



PRESS RELEASE

SK Jewellery Group’s net profit jumps 27.3% on record revenue of S\$48.6 million for Q1-2018

- Q1-2018 revenue surged 19.0% year-on-year (“yoy”) to S\$48.6 million due to an increase in sales of bullion and jewellery products
- Profitability of the Group improved in tandem with the increase in sales
- Expansion into the growing bridal jewellery market in the People’s Republic of China (the “PRC”)

Singapore, 8 May 2018 – SK Jewellery Group Limited (“SK Jewellery 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 financial result for the three months (“Q1-2018”) ended 31 March 2018.

The Group recorded higher revenue of S\$48.6 million in Q1-2018, a 19.0% yoy increase, mainly due to the increase in sales by the Group’s subsidiary, SK Bullion Pte Ltd, which contributed an increase of S\$5.9 million to the Group’s revenue. In addition, sales of jewellery products and mementoes increased by S\$1.9 million yoy.

Financial Highlights

S\$’000	Q1-2018	Q1-2017	Change (%)
Revenue	48,585	40,814	19.0
Material costs	(31,700)	(25,066)	26.5
Employee benefits expense	(5,144)	(4,831)	6.5
Depreciation and amortisation expense	(1,115)	(964)	15.7
Other losses	(339)	(30)	N.M
Finance costs	(334)	(354)	(5.6)
Other expenses	(8,086)	(7,941)	1.8
Profit, net of tax	1,769	1,390	27.3
Profit, net of tax attributable to equity holders of the Company	1,774	1,405	26.3

Material costs increased by S\$6.6 million or 26.5% from S\$25.1 million in the three months ended 31 March 2017 (“Q1-2017”) to S\$31.7 million in Q1-2018 mainly due to the change in product mix.

Employee benefits expense increased by S\$0.3 million or 6.5% from S\$4.8 million in Q1-2017 to S\$5.1 million in Q1-2018. The increase was mainly attributable to an increase in staff-related expenses and sales commissions.

Depreciation and amortisation expense for Q1-2018 increased by S\$0.2 million or 15.7% yoy mainly due to depreciation expenses incurred in relation to renovation of retail outlets in Singapore and Malaysia.



Other losses increased by S\$0.3 million from S\$0.03 million in Q1-2017 to S\$0.3 million in Q1-2018 mainly due to goodwill write-off of S\$0.3 million which was offset by an absence of a loss on disposal of property of S\$0.03 million which had been recognized in Q1-2017.

Finance costs decreased by S\$0.02 million or 5.6% from S\$0.4 million in Q1-2017 to S\$0.3 million in Q1-2018 mainly due to lower borrowings following the repayment of certain term loans facilities and the Directors' Loans.

The Group recorded a net profit after tax attributable to equity holders of the Company of S\$1.8 million for Q1-2018 as compared to S\$1.4 million in Q1-2017.

As at 31 March 2018, the Group's balance sheet remained healthy with cash and cash equivalents amounting to S\$30.5 million.

Commenting on the Group's results, Mr. Daniel Lim (林雍胜), Chief Executive Officer of SK Jewellery Group commented, **"Despite the challenges experienced in the local retail market, we are pleased to deliver yet another good set of results for Q1-2018. Our endeavours in expanding our business and efforts in enhancing our brand equity continue to pay off into the new fiscal year. Moving forward, with our continued forays into the PRC's growing bridal jewellery market, we seek to derive greater growth and deliver greater value for our shareholders."**

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About SK Jewellery Group Limited

Headquartered in Singapore, SK Jewellery Group Limited (“**SK Jewellery 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 about 60 retail stores in both countries, strategically situated in prime shopping malls.

As a leading and established jeweller, SK Jewellery 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 SK Jewellery Group Limited (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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