

**SK Jewellery Group Limited**

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Phone: (65) 6744 6933 Fax: (65) 6842 0433

Company Registration No.: 201214694Z

Incorporated in the Republic of Singapore on 13 June 2012



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## **FILING OF CHAPTER 11 OF THE UNITED STATES BANKRUPTCY CODE BY A SUPPLIER OF THE GROUP**

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The Board of Directors (the "**Board**") of SK Jewellery Group Limited (the "**Company**", and together with its subsidiaries, the "**Group**") wishes to announce that Republic Metals Corporation ("**RMC**"), one of the suppliers of SK Bullion Pte Ltd ("**SK Bullion**"), a subsidiary of the Company, has filed for relief under Chapter 11 of the United States Bankruptcy Code on 2 November 2018 (the "**RMC Chapter 11 Filing**").

Based on publicly available information, RMC which was founded in 1980, is a London Bullion Market Association accredited refiner with more than 7,000 tons of gold and silver annual refining capacity, and has been a supplier of the Group since 2017.

As at the date of this announcement, SK Bullion has an order placed on 1 October 2018 for a batch of silver minerals, amounting to 50,000 oz, for a purchase price of US\$746,000 (the "**Purchase Price**"). The Purchase Price was prepaid in full by SK Bullion on 5 October 2018, 4 days after receipt of the invoice from RMC by SK Bullion. As the said order has not been fulfilled by RMC, and in view of the RMC Chapter 11 Filing, a claim has been filed by SK Bullion for the Purchase Price as part of the bankruptcy proceedings for RMC (the "**Claim**").

The Board wishes to highlight that as RMC is an existing supplier of the Group, the failure of RMC to fulfill SK Bullion's latest purchase order was unforeseen and unexpected during the course of SK Bullion's dealings with RMC. The Board also wishes to highlight that the RMC Chapter 11 Filing will not have any impact on SK Bullion's and the Group's operations.

The Group has sought legal advice in Singapore and has also engaged an attorney in the United States to assist SK Bullion in pursuing the Claim. There is currently no certainty that SK Bullion will be successful in the Claim and will be able to recover all or part of the Purchase Amount. Accordingly, a provision for the Purchase Price will be made in the current financial year ending 31 December 2018 ("**FY2018**") and arising thereto, the net tangible assets per share and earning per share of the Group for FY2018 will be materially affected.

The Company will make appropriate announcements as and when there are material developments in relation to the Claim. Shareholders are advised to read this announcement and any further announcements by the Company carefully, and exercise caution when dealing in the shares of the Company.

**BY ORDER OF THE BOARD**

Lim Yong Sheng  
Executive Director and Chief Executive Officer  
16 November 2018

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*This announcement has been prepared by 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 ("**SGX-ST**"). The Sponsor has not independently verified the contents of this announcement.*

*The announcement has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.*

*The contact person for the Sponsor is Mr Lim Hoon Khat, Director, Equity Capital Markets, who can be contacted at 80 Raffles Place, #03-03 UOB Plaza 1, Singapore 048624, telephone: +65 6533 9898.*