



FRAGRANCE GROUP LIMITED

Company Registration No.: 200006656M

FRAGRANCE GROUP LIMITED

**UNAUDITED RESULTS AND DIVIDEND ANNOUNCEMENT
FOR THE FULL YEAR ENDED 31 DECEMBER 2017**

**FRAGRANCE GROUP LIMITED**

Company Registration No.: 200006656M

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

GROUP	Statement of comprehensive income		
	FY 2017	FY 2016	Change
	S\$'000	S\$'000	%
Turnover	198,021	118,733	66.8
Cost of sales	(126,501)	(75,411)	67.7
Gross profit	71,520	43,322	65.1
Other operating income	32,905	4,317	662.2
Other operating expenses	(31,958)	(22,809)	40.1
Finance costs	(17,711)	(17,502)	1.2
Share of results of a joint venture	2,901	1,311	121.3
Profit before income tax	57,657	8,639	567.4
Taxation	(9,877)	(864)	1,043.2
Profit for the year	47,780	7,775	514.5

Attributable to:			
Equity holders of the Company	48,546	7,503	547.0
Non-controlling interests	(766)	272	N.M

Other comprehensive income			
Exchange difference on translation of foreign operations	(1,442)	3,870	N.M
<i>Share of other comprehensive income of a joint venture</i>			
Exchange difference on translation of foreign operations	161	(3,403)	N.M
Transfer from foreign currency translation reserve to income statement upon deregistration of a foreign subsidiary company	(44)	-	N.M
Fair value gain/(loss) on investment securities	21	(69)	N.M
Gain on revaluation of land and building	17,863	2,028	780.8
Income tax effect	(2,653)	388	N.M
Net other comprehensive income	13,906	2,814	394.2
Total comprehensive income	61,686	10,589	482.5

Attributable to:			
Equity holders of the Company	62,452	10,317	505.3
Non-controlling interests	(766)	272	N.M

N.M – Not Meaningful

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1(a)(ii) Profit before taxation is determined after (charging)/crediting:-

GROUP	FY 2017	FY 2016	Change
	S\$'000	S\$'000	%
Allowance for doubtful debts	(590)	(56)	953.6
Amortisation and depreciation	(2,007)	(1,458)	37.7
Impairment loss	(264)	-	N.M
Finance costs	(17,711)	(17,502)	1.2
<u>Other operating income</u>			
Change in fair value of held for trading investments	-	1,103	N.M
Net loss on disposal of held for trading investments	-	(636)	N.M
Net foreign exchange gain	1,496	30	4,886.7
Interest income	494	640	(22.8)
Fair value gain on investment properties	29,678	2,208	1,244.1
Loss on disposal of investment property	(808)	-	N.M
Gain on foreign exchange options premium	1,459	607	140.4
Gain on disposal of fixed assets	3	-	N.M
Others	583	365	59.7
Total	32,905	4,317	662.2

N.M – Not Meaningful

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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	
	31-Dec-2017 S\$'000	31-Dec-2016 S\$'000	31-Dec-2017 S\$'000	31-Dec-2016 S\$'000
<u>Non-current assets</u>				
Property, plant and equipment	104,532	18,903	-	-
Other receivables	-	1,238	-	1,238
Investment properties	1,290,235	1,172,223	-	-
Prepayments	7,839	8,128	491	-
Subsidiaries	-	-	834,193	750,152
Investment in a joint venture	113,664	93,566	89,163	87,313
Deferred tax asset	2,494	1,254	-	-
Total non-current assets	1,518,764	1,295,312	923,847	838,703
<u>Current assets</u>				
Cash and cash equivalents	121,530	45,513	93,068	8,621
Trade and other receivables	159,263	75,276	98,752	40,583
Development properties	427,988	476,476	104,686	181,795
Properties held for sale	61,443	67,731	636	636
Inventories	132	-	-	-
Total current assets	770,356	664,996	297,142	231,635
<u>Current liabilities</u>				
Trade and other payables	42,627	32,920	34,189	40,159
Notes payable	1,452	76,048	1,452	76,048
Term loans	469,952	151,734	84,225	-
Income tax payable	1,608	16,848	607	11,440
Derivative financial instrument	904	87	-	-
Total current liabilities	516,543	277,637	120,473	127,647
Net current assets	253,813	387,359	176,669	103,988
<u>Non-current liabilities</u>				
Trade and other payables	-	-	2,193	2,000
Notes payable	180,941	-	180,941	-
Term loans	463,438	626,692	45,000	105,725
Deferred taxation	16,365	2,692	8,170	2,692
Total non-current liabilities	660,744	629,384	236,304	110,417
Net Assets	1,111,833	1,053,287	864,212	832,274

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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. - Continued*

Statement of financial position	Group		Company	
	31-Dec-2017 S\$'000	31-Dec-2016 S\$'000	31-Dec-2017 S\$'000	31-Dec-2016 S\$'000
Shareholders' equity				
Share capital	150,000	150,000	150,000	150,000
Treasury shares	(945)	(999)	(945)	(999)
Performance share reserves	325	318	325	318
Revaluation reserves	50,892	35,682	-	-
Foreign currency translation reserves	(27,580)	(26,254)	-	-
Investment revaluation reserve	(120)	(141)	-	-
Retained earnings	929,181	880,635	714,832	682,955
Equity attributable to the owners of the Company	1,101,753	1,039,241	864,212	832,274
Non-controlling interests	10,080	14,046	-	-
Total Equity	1,111,833	1,053,287	864,212	832,274

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

	As at 31 Dec 2017		As at 31 Dec 2016	
	Secured	Unsecured	Secured	Unsecured
	S\$'000	S\$'000	S\$'000	S\$'000
Amount repayable in one year or less, or on demand	469,952	1,452	151,734	76,048
Amount repayable after one year	463,438	180,941	626,692	-

Details of collaterals

The credit facilities for the Group are secured by the following:

- i) the legal mortgage of company's office premises, investment and development properties and properties held for sale;
- ii) assignment of sale and rental proceeds, construction contracts, performance bonds and/or insurance policies; and
- iii) corporate guarantees by Fragrance Group Limited.

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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.*

Statement of cash flows	Group	
	FY 2017 S\$'000	FY 2016 S\$'000
<u>Operating activities</u>		
Profit before income tax	57,657	8,639
Adjustments for:		
Amortisation and depreciation	1,197	486
Amortisation of land lease	780	780
Net amortisation of rental incentive granted	(351)	(721)
Amortisation of processing fee on debt notes issued	30	192
Fair value on derivative financial instrument	817	87
Interest income	(494)	(640)
Interest expense	17,711	17,502
Property, plant and equipment written off	-	1
Impairment loss on property held for sale	264	-
Net gain on held for trading investments	-	(467)
Change in fair value of investment properties	(29,678)	(2,208)
Gain on disposal of fixed assets	(3)	-
Loss on disposal of investment property	808	-
Net foreign exchange difference	(611)	(91)
Performance Share award	61	61
Share of results of a joint venture	(2,901)	(1,311)
Allowance for doubtful debt	590	56
Operating cash flow before movements in working capital	45,877	22,366
Inventories	(132)	-
Trade and other receivables	(86,295)	178,824
Development properties and properties held for sale	19,515	(6,722)
Trade and other payables	12,915	(52,398)
Net cash (used in)/generated from operations	(8,120)	142,070
Interest paid	(18,791)	(22,246)
Income taxes paid	(12,702)	(17,127)
Net cash (used in)/generated from operating activities	(39,613)	102,697
<u>Investing activities</u>		
Purchase of held for trading investments	-	(1,354)
Investment in a joint venture	(1,850)	(27,000)
Interest received	494	640
Purchase of property, plant and equipment	(47,897)	(224)
Additions to investment properties	(89,057)	(3,530)
Proceeds from disposal of held for trading investments	-	5,976
Proceeds from disposal of FA	13	-
Proceeds from disposal of investment property	1,688	-
Net cash used in investing activities	(136,609)	(25,492)

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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. – Continued*

Statement of cash flows	Group	
	FY 2017 S\$'000	FY 2016 S\$'000
Financing activities		
Advance to non-controlling interests	(2,480)	(11,880)
Dividend paid	-	(6,712)
Dividend paid to a non-controlling interest	(3,200)	-
Proceeds from borrowings	200,000	65,357
Repayment of medium term notes issued	(74,750)	(10,250)
Proceeds from medium term notes issued	178,094	-
Repayment of borrowings	(46,553)	(162,420)
Net cash from/(used in) financing activities	251,111	(125,905)
Net increase/(decrease) in cash and cash equivalents	74,889	(48,700)
Cash and cash equivalents at beginning of year	45,513	94,354
Effect of exchange rate on foreign currency balances	1,128	(141)
Cash and cash equivalents at end of year	121,530	45,513

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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.*

Statement of changes in equity	Share Capital	Retained Earnings	Treasury Shares	Performance Share Reserves	Revaluation Reserves	Foreign Currency Translation Reserve	Investment Revaluation Reserve	Attributable to Equity Holders	Non-Controlling Interests	Total
Group	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance as at 1 Jan 2016	150,000	879,844	(1,050)	308	33,266	(26,721)	(72)	1,035,575	13,774	1,049,349
Total comprehensive income for the period	-	7,503	-	-	2,416	467	(69)	10,317	272	10,589
Repurchase/award of shares	-	-	51	10	-	-	-	61	-	61
Dividend paid	-	(6,712)	-	-	-	-	-	(6,712)	-	(6,712)
Balance as at 31 Dec 2016	150,000	880,635	(999)	318	35,682	(26,254)	(141)	1,039,241	14,046	1,053,287

Statement of changes in equity	Share Capital	Retained Earnings	Treasury Shares	Performance Share Reserves	Revaluation Reserves	Foreign Currency Translation Reserve	Investment Revaluation Reserve	Attributable to Equity Holders	Non-Controlling Interests	Total
Group	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance as at 1 Jan 2017	150,000	880,635	(999)	318	35,682	(26,254)	(141)	1,039,241	14,046	1,053,287
Total comprehensive income for the period	-	48,546	-	-	15,210	(1,326)	21	62,451	(766)	61,685
Repurchase/award of shares	-	-	54	7	-	-	-	61	-	61
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	(3,200)	(3,200)
Balance as at 31 Dec 2017	150,000	929,181	(945)	325	50,892	(27,580)	(120)	1,101,753	10,080	1,111,833

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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. – Continued*

Statement of changes in equity	Share Capital	Retained Earnings	Treasury Shares	Performance Share Reserves	Total
Company	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance as at 1 Jan 2016	150,000	606,115	(1,050)	308	755,373
Total comprehensive income for the period	-	83,552	-	-	83,552
Repurchase/award of shares	-	-	51	10	61
Dividend paid	-	(6,712)	-	-	(6,712)
Balance as at 31 Dec 2016	150,000	682,955	(999)	318	832,274
Balance as at 1 Jan 2017	150,000	682,955	(999)	318	832,274
Total comprehensive income for the period	-	31,877	-	-	31,877
Repurchase/award of shares	-	-	54	7	61
Balance as at 31 Dec 2017	150,000	714,832	(945)	325	864,212

1(d)(ii) *Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares 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.*

There was no movement in the issued and paid-up capital of the Company since 31 December 2016.

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-Dec-2017	As at 31-Dec-2016
Total number of Ordinary Shares issued and fully paid	6,720,000,000	6,720,000,000
Treasury Shares	(7,230,000)	(7,230,000)
Total number of issued shares excluding treasury shares	6,712,770,000	6,712,770,000

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

There were no sales, transfer, disposal, cancellation and/or use of treasury shares for the period ended 31 December 2017.

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

The figures have neither been audited nor reviewed by the Company's auditors.

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

The Group has applied the same accounting policies and methods of computation in the financial statements for the current financial year as those of the audited financial statements for the year ended 31 December 2016.

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.*

Not applicable.

6. *Earnings per ordinary share (EPS) 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 for the financial period based on 6,712,770,000 shares (2016: 6,730,792,000) (excluding treasury shares)	GROUP	
	FY 2017 Cents	FY 2016 Cents
Based on the weighted average number of ordinary shares in issue	0.72	0.11
On a fully diluted basis	0.72	0.11

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 period reported on and (b) immediately preceding financial year.*

	GROUP		COMPANY	
	31-Dec-2017 Cents	31-Dec-2016 Cents	31-Dec-2017 Cents	31-Dec-2016 Cents
Net asset value ("NAV") per ordinary share	16.4	15.5	12.9	12.4

The NAV per ordinary share as at 31 December 2017 and 31 December 2016 was calculated based on 6,712,770,000 issued shares (excluding treasury shares).

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8. *A review of 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 GROUP PERFORMANCE

GROUP	FY 2017	FY 2016	Change
	S\$'000	S\$'000	%
<u>REVENUE</u>			
Property development	159,193	100,281	58.7
Commercial investment	22,153	18,452	20.1
Hospitality investment	1,318	-	N.M
Hotel operations	15,357	-	N.M
Total	198,021	118,733	66.8
<u>GROSS PROFIT</u>			
Property development	39,953	24,870	60.6
Commercial investment	22,153	18,452	20.1
Hospitality investment	1,318	-	N.M
Hotel operations	8,096	-	N.M
Total	71,520	43,322	65.1
<u>PROFIT BEFORE TAXATION</u>			
Property development	25,309	9,048	179.7
Commercial investment	30,798	(409)	N.M
Hospitality investment	(1,885)	-	N.M
Hotel operations	3,435	-	N.M
Total	57,657	8,639	567.4
<u>GROUP</u>			
	FY 2017	FY 2016	
	%	%	
<u>GROSS PROFIT MARGIN</u>			
Property development	25.1	24.8	
Commercial investment	100.0	100.0	
Hospitality investment	100.0	N.A	
Hotel operations	52.7	N.A	
Consolidated Total	36.1	36.5	

N.M – Not Meaningful



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FY 2017 Vs FY 2016

Revenue

The Group recorded a turnover of \$198.0 million during FY 2017, a 66.8% increase from \$118.7 million recorded in the corresponding period in 2016.

- (a) Property development segment contributed \$159.2 million for the whole of 2017 which is 58.7% higher than \$100.3 million recorded in the corresponding year of 2016. This was mainly due to the substantial revenue contribution from the *City Gate* project, for which construction commenced in the second quarter of 2016. In addition, the sale of one bungalow unit at *Wak Hassan* also contributed to the increase of revenue. The increase in revenue is partly offset by the decrease in revenue from other projects namely *Kensington Square*, *Urban Vista* and *Novena Regency* as majority of these projects were completed in prior years.
- (b) Commercial investment segment contributed \$22.2 million for the whole of 2017 which is 20.1% higher than \$18.5 million recorded in the corresponding year of 2016. This was mainly due to the substantial revenue contribution from *Tower 15*, *Fragrance Empire Building*, *The Punggol Point* and *Victory Centre*.
- (c) Hospitality investment of \$1.3 million was derived from the following properties in the United Kingdom:
 - i) *The Palace Hotel*
 - ii) *Corbyn Head Hotel*
 - iii) *Lyndene Hotel*
 - iv) *The Townhouse Hotel*
 - v) *The Crown Hotel*
- (d) Income from hotel operations of \$15.4 million was derived from our hotel segment namely,
 - i) *ibis Styles Hobart*, in Australia; and
 - ii) *The Imperial Hotel*, in the United Kingdom.

Gross Profit

Our overall gross profit increased by 65.1% to \$71.5 million in line with the increase in overall revenue. The slight decrease in gross profit margin to 36.1% in FY 2017 compared with 36.5% achieved during FY 2016 was mainly due to the lower margin contributed by the *City Gate* project and the low GP margin from the sale of held-for-sale properties at *Wak Hassan* and *Kensington Square*.

Other Operating Income

Other operating income shows an increase of \$28.6 million which is largely due to: (i) fair value gain of investment properties; (ii) net foreign exchange gain that was mainly attributed to the translation of Australian dollar fixed deposits; and (iii) gain on foreign currency options used to hedge against foreign currency exposure.



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Other Operating Expenses

Other operating expenses increased from \$22.8 million in FY 2016 to \$32.0 million in FY 2017 mainly due to the following factors:

1. Increase in commission expenses relating to the development projects and leasing of commercial units;
2. Increase in depreciation on additional fixed assets, utilities, repair and maintenance and payroll expenses due to the hotel operations in Australia and United Kingdom;
3. Increase in submission fee for the development properties in Australia and United Kingdom; partly offset by
4. Less sales activities result in decrease in advertising and promotion costs; and
5. Decrease in property tax.

Finance Costs

Finance costs marginally increased by \$0.2 million in FY 2017 mainly due to:

- i) finance costs relating to additional loans drawn down;
- ii) debt notes issued during the period; partly offset by
- iii) full redemption of the \$74.8 million debt notes in January 2017, thus reducing the related interest expense; and
- iv) general decrease in average interest rates across the floating rate borrowings .

Taxation

Taxation for FY 2017 amounted to approximately 17.5% of the profit before tax and 10% of the profit before tax for the corresponding year. The effective tax rate for FY 2016 was mainly due to the adjustment of prior period tax estimates.



Statements of financial position & Statement of cash flows

Non-current assets mainly comprise of i) land and building of our investment properties and ii) hotel properties and office which are accounted as property, plant and equipment. The Group's investment properties totaled at \$1.3 billion as at 31 December 2017.

Property, plant and equipment which primarily comprise i) office premises; and ii) hotel properties totaled \$104.5 million as at 31 December 2017 (31 Dec 2016 : \$18.9 million). The increase was attributed to the addition of one UK property, namely, the *Imperial Hotel* in Blackpool, and the transfer of *ibis Styles Hobart* hotel in Tasmania, Australia from properties under development.

Investment in a joint venture comprises the Group's investment in AF Global Limited, through AF Corporation Pte Ltd.

Development properties include land costs, development costs, interest capitalised and other related costs and these accounted for \$428.0 million or 55.5% of total current assets as at 31 December 2017. The net decrease of \$48.5 million compared to the balance as at 31 December 2016 was mainly due to the transfer of *ibis Styles Hobart* hotel, Tasmania, Australia to Property, Plant and Equipment following the commencement of operation as a self managed hotel, and the progressive billing for City Gate. This decrease is partially offset by the additional costs incurred for Australia and Singapore projects during the year.

Trade and other receivables of \$159.3 million include \$93.3 million of revenue from our property development projects in Singapore which are recognised based on the percentage of completion method and have yet to be billed. Billing is based on the payment schedule in the standard sale and purchase agreement. The increase compared to the balance as at 31 December 2016 was mainly due to the additional revenue recognised, which was partially offset by collections from the buyers.

Trade and other payables, which mainly comprise trade creditors, amount due to non-controlling interest and accrual for on going development projects cost which increased from \$32.9 million as at 31 December 2016 to \$42.6 million.

The additional drawdown of certain term loans and issuance of medium term notes partially offset by repayment of medium term notes and certain term loans during the year, resulting in the increase in the Group's total borrowings by 30.6% to \$1.1 billion from \$854.5 million as at 31 December 2016.

During the year ended 31 December 2017, the net cash outflow from operating activities amounted to \$39.6 million. Cash used in investing activities amounted to \$136.6 million which was substantially used towards acquisition of hotel properties in the United Kingdom. Net cash inflow from financing activities amounted to \$251.1 million which comprise proceeds from project related loans and issuance of medium term notes, partially offset by repayment of medium term notes issued and certain borrowings. Cash and cash equivalents stood at \$121.5 million as at the end of 31 December 2017 compared to \$45.5 million as at the end of 31 December 2016.



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

The current announced results are in line with the general prospect commentary as disclosed to shareholders in the previous results announcements.

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 events that may affect the group in the next reporting period and the next 12 months.*

Property Development Segment:

Singapore:

For the whole of 2017, the prices of private residential properties increased by 1.1% according to the statistics released by Urban Redevelopment Authority.

Having sold almost all of its residential units in Singapore, the Group has only one ongoing development project currently which is as follows.

Project Name	Type	Total No. of units	Percentage of units sold ¹
<i>City Gate</i> (Group has 50% interest)	Residential flats	311	100% Sold
	Commercial units	188	72.9% Sold

Construction works for City Gate is in full swing in FY2017. The Group has progressively recognised revenue from sales of about \$340.2 million (our 50% share of the joint operations), based on the percentage of completion method.

¹ Sales information represents the percentage of sold units over total units and is updated with Option to Purchase which has already been exercised up to 27 February 2018.

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Australia:

The Group has the following properties held for development in Australia.

Project Name/Location	Type	Tenure	Land Area (Sq ft)
<i>Premier Tower</i> 134-160 Spencer Street Melbourne, Victoria	Mixed-use Skyscraper Development	Freehold	19,375
<i>555 Collins</i> 555 Collins Street Melbourne, Victoria	Mixed-use Development	Freehold	24,757
<i>NV Apartments & Hotel</i> 374-396 Murray Street, Perth, Western Australia	Mixed-use Development	Freehold	53,023
39-47 Milligan Street and 453-471 Murray Street, Perth, Western Australia	Mixed-use Development	Freehold	38,320
28 – 30 Davey Street Hobart, Tasmania	Hotel Development	Freehold	12,411
171 Macquarie Street Hobart, Tasmania	Commercial Development	Freehold	5,651
2-6 Collins Street Hobart, Tasmania	Hotel Development	Freehold	32,389
234-250 Elizabeth Street Hobart, Tasmania	Mixed-use Development	Freehold	37,680
5-7 Sandy Bay Road; 9, 11 & 13 Wilmot Street and 4, 6 & 8 Heathfield Avenue Hobart, Tasmania	Residential Development	Freehold	52,399

Of the above, *Premier Tower*, *NV Apartments* and *555 Collins* have been launched for sale. About 74.2%, 21.2% and 44.8% of the residential units are sold, respectively². Slated for completion in 2021, construction works for *Premier Tower* is ongoing in 2017. Demolition works of *NV Apartments* has already commenced. Owing to the nature of the sales and purchase agreement and payment terms, revenue and profits from sale of properties in Australia will be recognised on completion of development in accordance with financial reporting standards.

The Group is actively working on the redevelopment plans/works for the rest of the Australian properties.

² Sales status represents the percentage of units sold as at 27 February 2018.

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Commercial Investment Segment:*Singapore:*

Based on the statistics released by Urban Redevelopment Authority, the rental rate for office space rose by 0.4% for whole of 2017 as compared with 8.2% decline in the previous year.

The table below summarises the Group's portfolio of investment properties.

Name/Location	Type	Tenure	Occupancy Status ³
<i>Fragrance Empire Building</i> 456 Alexandra Road	Office/Retail/ Medical Suites/F&B	Freehold	64.4%
<i>Tower 15</i> 15 Hoe Chiang Road	Office/Hotel/F&B	Freehold	61.6%
<i>Fragrance Building</i> 168 Changi Road	Office/Retail/Café	Freehold	96.8%
<i>The Colonial Settlement</i> 3 Punggol Point Road	F&B	15-years lease	74.8%
<i>Victory Centre</i> 110 Lorong 23 Geylang Road	Business 1/ Industrial	60-years lease	68.3%
Commercial units at <i>Novena Regency</i>	Restaurant/Shop	Freehold	27.3%
Commercial units at <i>Icon @ Pasir Panjang</i>	Restaurant/Shop	Freehold	23.2%
Commercial unit at <i>Kensington Square</i>	Retail/Restaurant	Freehold	100%

Hospitality Investment Segment:*United Kingdom:*

The table below summarises the Group's portfolio of hospitality investment in the United Kingdom.

Name/Location	Type	Tenure
<i>The Municipal office Building</i> ^(Note 1) Dale Street, Liverpool, L2 2DH, United Kingdom	Hotel	250 years-lease with an option to purchase the freehold title
<i>The Townhouse Hotel</i> 101 Portland Street, Manchester M1 6DF, United Kingdom	Hotel	Freehold
<i>The Crown Hotel</i> Crown Place, Harrogate, North Yorkshire, HG1 2RK, United Kingdom	Hotel	Freehold
<i>Lyndene Hotel</i> 303-315 Promenade Blackpool, Lancashire FY1 6AN, United Kingdom	Hotel	Freehold
<i>The Palace Hotel</i> Babbacombe Road, Torquay, TQ1 3TG, United Kingdom	Mixed-use Development	Freehold

³Occupancy Status represents the percentage of committed lettable space over total lettable space in the building as of 27 February 2018.

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Name/Location	Type	Tenure
<i>The Mineral Hospital</i> ^(Note 1) <i>Upper Borough Walls, Bath BA1 1RL, United Kingdom</i>	Hotel	Freehold
<i>The Lighthouse</i> ^(Note 1) <i>26 Esplanade Road, Paignton, Devon, TQ4 6BG, United Kingdom</i>	Hotel	Freehold
<i>Park Hotel</i> <i>Esplanade Road, Paignton, Devon, TQ4 6BQ, United Kingdom</i>	Hotel	Freehold
<i>Corbyn Head Hotel</i> <i>Torbay Road, Livermead, Torquay, TQ2 6RH, United Kingdom</i>	Hotel	Freehold

Note 1 : This property will be undergoing Additions and Alteration works with change of use to hotel usage.

During the year, the Group incorporated Fragrance UK-Bath Limited as part of its UK hospitality investment.



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Hotel Operations :

Australia:

The table below summarises the Group's hotel in Australia.

Name/Location	Type	Tenure
<i>ibis Styles Hobart</i> 173 Macquarie Street Hobart, Tasmania	Hotel	Freehold

The newly built hotel located at 173 Macquarie Street, Hobart, Tasmania began its operation on 1 July 2017. This hotel is managed by AccorHotels - a world-leading travel & lifestyle group. With 296-rooms spanning 10 floors, *ibis Styles Hobart* is now the largest hotel in Tasmania, offering excellent value to travellers seeking world-class quality accommodation. *ibis Styles Hobart* boasts a rooftop indoor heated lap pool, two saunas, a gymnasium and wifi throughout the hotel. This hotel is centrally located, being just a short walk from Hobart CBD and major tourist attractions such as the famous Salamanca market and Battery Point.

United Kingdom:

The table below summarises the Group's hotel in the United Kingdom.

Name/Location	Type	Tenure
<i>Imperial Hotel</i> North Promenade, Blackpool FY1 2HB United Kingdom	Hotel	Freehold

Overall Summary

In summary, in the recent past few years, the Group has remained resilient to the challenges in local market and sold almost all of its residential properties in Singapore. Meanwhile, with the timely diversification of operations into Australia and the United Kingdom, the Group has laid a good foundation for sustainable growth in future years.

The Group's profits and cashflows for FY 2018 will be highly dependent on the following factors:

- i) Construction of *City Gate* is in full swing in FY2017 and will contribute significantly to the property development revenue of the Group. Approximately S\$118.8 million of balance attributable revenue, from the units sold, will be recognised progressively henceforth and attributable profits will be recognised from FY 2017 and beyond.
- ii) Revenue from property investment segment will be highly dependent on the occupancy rate of the investment properties. The Group is working closely with marketing agents to increase the occupancy rate.
- iii) As for Australian property portfolio, as of 27 February 2018, sales of units in *Premier Tower*, *NV Apartments* and *555 Collins* amounts to approximately A\$640.7 million. Such revenue will only be recognised on completion of development of the respective properties. No revenue and profits are expected to be reported in FY 2018. The *ibis style Hobart* has already commenced operations and is expected to generate stable stream of revenue.
- iv) Our hotel operation and hospitality investments portfolios in the United Kingdom are also expected to generate stable income stream.

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11. *Dividend*(a) *Current Financial Period Reported on*

Any dividend declared for the current financial period/year? No

(b) *Corresponding Period of the Immediately Preceding Financial Year :*

Name of Dividend	Interim (ordinary)
Dividend Type	Cash
Dividend Amount per share	S\$0.0001 per share
No of shares in issue (excluding treasury shares)	6,712,400,000
Total Dividend Amount	S\$6,712,400/=
Tax Rate	Tax-exempt (one-tier tax) dividend
Date of payment	1 December 2016

(c) *Date payable* : Not applicable(d) *Books closure date* : Not applicable12. *If no dividend has been declared/ recommended, a statement to that effect.*

No dividend has been declared/recommended.

13. *If the Group has obtained a general mandate from Shareholders for IPT, 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 has not obtained a general mandate from Shareholders for Interested Person Transactions ("IPT").

14. *Negative confirmation pursuant to Rule 705(5). (Not required for announcement on full year results).*

Not applicable.

15. *Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1)*

The Company has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1) of the Listing Manual.

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PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

16. *Segmented revenue and results for operating segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.*

(a) *Business Segments*

GROUP	CONTINUING OPERATIONS				TOTAL S\$'000
	PROPERTY	COMMERCIAL	HOSPITALITY	HOTEL	
	DEVELOPMENT S\$'000	INVESTMENT S\$'000	INVESTMENT S\$'000	OPERATIONS S\$'000	
FY 2017					
REVENUE	159,193	22,153	1,318	15,357	198,021
RESULT					
Segment result	39,953	22,153	1,318	8,096	71,520
Other operating income, net	3,504	32,182	(2,788)	7	32,905
Other operating expenses	(17,555)	(9,320)	(415)	(4,668)	(31,958)
Profit from operations	25,902	45,015	(1,885)	3,435	72,467
Finance costs	(3,494)	(14,217)	-	-	(17,711)
Share of results of JV	2,901	-	-	-	2,901
Profit before income tax	25,309	30,798	(1,885)	3,435	57,657
Income tax	(4,309)	(4,968)	293	(893)	(9,877)
Profit after income tax	21,000	25,830	(1,592)	2,542	47,780
FY 2016					
REVENUE	100,281	18,452	-	-	118,733
RESULT					
Segment result	24,870	18,452	-	-	43,322
Other operating income, net	1,568	2,749	-	-	4,317
Other operating expenses	(14,582)	(8,227)	-	-	(22,809)
Profit from operations	11,856	12,974	-	-	24,830
Finance costs	(4,120)	(13,382)	-	-	(17,502)
Share of results of JV	1,311	-	-	-	1,311
Profit before income tax	9,047	(408)	-	-	8,639
Income tax	(721)	(143)	-	-	(864)
Profit after income tax	8,326	(551)	-	-	7,775

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16. *Segmented revenue and results for operating segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year. - Continued*

(b) *Geographical information*

SUMMARY BY COUNTRY GROUP	REVENUE		NON-CURRENT ASSETS	
	FY 2017	FY 2016	FY 2017	FY 2016
	S\$'000	S\$'000	S\$'000	S\$'000
Singapore	179,927	116,341	1,342,654	1,294,058
Australia	7,623	2,392	63,334	1,254
United Kingdom	10,471	-	112,776	-
Total	198,021	118,733	1,518,764	1,295,312

17. *In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the operating segments.*

Please refer to paragraph 8 and 10.

18. *A breakdown of sales*

GROUP	FY 2017 S\$'000	FY 2016 S\$'000	% Increase/ (Decrease)
(a) Sales reported for first half year	78,616	53,385	47.3
(b) Operating profit after tax reported for first half year	8,907	9,486	(6.1)
(c) Sales reported for the second half year	119,405	65,348	82.7
(d) Operating profit after tax reported for second half year	38,873	(1,711)	N.M

19. *A breakdown of total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.*

	FY 2017 (S\$'000)	FY 2016 (S\$'000)
Ordinary		
Interim Dividend	-	6,712



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20. *Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.*

There is no person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer.

BY ORDER OF THE BOARD

KOH WEE MENG
Executive Chairman and CEO

PERIAKARUPPAN ARAVINDAN
Executive Director and Deputy CEO

27 February 2018