



FRAGRANCE GROUP LIMITED

Company Registration No.: 200006656M

PRESS RELEASE

Fragrance Group's FY17 net profit jumps more than 6 times to S\$48.5 million

- *Group revenue surged 66.8% to S\$198M, boosted by its property development, commercial and hospitality investment segments in Singapore, Australia and the United Kingdom*
- *Net asset value stands at S\$1.11 billion, with total assets of S\$2.29 billion as at end FY17*
- *Low gearing puts the Group in a good position to take on future acquisitions and growth opportunities*
- *The Group has an international presence across Asia, Australia and Europe*

\$'000	FY2017	FY2016	Change (%)
Revenue	198,021	118,733	66.8
Gross Profit	71,562	43,322	65.1
Net Profit Before Tax	57,657	8,639	567.4
Net Profit Attributable To Shareholders	48,546	7,503	547.0

Financial Year ended 31 December

SINGAPORE – 27 February 2018 – Mainboard-listed **Fragrance Group Limited** (“Fragrance” or the “Group”) announced today that its net profit attributable to shareholders for the financial year ended 31 December 2017 (“FY17”) jumped more than 6 times to S\$48.5 million.

This was achieved on the back of a 66.8% surge in Group revenue to S\$198.0 million, boosted by significant contributions from its *City Gate* project in Singapore, higher rental income from the Group’s investment properties, as well as first-time contributions from its five hotels in the

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United Kingdom. The Group's two hotels in Australia and the United Kingdom also contributed to Group revenue.

Revenue by Segments

\$'000	FY2017	FY2016	Change (%)
Property Development	159,193	100,281	58.7
Commercial Investment	22,153	18,452	20.1
Hospitality Investment	1,318	-	NM
Hotel Operations	15,357	-	NM
	198,021	118,733	66.8

Financial Year ended 31 December

Property Development

The Group's property development segment contributed 58.7% higher revenue to S\$159.2 million compared to the year-ago period due to the substantial progressive billing of its *City Gate* project in Singapore since it started construction in 2Q16.

Investment Properties

Higher rental income from its investment properties such as *Tower 15*, *Fragrance Empire Building*, *The Punggol Point* and *Victory Centre* boosted revenue by 20.1% to S\$22.2 million

Hospitality Investment

The Group's hotels in the United Kingdom – namely, *Corbyn Head Hotel*, *Lyndene Hotel*, *The Townhouse Hotel* and *The Crown Hotel* - generated S\$1.3 million in Group turnover.



*The Municipal Office Building in
Liverpool, United Kingdom*

Hotel Operations

Its two hotels – namely, *ibis Styles Hobart* in Australia, and *The Imperial Hotel* in the United Kingdom – generated S\$15.4 million in income for hotel operations management services.



*ibis Styles Hobart in
Hobart, Tasmania*



Imperial Hotel in Blackpool, United Kingdom

EPS/NAV per Share

For the full year, the Group's earnings per ordinary share, based on the weighted average number of shares, rose to approximately 0.72 cents whilst net asset value per ordinary shares increased to approximately 16.4 cents as at 31 December 2017. Cash and cash equivalents increased 167.0% to S\$121.5 million.

Business Outlook

Said Mr Koh Wee Meng, Fragrance's Founder, Executive Chairman and CEO: "Our good performance in FY2017, with all-round improvements in all of our core businesses, has underscored that our diversification into the property development and hotel investment sectors in Australia and United Kingdom was indeed timely and strategic, thereby strongly positioning the Group for sustainable growth in the future."



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Moving ahead, the Group envisages that its profitability and cashflow is firmly underpinned by the following factors:

- Its *City Gate* project in Singapore will continue to 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.
- Sales of its Australian projects, such as *Premier Tower*, *NV Apartments* and *555 Collins*, amounted to A\$640.7 million (as at 27 February 2018), and this will be recognised when development of each property is completed. The *ibis style Hobart* has already commenced operations and is expected to generate a stable revenue stream.
- Revenue from the property investment segment comprising of its various investment properties in Singapore.
- The Group's hotel operation and hospitality investments portfolios in the United Kingdom are also expected to generate stable income streams.

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About Fragrance Group Limited

Listed on the Mainboard of the Singapore Exchange in 2005, Fragrance Group Limited focuses on real estate, investment and hospitality, and has built up a presence in Asia, Australia and Europe. Its core business include Property Development in Singapore and Australia, Commercial Investments in Singapore, Hotel Investments in the United Kingdom, and Hotel Operations in Australia and the United Kingdom