



## SK Jewellery Group Limited

(Company Registration No.: 201214694Z)

(Incorporated in the Republic of Singapore on 13 June 2012)

### UNAUDITED FIRST QUARTER FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2019

#### PART I - INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR ANNOUNCEMENTS

1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comprehensive statement for the corresponding period of the immediately preceding financial year.

#### CONSOLIDATED / COMBINED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Group		
	Unaudited Q1-2019 S\$'000	Unaudited Q1-2018 S\$'000	Change %
<b>Revenue</b>	39,386	48,585	(18.9%)
Other gains	531	601	(11.7%)
Material costs	(22,760)	(31,700)	(28.2%)
Employee benefits expense	(5,145)	(5,144)	N.M.
Depreciation and amortisation expense	(6,147)	(1,115)	N.M.
Other losses	(61)	(339)	(82.0%)
Finance costs	(350)	(334)	4.8%
Rental expenses	(710)	(5,262)	(86.5%)
Other expenses	(1,979)	(2,824)	(29.9%)
Share of results of associates	(79)	-	N.M.
<b>Profit before tax</b>	<b>2,685</b>	<b>2,468</b>	<b>8.8%</b>
Income tax expense	(869)	(699)	24.3%
<b>Profit, net of tax</b>	<b>1,816</b>	<b>1,769</b>	<b>2.7%</b>
<b>Other comprehensive income:</b>			
<b>Items that may be reclassified subsequently to profit or loss:</b>			
Exchange differences on translating foreign operations, net of tax	(75)	279	N.M.
<b>Other comprehensive income for the period, net of tax</b>	<b>(75)</b>	<b>279</b>	<b>N.M.</b>
<b>Total comprehensive income</b>	<b>1,741</b>	<b>2,048</b>	<b>(15.0%)</b>
<b>Attributable to:</b>			
Equity holders of the Company	1,790	1,774	0.9%
Non-controlling interest	26	(5)	N.M.
<b>Profit, net of tax</b>	<b>1,816</b>	<b>1,769</b>	<b>2.7%</b>
<b>Attributable to:</b>			
Equity holders of the Company	1,715	2,053	(16.5%)
Non-controlling interest	26	(5)	N.M.
<b>Total comprehensive income</b>	<b>1,741</b>	<b>2,048</b>	<b>(15.0%)</b>

N.M.: Not meaningful

**1(a)(ii) Notes to consolidated / combined statements of profit or loss and other comprehensive income**

The Group's profit before tax was arrived at after crediting/(charging) the following:

	Group		
	Unaudited Q1-2019 S\$'000	Unaudited Q1-2018 S\$'000	Change %
Central support service income	78	50	56.0%
Depreciation and amortisation expenses	(6,147)	(1,115)	N.M.
Finance costs	(350)	(334)	4.9%
Foreign exchange adjustments gain/(loss)	53	5	N.M.
Government grants	146	136	7.4%
Goodwill write off	-	(339)	N.M.
Interest income	-	12	N.M.
Miscellaneous income	76	9	N.M.
Rental income	231	225	2.7%

N.M.: Not meaningful

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

**STATEMENTS OF FINANCIAL POSITION**

	Group		Company	
	Unaudited As at 31 March 2019 S\$'000	Audited As at 31 December 2018 S\$'000	Unaudited As at 31 March 2019 S\$'000	Audited As at 31 December 2018 S\$'000
<b>Assets</b>				
<b><u>Non-current assets</u></b>				
Property, plant and equipment	31,395	31,988	-	-
Investment in subsidiaries	-	-	10,502	10,502
Investment in associates	208	287	-	-
Deferred tax assets	461	458	-	-
Other financial assets	30	30	-	-
Other assets (right of use assets)	25,836	-	-	-
Other assets (land use rights)	5,046	5,102	-	-
<b>Total non-current assets</b>	<b>62,976</b>	<b>37,865</b>	<b>10,502</b>	<b>10,502</b>
<b><u>Current assets</u></b>				
Inventories	53,131	55,682	-	-
Trade and other receivables	4,308	2,893	34,190	33,936
Other assets (land use rights)	219	219	-	-
Other assets	6,970	6,888	39	53
Income tax receivables	232	181	-	-
Derivatives financial assets	-	545	-	-
Cash and cash equivalents	17,988	16,875	2,241	2,415
<b>Total current assets</b>	<b>82,848</b>	<b>83,283</b>	<b>36,470</b>	<b>36,404</b>
<b>Total assets</b>	<b>145,824</b>	<b>121,148</b>	<b>46,972</b>	<b>46,906</b>
<b>Equity and liabilities</b>				
<b><u>Equity</u></b>				
Share capital	42,399	42,399	42,399	42,399
Retained earnings	20,938	19,149	2,543	2,373
Foreign currency translation reserve	(936)	(861)	-	-
Equity attributable to owners of the Company	62,401	60,687	44,942	44,772
Non-controlling interest	(26)	(52)	-	-
<b>Total equity</b>	<b>62,375</b>	<b>60,635</b>	<b>44,942</b>	<b>44,772</b>
<b><u>Non-current liabilities</u></b>				
Deferred tax liabilities	326	326	-	-
Other financial liabilities	19,456	19,740	-	-
Other liabilities	996	980	-	-
Lease liabilities	13,743	-	-	-
<b>Total non-current liabilities</b>	<b>34,521</b>	<b>21,046</b>	<b>-</b>	<b>-</b>
<b><u>Current liabilities</u></b>				
Income tax payable	2,153	1,257	172	136
Trade and other payables	10,657	14,850	1,858	1,998
Other financial liabilities	21,488	21,508	-	-
Other liabilities	2,217	1,852	-	-
Lease liabilities	12,413	-	-	-
<b>Total current liabilities</b>	<b>48,928</b>	<b>39,467</b>	<b>2,030</b>	<b>2,134</b>
<b>Total liabilities</b>	<b>83,449</b>	<b>60,513</b>	<b>2,030</b>	<b>2,134</b>
<b>Total equity and liabilities</b>	<b>145,824</b>	<b>121,148</b>	<b>46,972</b>	<b>46,906</b>

### 1(b)(ii) Aggregate amount of group's borrowings and debt securities

Amount repayable by the Group in one year or less, or on demand

As at 31 March 2019		As at 31 December 2018	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
17,260	4,228	17,268	4,240

Amount repayable by the Group after one year

As at 31 March 2019		As at 31 December 2018	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
19,456	-	19,740	-

#### Details of collaterals

The Group's credit facilities are secured by one or several of, *inter alia*,

- (a) Corporate guarantees from the Company;
- (b) Assignment of, *inter alia*, all rights, title, interests and benefits arising out of the building agreement in respect of the Group's land located at Changi Business Park (the "**Changi Business Park Land**"); and
- (c) Assignment of, *inter alia*, all rights, title, interests and benefits arising out of all present and future leases of any units or part thereof of the Group's building located on the Changi Business Park Land (the "**Changi Business Park Headquarters**").

The Group's hire purchase facilities are secured against the respective motor vehicles.

The Group's unsecured credit facilities comprise (a) the loans extended by the Company's Non-Executive Chairman, Dato' Sri Dr. Lim Yong Guan, and the Company's Executive Directors, Mr. Lim Yong Sheng and Mdm. Lim Liang Eng, pursuant to the loan agreements dated 1 June 2015 (the "**Directors' Loans**") and (b) a loan of S\$1.20 million to the Company's 70%-owned subsidiary, SK Bullion Pte Ltd ("**SKB**"), from its minority shareholders.

- 1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

**CONSOLIDATED / COMBINED STATEMENTS OF CASH FLOWS**

	Unaudited Q1-2019 S\$'000	Unaudited Q1-2018 S\$'000
<b><u>Cash flows from operating activities</u></b>		
Profit before tax	2,685	2,468
Adjustments for:		
Depreciation of property, plant and equipment	1,120	1,060
Amortisation of right-of-use assets	4,972	-
Amortisation of land use rights	55	55
Interest expense	350	334
Interest income	-	(12)
Loss on disposal of property, plant and equipment	74	-
Fair value loss on derivative financial instruments	157	-
Share of loss from equity-accounted associate	79	-
Net effect of foreign exchange rate changes in consolidating foreign subsidiaries	(76)	218
Operating cash flows before changes in working capital	9,416	4,123
Inventories	2,551	1,545
Trade and other receivables	(1,465)	69
Other assets	(30,502)	(280)
Trade and other payables	(4,143)	(426)
Other liabilities	26,538	(3,685)
Net cash flows from operations	2,395	1,346
Net cash flows from operating activities	2,395	1,346
<b><u>Cash flows from investing activities</u></b>		
Purchase of property, plant and equipment	(593)	(499)
Disposal of property, plant and equipment	-	1
Interest received	-	12
Net cash flows used in investing activities	(593)	(486)
<b><u>Cash flows from financing activities</u></b>		
Decrease in borrowings	(323)	(323)
Increase in other financial liabilities	-	1
Finance lease repayments	(16)	(5)
Net movement in amounts due to directors	-	(913)
Interest paid	(350)	(334)
Net cash flows used in financing activities	(689)	(1,574)
<b><u>Net increase/(decrease) in cash and cash equivalents</u></b>	1,113	(714)
Cash and cash equivalents, statement of cash flows, beginning balance	16,875	31,263
<b>Cash and cash equivalents, statement of cash flows, ending balance</b>	17,988	30,549

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

#### STATEMENTS OF CHANGES IN EQUITY

Group	Share Capital	Retained Earnings	Other Reserves	Attributable to Owners	Non-Controlling Interests	Total Equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>Balance as at 1 January 2019</b>	42,399	19,149	(861)	60,687	(52)	60,635
Total comprehensive income for the period	-	1,789	(75)	1,714	26	1,740
<b>Balance as at 31 March 2019</b>	42,399	20,938	(936)	62,401	(26)	62,375
<b>Balance as at 1 January 2018</b>	42,399	16,580	(770)	58,209	215	58,424
Total comprehensive income for the period	-	1,774	279	2,053	(5)	2,048
<b>Balance as at 31 March 2018</b>	42,399	18,354	(491)	60,262	210	60,472

Company	Share Capital	Retained Earnings	Total Equity
	S\$'000	S\$'000	S\$'000
<b>Balance as at 1 January 2019</b>	42,399	2,373	44,772
Total comprehensive income for the period	-	170	170
<b>Balance as at 31 March 2019</b>	42,399	2,543	44,942
<b>Balance as at 1 January 2018</b>	42,399	5,627	48,026
Total comprehensive income for the period	-	167	167
<b>Balance as at 31 March 2018</b>	42,399	5,794	48,193

**1(d)(ii) Details of any changes in the company’s share capital arising from rights issues, bonus issues, share buy-backs, exercises of share options or warrants, conversion of other issues of equity securities, issues of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

**CHANGES IN ISSUED AND PAID-UP SHARE CAPITAL**

	Company	
	Number of shares	Issued and paid-up share capital S\$
Issued and fully paid-up share capital <b>Balance as at 31 March 2019</b>	562,500,000	42,398,917

During Q1-2019, there was no change in the Company’s issued and paid-up share capital.

There were no outstanding convertibles, shares held as treasury shares, or subsidiary holdings as at 31 March 2019 and 31 March 2018.

**1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

	As at 31 March 2019	As at 31 December 2018
Total number of issued shares (excluding treasury shares)	562,500,000	562,500,000

The Company has no treasury shares or securities convertible into shares that were outstanding as at 31 March 2019 and 31 December 2018.

**1(d)(iv) A statement showing all sales, transfers, disposals, cancellation and/or use of treasury share as at the end of the current financial period reported on.**

Not applicable. The Company did not have any treasury shares during and as at the end of the current financial period reported on.

**1(d)(v) A statement showing all sales, transfers, disposals, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.**

Not applicable. The Company did not have any subsidiary holdings during and as at the end of the current financial period reported on.

**2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.**

The figures have not been audited or reviewed by the auditors of the Company.

**3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter).**

Not applicable.

**4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

Except as disclosed in paragraph 5 below, the accounting policies and methods of computation in the financial statements for Q1-2019 are consistent with those disclosed in the Group's most recently audited consolidated financial statements for the financial year ended 31 December 2018 ("FY2018").

**5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

The Group has adopted the new or revised Singapore Financial Standards (International) ("SFRS(I)") which are relevant to the Group with effect from 1 January 2019.

The Group has applied the simplified transition approach of SFRS(I) 16 Leases and will not be restating the comparative amounts for the year prior to first adoption of SFRS(I) 16 Leases. On adoption of SFRS(I) 16 Leases, the Group had recognised all leases in its statement of financial position, as the distinction between operating and finance leases is removed. Under SFRS(I) 16 Leases, the assets (the right to use the leased items) and the lease liabilities to pay rentals are recognised. The only exceptions are short-term leases and leases of low value assets. The accounting for lessors has not changed significantly.

The right-of-use assets are measured using the cost model and are carried at cost less amortisation, if any, subsequent to initial recognition. The carrying amount for lease liabilities subsequent to initial recognition would take into account interest on the lease liabilities, lease payments made and any reassessment or lease modifications.

The adoption of SFRS(I) 16 Leases had resulted in adjustments to certain items on the statement of financial position of the Group as at 1 January 2019 and the differences as compared to the Group's audited statement of financial position as at 31 December 2018 as previously reported are as follows:

<b>Item on statement of financial position</b>	<b>As at 1 January 2019 compared to as at 31 December 2018</b>
Right-of-use assets	Increase by S\$30.81 million
Lease liabilities (current and non-current)	Increase by S\$30.81 million

Save for the effect on the adoption of SFRS(I) 16 Leases as described above, the adoption of the new and revised SFRS(I) did not have any significant impact on the Group's financial statements.



6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

**EARNINGS PER SHARE (“EPS”)**

	Group Unaudited	
	Q1-2019	Q1-2018
Profit, net of tax attributable to equity holders of the Company (S\$'000)	1,790	1,774
Weighted average number of ordinary shares <sup>(1)</sup>		
(a) Basic	562,500,000	562,500,000
(b) Diluted	562,500,000	562,500,000
EPS (cents)		
(a) Basic	0.32	0.32
(b) Diluted	0.32	0.32

**Note:**

(1) The weighted average number of ordinary shares on a basic and fully diluted basis were the same as there were no potentially dilutive instruments as at 31 March 2019 and 31 March 2018.

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the

- (a) Current financial period reported on; and  
 (b) Immediately preceding financial year.

**NET ASSET VALUE (“NAV”)**

	Group		Company	
	Unaudited As at 31 March 2019	Audited As at 31 December 2018	Unaudited As at 31 March 2019	Audited As at 31 December 2018
NAV per ordinary share (cents)	11.09	10.78	7.99	8.00

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-**
- (a) **any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
  - (b) **any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

## **REVIEW OF THE GROUP'S PERFORMANCE**

### **Revenue**

Revenue decreased by S\$9.20 million or 18.9% from S\$48.59 million in Q1-2018 to S\$39.39 million in Q1-2019. The decrease in revenue was mainly due to the decrease in sales from SKB of S\$9.03 million attributed to weaker sentiments in bullion market, which resulted in a decrease in demand for SKB's bullion products.

### **Other gains**

In Q1-2019, other gains was S\$0.53 million, as compared to S\$0.60 million in Q1-2018. The decrease in other gains of S\$0.07 million or 11.7% was mainly due to the absence of foreign exchange adjustment gains of S\$0.17 million, offset by an increase in government grants of S\$0.01 million and miscellaneous income of S\$0.06 million relating to the transfer of the lease of SKB's outlet to a new tenant.

### **Material costs**

Material costs decreased by S\$8.94 million or 28.2% from S\$31.70 million in Q1-2018 to S\$22.76 million in Q1-2019. The decrease in material costs was in line with the decrease in revenue from SKB.

### **Employee benefits expense**

Employee benefits expense remained constant at S\$5.14 million in both Q1-2019 and Q1-2018.

### **Depreciation and amortisation expense**

Depreciation and amortisation expense increased by S\$0.06 million and S\$4.97 million respectively. The increase in amortisation expenses from S\$0.05 million in Q1-2019 to S\$4.97 million was mainly due to the adoption of SFRS(I) 16 Leases in Q1-2019, which resulted in the recognition of all leases as non-current assets in the Group's statement of financial position as at 31 March 2019, thereby resulting in an increase in amortisation expenses. Please refer to paragraph 5 of this announcement for further details on SFRS(I) 16 Leases.

### **Other losses**

Other losses decreased by S\$0.28 million or 82.0% from S\$0.34 million in Q1-2018 to S\$0.06 million in Q1-2019 mainly due to absence of write-off of goodwill arising from our acquisition of the entire issued and paid-up share capital of Diamond Avenue Investments Limited in January 2018 of S\$0.34 million.

### **Finance costs**

Finance costs increased by S\$0.02 million or 4.8% from S\$0.33 million in Q1-2018 to S\$0.35 million in Q1-2019. The increase was mainly due the quarterly interest computed on the recognition of lease liabilities under the new SFRS(I) amounting of S\$0.14 million, offset by the decrease in interest expenses of S\$0.12 million due to lower borrowings following the repayment of certain term loans facilities.

### **Rental expenses**

Rental expenses decreased by S\$4.55 million or 86.5% from S\$5.26 million in Q1-2018 to S\$0.71 million in Q1-2019 as a result of the adoption of SFRS(I) 16 Leases. Please refer to paragraph 5 of this announcement for further details on SFRS(I) 16 Leases.

### **Other expenses**

Other expenses decreased by S\$0.85 million or 29.9% from S\$2.82 million in Q1-2018 to S\$1.98 million in Q1-2019. This was mainly due to a decrease in selling and promotional expenses in Singapore for the jewellery segment.

### **Share of results of associates**

The loss of S\$0.08 million in Q1-2019 arose from the financial performance of the Group's 40% investment in LVC (Thailand) Co, Ltd.

### **Profit before tax**

As a result of the foregoing, profit before tax increased by S\$0.22 million or 8.8% from S\$2.47 million in Q1-2018 to S\$2.69 million in Q1-2019.

### **Income tax expense**

Income tax expense increased by S\$0.17 million or 24.3% from S\$0.70 million in Q1-2018 to S\$0.87 million in Q1-2019 due to increase in profit before tax for the corresponding period.

## **REVIEW OF THE GROUP'S FINANCIAL POSITION**

### **Non-current assets**

Non-current assets increased by S\$25.11 million or 66.3% from S\$37.87 million as at 31 December 2018 to S\$62.98 million as at 31 March 2019. This was mainly due to recognition of right-of-use assets of S\$25.84 million following the adoption of SFRS(I) 16 Leases.

### **Current assets**

Current assets decreased by S\$0.44 million or 0.5% from S\$83.28 million as at 31 December 2018 to S\$82.85 million as at 31 March 2019. This was mainly due to (i) the decrease in inventories of S\$2.55 million from SKB and (ii) absence of derivatives financial assets of S\$0.55 million, offset by increase in (i) trade and other receivables of S\$1.42 million, (ii) other assets of S\$0.08 million and (iii) cash and cash equivalents of S\$1.11 million.

### **Non-current liabilities**

Non-current liabilities increased by S\$13.48 million or 64.0% from S\$21.05 million as at 31 December 2018 to S\$34.52 million as at 31 March 2019. This was mainly due to recognition of lease liabilities of S\$13.74 million following the adoption of SFRS(I) 16 Leases.

### **Current liabilities**

Current liabilities increased by S\$9.46 million or 24.0% from S\$39.47 million as at 31 December 2018 to S\$48.93 million as at 31 March 2019. This was mainly attributable to the increase in (i) income tax payable of S\$0.90 million, (ii) other liabilities of S\$0.37 million and (iii) lease liabilities of S\$12.41 million following the adoption of SFRS(I) 16 Leases, offset by decrease in trade and other payables of S\$4.19 million.

## Total equity

Total equity increased by S\$1.74 million or 2.9% from S\$60.64 million as at 31 December 2018 to S\$62.38 million as at 31 March 2019. The increase was mainly due to increase in the total comprehensive income, net of tax attributable to owners of the Company of S\$1.79 million for Q1-2019.

## REVIEW OF THE GROUP'S CASHFLOW STATEMENT

For Q1-2019, net cash flows from operating activities was S\$2.40 million, which consisted of operating cash flows before changes in working capital of S\$9.42 million and working capital outflows of S\$7.02 million.

The net working capital outflows arose mainly from the following:

- (a) (i) increase in trade and receivables of S\$1.47 million, (ii) increase in other assets of S\$30.50 million due to the recognition of right-of-use assets following the adoption of SFRS(I) 16 Leases, and (iii) a decrease in trade and other payables of S\$4.14 million
- (b) offset by (i) decrease in inventories of S\$2.55 million, and (ii) increase in other liabilities of S\$26.54 million due to the recognition of lease liabilities following the adoption of SFRS(I) 16 Leases.

For Q1-2019, net cash flows used in investing activities amounted to S\$0.59 million, mainly due to the purchase of other plant and equipment.

For Q1-2019, net cash flows used in financing activities was S\$0.69 million, mainly due to (i) loan repayment of S\$0.32 million, and (ii) interest payment of S\$0.35 million.

As a result of the above, there was a net increase of S\$1.11 million in cash and cash equivalents for Q1-2019, from a net cash surplus of S\$16.88 million as at 31 December 2018 to a net cash surplus of S\$17.99 million as at 31 March 2019.

**9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

Not applicable as no forecast for Q1-2019 was provided.

**10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or event that may affect the group in the next reporting period and the next 12 months.**

The challenges in the retail sector are expected to persist, given weaker consumer sentiments and rising competition among traditional key players. Nonetheless, the Group remains committed on strengthening its core competencies so as to upkeep products quality and elevate service standards.

Notably for the People's Republic of China ("PRC") and Thailand, the Group seeks to enhance its presence in these two regions, with a focus on growth *via* franchisees for the PRC and expansion *via* strategic alliances for Thailand. For the PRC region, as announced by the Company on 8 May 2019, the Group has appointed franchisees in Chongqing and Chengdu, with the first franchised "Love & Co." jewellery store to be opened in Chengdu in May 2019 and Chongqing in September 2019

As for the Group's bullion business, as announced by the Company on 8 May 2019, SKB's operations have ceased in lieu of the persistent weak market sentiment in the bullion market and to reduce its operating losses. This comes after a strategic review conducted by the Group. SKB has been dormant following the

completion of all its sale and purchase contracts in April 2019. The Group will provide further updates in relation to SKB following the cessation of its operations as and when there is any material update in relation thereto.

**11. Dividend**

**(a) Any dividend declared for the current financial period reported on?**

None.

**(b) Corresponding period of the immediately preceding financial year?**

None.

**(c) Date payable**

Not applicable.

**(d) Books closure date**

Not applicable.

**12. If no dividend has been declared (recommended), a statement to that effect and the reason(s) for the decision.**

No dividend has been declared or recommended for Q1-2019 as the Group considers it prudent to conserve funds in view of the challenging environment and also the requirements for its overseas expansion and development strategies.

**13. If the group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

The Group does not have a general mandate from shareholders for interested person transactions pursuant to Rule 920(1)(a)(ii) of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) Listing Manual Section B: Rules of Catalyst (“**Catalist Rules**”). However, pursuant to Rule 905 of the Catalyst Rules, the following is disclosed:

Name of Interested Person	Aggregate value of all Interested Person Transactions during the year under review (including transactions of less than S\$100,000 and transactions conducted under Shareholders’ Mandate pursuant to Rule 920 of the Catalyst Rules)	
	Q1-2019 S\$’000	Q1-2018 S\$’000
<b>Purchases of products</b> Moneymax Financial Services Ltd. and its subsidiaries (the “ <b>MoneyMax Group</b> ”)	7	5
<b>Sales of products</b> MoneyMax Group	1	-
Ang Miah Khiang	10	-

	<b>Aggregate value of all Interested Person Transactions during the year under review (including transactions of less than S\$100,000 and transactions conducted under Shareholders' Mandate pursuant to Rule 920 of the Catalist Rules)</b>	
<b>Name of Interested Person</b>	<b>Q1-2019 S\$'000</b>	<b>Q1-2018 S\$'000</b>
<b>Central support services</b> MoneyMax Group	78	50
<b>Rental income</b> MoneyMax Group	78	78
<b>Rental expense</b> Lim Yong Guan	81	81
	255	214

**14. Confirmation by the issuer pursuant to Rule 720(1)**

The Company confirms that it has procured undertakings from all of its directors and executive officers as required under Rule 720(1) of the Catalist Rules.

**15. Negative Confirmation by the Board pursuant to Rule 705(5)**

The board of directors of the Company (the "**Board**") confirms that, to the best of its knowledge, nothing has come to the attention of the Board which may render the unaudited interim financial statements for Q1-2019 to be false or misleading in any material aspect.

**ON BEHALF OF THE BOARD OF DIRECTORS**

Dato' Sri Dr. Lim Yong Guan  
Non-Executive Chairman

Lim Yong Sheng  
Executive Director and Chief Executive Officer

14 May 2019

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*This announcement has been prepared by SK Jewellery Group Limited (the "**Company**") and has been reviewed by the Company's sponsor, United Overseas Bank Limited (the "**Sponsor**") for compliance with Rules 226(2)(b) and 753(2) of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") Listing Manual Section B: Rules of Catalist. This announcement has not been examined or approved by the SGX-ST. The SGX-ST assumes 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.*