



PRESS RELEASE

SK Jewellery Group's Q2-2018 net profit increases 20.8% amidst a challenging retail environment

- Q2-2018 revenue grew by 0.9%, driven by higher sales in the Group's Bullion business
- Expansion strategy into new markets starts to take shape, with opening of second jewellery store opening in Shanghai, the People's Republic of China (the "PRC") and opening of first flagship store in Bangkok, Thailand
- Group to continue focusing on expansion into the PRC and Thailand

Singapore, 8 August 2018 – SK Jewellery Group Limited ("SK Jewellery Group" or the "Company" and, together with its subsidiaries, the "Group", "SK 珠宝集团"), a leading and established trendsetting jeweller, announced today its financial results for the three months ended 30 June 2018 ("Q2-2018").

Financial Highlights

S\$'000, unless otherwise stated	Q2-2018	Q2-2017	Change (%)	1H-2018	1H-2017	Change (%)
Revenue	38,630	38,281	0.9	87,215	79,095	10.3
Material costs	(23,729)	(24,261)	(2.2)	(55,429)	(49,326)	12.4
Employee benefits expense	(5,059)	(4,742)	6.7	(10,203)	(9,573)	6.6
Depreciation and amortisation expense	(1,101)	(992)	11.0	(2,216)	(1,956)	13.3
Other losses	(114)	(11)	936.4	(354)	(40)	785.0
Finance costs	(354)	(397)	(10.8)	(688)	(751)	(8.4)
Other expenses	(7,824)	(7,264)	7.7	(15,910)	(15,206)	4.6
Profit, net of tax	935	774	20.8	2,704	2,163	25.0
Profit, net of tax attributable to equity holders of the Company	794	825	(3.8)	2,568	2,229	15.2

The Group recorded higher revenue of 0.9% year-on-year ("yoy") to S\$38.6 million in Q2-2018 mainly due to the increase in sales by the Group's subsidiary, SK Bullion Pte Ltd.

Material costs decreased by S\$0.5 million or 2.2% from S\$24.3 million in the three months ended 30 June 2017 ("Q2-2017") to S\$23.7 million in Q2-2018 mainly due to changes in product mix.



Employee benefits expense increased by S\$0.3 million or 6.7% from S\$4.7 million in Q2-2017 to S\$5.1 million in Q2-2018. The increase was mainly attributable to an increase in salaries, sales commissions and staff allowance. This is pursuant to the commencement of operations and opening of retail stores in the PRC.

Depreciation and amortisation expense for Q2-2018 increased by S\$0.1 million or 11.0% yoy mainly due to depreciation expenses incurred in relation to renovation of retail stores in Singapore, the PRC and Malaysia.

Other losses increased by S\$0.1 million in Q2-2018 mainly due to foreign exchange adjustment losses attributable to the strengthening of the USD.

Finance costs decreased by S\$0.04 million or 10.8% from S\$0.40 million in Q2-2017 to S\$0.35 million in Q2-2018 mainly due to lower borrowings following the partial repayment of S\$3.0 million of the Directors' Loans on 1 June 2018.

The Group recorded a net profit after tax of S\$0.93 million in Q2-2018 as compared to S\$0.77 million in Q2-2017.

As at 30 June 2018, the Group's balance sheet remained healthy with cash and cash equivalents amounting to S\$26.0 million.

Commenting on the Group's results, Mr. Daniel Lim (“林雍胜”), Chief Executive Officer of SK Jewellery Group said, **“Despite the challenges faced in the retail segment, we continued in our endeavours to grow the business via expansion into new markets, namely the PRC and Thailand, as well as ongoing marketing programmes to enhance brand equity at our foothold markets of Singapore and Malaysia. Going forward, the Group remains committed in enhancing customer engagement and delivering shareholders' value through new product launches which will be rolled out throughout the year and continuous seeking of alternative avenues for growth.”**

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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 over 60 retail stores in both countries, strategically situated in prime shopping malls. Recently, the Group has further expanded its geographical footprint by opening new stores in China and Thailand.

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.

For further information about SK Jewellery Group, please refer to its website at <https://www.skjewellerygroup.com>.



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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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