector, we remain diligent in growing our businesses and prudent in executing our strategies. These efforts have manifested themselves and moving forward, we will continue to introduce new products and initiatives to capture a wider target audience."**

On the regional expansion front, we remain upbeat in our proposed foray into the People's Republic of China with the opportunities presented by its growing bridal jewellery market and this expansion will be a strategic milestone for us to capture new areas of growth."

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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 20 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 and silver 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. Exclusively distributed by the Group, *SK Jewellery* also carries 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, in Singapore and Malaysia.

Love & Co. specialises in bespoke bridal jewellery, notably, made-to-order engagement rings and wedding bands such as the signature *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.

For more information, please visit <https://www.sooke.com/>

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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 Singapore Exchange Securities Trading Limited (the “**SGX-ST**”). The Sponsor has not independently verified the contents of this Press Release.*

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