

## PRESS RELEASE

### Soo Kee Group reports 49.5% net profit growth for Q2-2017

- **Q2-2017 revenue grew 7.6% to S\$38.3 million, boosted by sales contribution from SK Bullion**
- **Continues to drive top-line growth and improve operating efficiencies to deliver greater shareholder value**
- **Expansion of regional footprint into new markets of Thailand and People's Republic of China ("PRC") will generate additional revenue streams for the Group**

Singapore, 4 August 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 ("Q2-2017") and six months ended 30 June 2017 ("1H-2017"), recording a 49.5% increase in net profit attributable to equity holders of the company of S\$0.8 million for Q2-2017 as compared to the three months ended 30 June 2016 ("Q2-2016").

#### Financial Highlights

S\$'000, unless otherwise stated	Q2-2017	Q2-2016	Change (%)	1H-2017	1H-2016	Change (%)
Revenue	38,281	35,583	7.6%	79,095	72,266	9.4%
Material costs	(24,261)	(21,021)	15.4%	(49,326)	(41,120)	20.0%
Employee benefits expense	(4,742)	(4,608)	2.9%	(9,573)	(9,571)	-
Depreciation and amortisation expense	(992)	(1,082)	(8.3%)	(1,956)	(2,117)	(7.6%)
Other losses	(11)	(320)	(96.6%)	(40)	-	N.M.
Finance costs	(397)	(536)	(25.9%)	(751)	(1,074)	(30.1%)
Other expenses	(7,264)	(7,649)	(5.0%)	(15,206)	(15,589)	(2.5%)
Profit, net of tax	774	565	37.0%	2,163	3,152	(31.4%)
Profit, net of tax attributable to equity holders of the Company	825	552	49.5%	2,229	3,139	(29.0%)

The leading and established trendsetting jeweller posted higher revenue of 7.6% year-on-year ("yoy") to S\$38.28 million in Q2-2017 mainly due to the increase in sales from its subsidiary, SK Bullion, of S\$5.57 million.

Material costs increased by S\$3.24 million or 15.4% yoy to S\$24.26 million in Q2-2017. The more than proportionate increase in material costs as compared to the increase in revenue was mainly due to the change in product mix in relation to SK Bullion.

Overall, operating expenses for Q2-2017 decreased by S\$0.49 million mainly due to lower depreciation and amortisation expense of S\$0.09 million, lower finance costs of S\$0.14 million and as well as other expenses, which includes lower rental expenses, of S\$0.38 million. This was offset by a slight increase of S\$0.13 million in employee benefits expense.

The decrease in other losses of S\$0.31 million in Q2-2017 as compared to Q2-2016 was due to an absence of foreign exchange adjustment losses attributable to the weakening of the Malaysian Ringgit which was recognized in Q2-2016.

Due to the abovementioned, the Group recorded a 49.5% jump in its net profit attributable to equity holders of the Company to S\$0.83 million for Q2-2017, as compared to S\$0.55 million in Q2-2016. For 1H-2017, the Group recorded a net profit attributable to equity holders of S\$2.23 million.

As at 30 June 2017, the Group's balance sheet remained healthy with cash and cash equivalents amounting to S\$20.55 million.

On the Group's results, Mr. Daniel Lim (“林雍胜”), Executive Director and Chief Executive Officer of the Company, commented, **“Despite the challenging retail scene in Singapore and Malaysia, we have continued to deliver top-line growth through the introduction of new initiatives and new product offerings. In addition, we are also seeing the results of our efforts to drive operational efficiencies to lower operating expenses.**

**Going forward, as consumer sentiment remains cautious, we remain sanguine on the local retail sector but will strive to deliver stronger top-line growth and improve on our productivity to achieve a better performance.**

**As part of our strategy to seek our new business channels to drive sustainable growth in the long run, we have also plans to enter two new markets. Our proposed new ventures into the Thailand and PRC markets will allow us to leverage on our strong local partners' expertise and retail network to bring our *Love & Co.* brand beyond Singapore as well as generate new revenue streams.**

**Going forward, we will focus our efforts to establish the *Love & Co.* brand in our two new markets while maintaining profitability in our existing markets.”**

On 19 July 2017, the Group's wholly-owned subsidiary, Love & Co. International Pte. Ltd. entered into a Memorandum of Understanding (“MOU”) with Global Crown Group Holding Limited, to establish a joint venture company to sell gold and diamond products under the Group's bridal jewellery brand, *Love & Co.*, in the PRC and the Hong Kong Special Administrative Region.

This follows shortly after the Group announced on 7 July 2017, that it has entered into definitive agreements with Aurora Design Co., Ltd. towards retailing its gold and diamond products under its *Love & Co.* brand in the Thailand market.

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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 *Lovemarket* 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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