

## PRESS RELEASE

### Soo Kee Group's net profit increased from S\$0.25 million in Q3-2016 to S\$0.54 million in Q3-2017

- *Q3-2017 revenue fell 22.3% to S\$38.69 million, as a result of lower sales from its bullion business*
- *Net profit growth for Q3-2017 was mainly due to lower material costs and operating expenses and absence of foreign exchange losses*
- *Continues to drive top-line growth and improve operating efficiencies to deliver greater shareholder value*

Singapore, 6 November 2017 – Soo Kee Group Ltd. (“Soo Kee Group” or the “Company” and, together with its subsidiaries, the “Group”), (“树记珠宝集团”), announced today its financial results for the three months (“Q3-2017”) and nine months (“9M-2017”) ended 30 September 2017.

#### Financial Highlights

S\$'000, unless otherwise stated	Q3-2017	Q3-2016	Change (%)	9M-2017	9M-2016	Change (%)
Revenue	38,693	49,803	(22.3%)	117,788	122,069	(3.5%)
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, net of tax	540	252	114.3%	2,703	3,404	(20.6%)
Profit, net of tax attributable to equity holders of the Company	560	236	137.3%	2,789	3,375	(17.4%)

The leading and established trendsetting jeweller posted lower revenue of 22.3% year-on-year (“yoy”) to S\$38.69 million in Q3-2017 mainly due to a decrease in sales by its subsidiary, SK Bullion Pte Ltd (“SK Bullion”).

Material costs decreased more than proportionately as compared to the fall in revenue to S\$25.00 million, by 31.3% yoy in Q3-2017 mainly due to the change in product mix.

Overall, operating expenses for Q3-2017 decreased by S\$0.05 million as compared to Q3-2016 mainly due to lower depreciation and amortisation expense of S\$0.05 million, lower finance costs of S\$0.10 million and as well as decrease in other expenses, mainly due to

property tax refund, of S\$0.17 million. This was offset by a slight increase of S\$0.26 million in employee benefits expense as a result of higher headcount to support the Group's expansion into new markets.

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 Malaysian Ringgit and an absence of loss on disposal of property, plant and equipment which was recognised in Q3-2016.

Due to the abovementioned, the Group recorded a 137.3% increase in its net profit attributable to equity holders of the Company to S\$0.56 million for Q3-2017, as compared to S\$0.24 million in Q3-2016. For 9M-2017, the Group recorded a net profit attributable to equity holders of S\$2.79 million.

As at 30 September 2017, the Group's balance sheet remained healthy with cash and cash equivalents amounting to S\$17.15 million. The Group's total borrowings also decreased from S\$57.13 million as at 31 December 2016 to S\$52.24 million as at 30 September 2017 due to repayment of loans.

On the Group's results, Mr. Daniel Lim (“林雍胜”), Executive Director and Chief Executive Officer of the Company, commented, **“The local retail sector continues to experience headwinds from the combined challenges of cautious consumer spending and rising labour costs. We will continue to strive for growth via our established retail distribution network through the introduction of new product lines and the creation of a unique shopping experience for our customers.**”

**Our entry into new markets is also strategic as it lays the foundation for sustainable growth as we seek to grow beyond Singapore as well as generate new revenue streams. Coupled with our ongoing efforts to streamline operational efficiencies to generate cost-savings, we seek to deliver better bottom-line performance for our shareholders.”**

On 19 July 2017, the Company's wholly-owned subsidiary, Love & Co. International Pte. Ltd. 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 the People's Republic of China and the Hong Kong Special Administrative Region.

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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.

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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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