

OFFER DOCUMENT DATED 30 JULY 2021

THIS OFFER DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.

If you are in any doubt about the Offer (as defined herein), you should consult your stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

DBS Bank Ltd. ("**DBS Bank**") is acting for and on behalf of JK Global Treasures Pte. Ltd. (the "**Offeror**") and does not purport to advise the shareholders of Fragrance Group Limited (the "**Company**") and/or any other person.

If you have sold or transferred all your Fragrance Shares (as defined herein) held through CDP (as defined herein), you need not forward this Offer Document and the FAA (as defined herein) to the purchaser or transferee, as CDP will arrange for an FAA to be sent to the purchaser or transferee. If you have sold or transferred all your Fragrance Shares not deposited with CDP, you should immediately hand this Offer Document and the FAT (as defined herein) to the purchaser or transferee or to the bank, stockbroker or agent through whom you effected the sale or transfer for onward transmission to the purchaser or transferee.

The views of the Independent Directors (as defined herein) and the independent financial adviser to the Independent Directors on the Offer will be made available to you in due course. You may wish to consider their views before taking any action in relation to the Offer.

The Singapore Exchange Securities Trading Limited ("**SGX-ST**") assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this Offer Document.

VOLUNTARY UNCONDITIONAL CASH OFFER

by



DBS Bank Ltd.

(Incorporated in the Republic of Singapore)
Company Registration No. 196800306E

for and on behalf of

JK Global Treasures Pte. Ltd.

(Incorporated in the Republic of Singapore)
Company Registration No. 201734224G

for

all the issued ordinary shares in the capital of

Fragrance Group Limited

(Incorporated in the Republic of Singapore)
Company Registration No. 200006656M

IMPORTANT DATE AND TIME

ACCEPTANCES SHOULD BE RECEIVED BY THE CLOSE OF THE OFFER AT 5.30 P.M. ON 27 AUGUST 2021 OR SUCH LATER DATE(S) AS MAY BE ANNOUNCED FROM TIME TO TIME BY OR ON BEHALF OF THE OFFEROR

The procedures for acceptance of the Offer are set out in **Appendix 2** to this Offer Document and in the FAA and/or FAT.

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DEFINITIONS

Except where the context otherwise requires, the following definitions apply throughout this Offer Document, FAA and the FAT:

“Acceptance Condition”	:	Shall have the meaning ascribed to it in Section 2.5 of the Letter to Shareholders in this Offer Document
“Accepting Shareholder”	:	Shall have the meaning ascribed to it in Section 2.4 of the Letter to Shareholders in this Offer Document
“Announcement Date”	:	9 July 2021, being the date of the Offer Announcement
“Business Day”	:	A day other than Saturday, Sunday or a public holiday on which commercial banks are open for business in Singapore
“CDP”	:	The Central Depository (Pte) Limited
“Closing Date”	:	5.30 p.m. on 27 August 2021 or such later date(s) as may be announced from time to time by or on behalf of the Offeror, such date being the last day for the lodgement of acceptances of the Offer
“CPF”	:	The Central Provident Fund
“CPF Agent Banks”	:	Agent banks included under the CPFIS
“CPFIS”	:	Central Provident Fund Investment Scheme
“CPFIS Investors”	:	Investors who purchase Fragrance Shares using their CPF savings pursuant to the CPFIS
“Code”	:	The Singapore Code on Take-overs and Mergers
“Companies Act”	:	Companies Act, Chapter 50 of Singapore
“Company” or “Fragrance”	:	Fragrance Group Limited
“Date of Receipt”	:	The date of receipt of the Relevant Acceptance Forms by CDP or the Registrar/Receiving Agent (as the case may be), on behalf of the Offeror (provided always that the Date of Receipt falls on or before the Closing Date)
“DCS”	:	Shall have the meaning ascribed to it in paragraph 2 of Appendix 1 to this Offer Document
“DBS Bank”	:	DBS Bank Ltd.

DEFINITIONS

“Deferred Consideration Shares”	:	Shall have the meaning ascribed to it in Section 8.1.2 of the Letter to Shareholders in this Offer Document
“Dissemination Date”	:	30 July 2021, being the date of dissemination of this Offer Document
“Dissenting Shareholders”	:	Shall have the meaning ascribed to it in Section 12.1 of the Letter to Shareholders in this Offer Document
“Distributions”	:	Shall have the meaning ascribed to it in Section 2.3 of the Letter to Shareholders in this Offer Document
“Electronic Acceptance”	:	The SGX-SSH service provided by CDP as listed in Schedule 3 of the Terms and Conditions for User Services for Depository Agents
“Encumbrances”	:	Shall have the meaning ascribed to it in Section 2.3 of the Letter to Shareholders in this Offer Document
“FAA”	:	Form of Acceptance and Authorisation for Fragrance Shares in respect of the Offer, applicable to Shareholders whose Shares are deposited with CDP and which forms part of this Offer Document
“FAT”	:	Form of Acceptance and Transfer for Fragrance Shares in respect of the Offer, applicable to Shareholders whose Shares are registered in their own names in the Register and are not deposited with CDP and which forms part of this Offer Document
“Fragrance Securities”	:	(i) Fragrance Shares; or (ii) convertible securities, warrants, options or derivatives in respect of Fragrance Shares
“Fragrance Shares”	:	Issued and paid-up ordinary shares in the capital of Fragrance
“Free Float Requirement”	:	Shall have the meaning ascribed to it in Section 11.1 of the Letter to Shareholders in this Offer Document
“FY”	:	The financial year ended or ending, as the case may be, on 31 December of the relevant year
“Group”	:	Fragrance and its subsidiaries
“Independent Directors”	:	The directors of the Company who are considered to be independent for the purposes of the Offer

DEFINITIONS

“Irrevocable Undertakings”	:	Shall have the meaning ascribed to it in Section 8.2.1 of the Letter to Shareholders in this Offer Document
“KWM”	:	Mr Koh Wee Meng
“KWM Irrevocable Undertaking”	:	Shall have the meaning ascribed to it in Section 8.1.1 of the Letter to Shareholders in this Offer Document
“Last Trading Date”	:	8 July 2021, being the last full day of trading in the Fragrance Shares on the SGX-ST preceding the Announcement Date
“Latest Practicable Date”	:	27 July 2021, being the latest practicable date prior to the printing of this Offer Document
“Listing Manual”	:	The Listing Manual of the SGX-ST
“LWL”	:	Ms Lim Wan Looi
“LWL Irrevocable Undertaking”	:	Shall have the meaning ascribed to it in Section 8.2.1 of the Letter to Shareholders in this Offer Document
“Market Day”	:	A day on which the SGX-ST is open for the trading of securities
“Offer”	:	The voluntary conditional cash offer made by DBS Bank, for and on behalf of the Offeror, to acquire all the Fragrance Shares on the terms and subject to the conditions set out in this Offer Document, the FAA and the FAT, as such offer may be amended, extended and revised from time to time by or on behalf of the Offeror
“Offer Announcement”	:	The announcement relating to the Offer released by DBS Bank, for and on behalf of the Offeror, on the Announcement Date
“Offer Document”	:	This document, including the FAA and FAT, and any other document which may be issued by DBS Bank, for and on behalf of the Offeror, to amend, revise, supplement or update the document(s) from time to time
“Offer Period”	:	The period commencing on the Announcement Date and ending on the Closing Date
“Offer Price”	:	S\$0.138 in cash for each Fragrance Share
“Offer Threshold”	:	Shall have the meaning ascribed to it in Section 2.5 of the Letter to Shareholders in this Offer Document

DEFINITIONS

“Offeror”	:	JK Global Treasures Pte. Ltd.
“Overseas Shareholders”	:	Shall have the meaning ascribed to it in Section 16.1 of the Letter to Shareholders in this Offer Document
“Reference Period”	:	The period commencing three months prior to the Announcement Date and ending on the Latest Practicable Date
“Register”	:	The register of holders of Fragrance Shares, as maintained by the Registrar
“Registrar” or “Tricor”	:	Tricor Barbinder Share Registration Services
“Relevant Acceptance Forms”	:	FAA and/or FAT
“Relevant Day”	:	Shall have the meaning ascribed to it in paragraph 3.1 of Appendix 1 to this Offer Document
“Relevant Persons”	:	Shall have the meaning ascribed to it in paragraph 2.10 of Appendix 2 to this Offer Document
“Rule 22.6 Period”	:	Shall have the meaning ascribed to it in paragraph 1.3 of Appendix 1 to this Offer Document
“Securities Account”	:	A securities account maintained by a Depositor with CDP, but does not include a securities sub-account
“Settled Fragrance Shares”	:	Shall have the meaning ascribed to it in paragraph 1.1.1(i)(b)(III) of Appendix 2 to this Offer Document
“SFA”	:	Securities and Futures Act, Chapter 289 of Singapore
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Shareholders”	:	Holders of Fragrance Shares (other than CDP) as indicated on the Register and Depositors who have Fragrance Shares entered against their names in the Depository Register
“Shut-Off Notice”	:	Shall have the meaning ascribed to it in paragraph 1.3 of Appendix 1 to this Offer Document
“SIC”	:	Securities Industry Council of Singapore
“SRS”	:	The Supplementary Retirement Scheme

DEFINITIONS

“SRS Agent Banks”	:	Agent banks included under SRS
“SRS Investors”	:	Investors who purchase Fragrance Shares pursuant to SRS
“S\$” and “cents”	:	Singapore dollars and cents respectively, being the lawful currency of Singapore
“Unsettled Buy Position”	:	Shall have the meaning ascribed to it in paragraph 1.1.1(i)(b)(II) of Appendix 2 to this Offer Document
“VWAP”	:	Volume weighted average price
“%” or “per cent.”	:	Percentage or per centum

Acting in Concert, Associates. The expressions “**acting in concert**” and “**associates**” shall have the same meanings ascribed to them, respectively, in the Code.

Announcement, Notice, etc. References to the making of an announcement or the giving of notice by the Offeror shall include the release of an announcement by DBS Bank or advertising agents, for and on behalf of the Offeror, to the press or the delivery of or transmission by telephone, telex, facsimile, SGXNET or otherwise of an announcement to the SGX-ST. An announcement made otherwise than to the SGX-ST shall be notified simultaneously to the SGX-ST.

Depositors, etc. The expressions “**Depositor**”, “**Depository Agent**” and “**Depository Register**” shall have the meanings ascribed to them respectively in Section 81SF of the SFA.

Genders, etc. Words importing the singular shall, where applicable, include the plural and vice versa. Words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall, where applicable, include corporations.

Headings. The headings in this Offer Document are inserted for convenience only and shall be ignored in construing this Offer Document.

Fragrance Shares. In this Offer Document, the total number of issued Fragrance Shares, as at the Latest Practicable Date, is 6,713,600,000 Fragrance Shares (excluding 6,400,000 treasury shares).

Offer Document. References to “**Offer Document**” shall include the FAA and the FAT, unless the context otherwise requires.

Rounding. Any discrepancies in the tables in this Offer Document between the listed amounts and the totals thereof are due to rounding. Accordingly, figures shown as totals may not be an arithmetic aggregation of the figures that precede them.

Shareholders. References to “**you**”, “**your**” and “**yours**” in this Offer Document are, as the context so determines, to Shareholders.

DEFINITIONS

Statutes. Any reference in this Offer Document to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act, the Code, the Listing Manual, the SFA or any modification thereof and used in this Offer Document shall, where applicable, have the meaning assigned to that word under the Companies Act, the Code, the Listing Manual, the SFA or that modification, as the case may be.

Subsidiary, Related Corporations. The expressions “**subsidiary**” and “**related corporations**” shall have the meanings ascribed to them respectively in Sections 5 and 6 of the Companies Act.

Time, Date. Any reference to a time of day and date in this Offer Document shall be a reference to Singapore time and date, unless otherwise specified.

CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS

All statements other than statements of historical facts included in this Offer Document are or may be forward-looking statements. Forward-looking statements include but are not limited to those using words such as “expect”, “anticipate”, “believe”, “intend”, “project”, “plan”, “strategy”, “forecast” and similar expressions or future or conditional verbs such as “will”, “would”, “should”, “could”, “may” and “might”. These statements reflect the Offeror’s current expectations, beliefs, hopes, intentions or strategies regarding the future and assumptions in light of currently available information. Such forward-looking statements are not guarantees of future performance or events and involve known and unknown risks and uncertainties. Accordingly, actual results may differ materially from those described in such forward-looking statements. Shareholders and investors should not place undue reliance on such forward-looking statements, and neither the Offeror nor DBS Bank undertakes any obligation to update publicly or revise any forward-looking statements, subject to compliance with all applicable laws and regulations and/or rules of the SGX-ST and/or any other regulatory or supervisory body or agency.

LETTER TO SHAREHOLDERS



DBS Bank Limited

(Incorporated in the Republic of Singapore)
Company Registration No. 196800306E

30 July 2021

To: The Shareholders of Fragrance Group Limited

Dear Sir/Madam

VOLUNTARY UNCONDITIONAL CASH OFFER BY DBS BANK FOR AND ON BEHALF OF THE OFFEROR FOR THE FRAGRANCE SHARES

1. INTRODUCTION

1.1 Offer Announcement. On 9 July 2021, being the Announcement Date, DBS Bank, for and on behalf of the Offeror, announced, *inter alia*, that the Offeror intends to make a voluntary conditional cash offer for all the issued ordinary shares (the “**Fragrance Shares**”) in the capital of Fragrance Group Limited (“**Fragrance**”), including all the Fragrance Shares already owned, controlled or agreed to be acquired by parties acting or deemed to be acting in concert with the Offeror.

A copy of the Offer Announcement is available on the website of the SGX-ST at www.sgx.com.

1.2 Offer Document. This Offer Document contains the formal offer by DBS Bank, for and on behalf of the Offeror, to acquire all the Fragrance Shares. This Offer Document has been disseminated to Shareholders on 30 July 2021, being the Dissemination Date. Shareholders are urged to read this Offer Document carefully.

2. THE OFFER

2.1 Offer Price. For and on behalf of the Offeror, DBS Bank hereby makes the Offer, in accordance with Section 139 of the SFA and the Code and subject to the terms and conditions of this Offer Document, for all the Fragrance Shares on the following basis:

For each Fragrance Share: S\$0.138 in cash.

2.2 Fragrance Shares. The Offer is extended to all Fragrance Shares, including any and all Fragrance Shares owned, controlled or agreed to be acquired by any party acting or deemed to be acting in concert with the Offeror in connection with the Offer.

2.3 No Encumbrances. The Fragrance Shares will be acquired (i) fully paid; (ii) free from all liens, equities, claims, charges, pledges, mortgages, encumbrances, options, powers of sale, declarations of trust, hypothecations, retentions of title, rights of pre-emption, rights of first refusal, moratorium or any other third party rights or security interests of any nature whatsoever or any agreements, arrangements or obligations to create any of the foregoing (“**Encumbrances**”); and (iii) together with all rights, benefits and entitlements attached thereto as at the Announcement Date and thereafter attaching thereto, including the right to receive and retain all dividends, rights and other distributions and/or return of capital (if any) (“**Distributions**”) declared, paid or made by the Company in respect of the Fragrance Shares on or after the Announcement Date.

LETTER TO SHAREHOLDERS

- 2.4 Adjustment for Distributions.** Without prejudice to the foregoing, the Offer Price has been determined on the basis that the Fragrance Shares will be acquired with the right to receive any Distribution that may be declared, paid or made by the Company on or after the Announcement Date.

Accordingly, in the event any Distribution is or has been declared, paid or made by the Company in respect of the Fragrance Shares on or after the Announcement Date to a Shareholder who validly accepts or has accepted the Offer (the “**Accepting Shareholder**”), the Offer Price payable to such Accepting Shareholder shall be reduced by an amount which is equal to the amount of such Distribution, depending on when the settlement date in respect of the Fragrance Shares tendered in acceptance of the Offer by the Accepting Shareholder falls.

- 2.5 Acceptance Condition.** The Offer will be subject to the Offeror having received, by the Closing Date, valid acceptances (which have not been withdrawn) in respect of such number of Fragrance Shares which, together with the Fragrance Shares acquired or agreed to be acquired before or during the Offer, will result in the Offeror and parties acting in concert with the Offeror holding Fragrance Shares representing not less than 90 per cent. (the “**Offer Threshold**”) of all the Fragrance Shares in issue as at the Closing Date (the “**Acceptance Condition**”).

On 12 July 2021, based on the information available to the Offeror, the Offeror announced that the Offeror and parties acting in concert with the Offeror hold in aggregate 6,143,034,900 Fragrance Shares representing 91.50 per cent. of all the issued Fragrance Shares and that the Acceptance Condition had been satisfied.

Accordingly, the Offer is unconditional in all respects.

3. WARRANTY

A Shareholder who tenders his Fragrance Shares in acceptance of the Offer will be deemed to unconditionally and irrevocably warrant that he sells such Fragrance Shares as or on behalf of the beneficial owner(s) thereof, (i) fully paid; (ii) free from all Encumbrances; and (iii) together with all rights, benefits and entitlements attached thereto as of the Announcement Date and thereafter attaching thereto, including but not limited to all voting rights, the right to receive and retain all Distributions declared, paid or made by Fragrance in respect of the Fragrance Shares on or after the Announcement Date.

4. DETAILS OF THE OFFER

Appendix 1 to this Offer Document sets out further details on (i) the duration of the Offer; (ii) the settlement of the consideration for the Offer; (iii) the requirements relating to the announcement of the level of acceptances of the Offer; and (iv) the right of withdrawal of acceptances of the Offer.

5. PROCEDURES FOR ACCEPTANCE

Appendix 2 to this Offer Document sets out the procedures for acceptance of the Offer.

LETTER TO SHAREHOLDERS

6. INFORMATION ON THE OFFEROR

6.1 The Offeror. The Offeror is a private company limited by shares incorporated in Singapore on 28 November 2017 and its principal activity is investment holding. As at the Latest Practicable Date:

6.1.1 the Offeror has an issued and paid-up share capital of S\$1,000,000 comprising 1,000,000 ordinary shares; and

6.1.2 KWM is the sole shareholder and director of the Offeror.

6.2 Further Information. Appendix 3 to this Offer Document sets out additional information on the Offeror.

7. INFORMATION ON FRAGRANCE

7.1 Fragrance. Fragrance is a public limited company incorporated in Singapore and is listed on the Mainboard of the SGX-ST. The principal business of Fragrance is the development of residential, commercial, hotel and industrial properties. Other activities of the Group comprise the holding of investment and hotel properties and hotel operations. As at the Latest Practicable Date, based on the information provided by Fragrance to the Offeror, Fragrance:

7.1.1 has an issued and paid-up share capital of S\$150,000,000 comprising 6,713,600,000 ordinary shares (excluding 6,400,000 treasury shares); and

7.1.2 has no outstanding options or rights, warrants or other securities convertible into, exercisable for or redeemable for any Fragrance Shares.

7.2 Further Information. Appendix 4 to this Offer Document sets out additional information on Fragrance.

8. IRREVOCABLE UNDERTAKINGS

8.1 KWM Irrevocable Undertaking

8.1.1 KWM Irrevocable Undertaking. KWM has provided an irrevocable undertaking (the “**KWM Irrevocable Undertaking**”) to accept the Offer in respect of the Fragrance Shares held by him prior to and up to the close of the Offer. As at the Announcement Date, KWM holds in aggregate 5,015,500,000 Fragrance Shares (the “**Deferred Consideration Shares**”), representing approximately 74.71 per cent. of the issued Fragrance Shares. The KWM Irrevocable Undertaking will lapse if the Offer lapses or is withdrawn.

8.1.2 Deferred Consideration. In addition, pursuant to the terms of the Irrevocable Undertaking, KWM will tender his Fragrance Shares unconditionally in acceptance of the Offer and also waive his right to receive the cash consideration within the stipulated timeline under the Code. KWM has agreed that payment for the Deferred Consideration Shares shall be deferred to a date falling three months after the close of the Offer or such other later date as may be agreed among KWM and the Offeror and such payment shall be made on the agreed date free of interest.

LETTER TO SHAREHOLDERS

8.2 LWL Irrevocable Undertaking

8.2.1 LWL Irrevocable Undertaking. LWL, a concert party of KWM, has provided an irrevocable undertaking (the “**LWL Irrevocable Undertaking**” and together with the KWM Irrevocable Undertaking, the “**Irrevocable Undertakings**”) to accept the Offer in respect of the Fragrance Shares held by her prior to and up to the close of the Offer, subject to (i) the directors of the Company who are independent for the purposes of the Offer (the “**Independent Directors**”) recommending that Shareholders accept the Offer and (ii) the independent financial adviser to the Independent Directors opining that the Offer is reasonable and recommending that Shareholders accept the Offer.

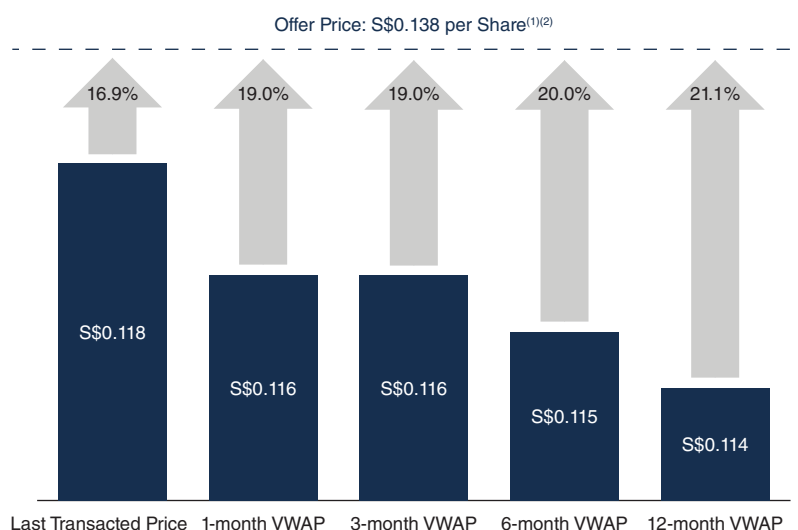
As at the Announcement Date, LWL holds in aggregate 735,000,000 Fragrance Shares (the “**LWL Shares**”), representing approximately 10.94 per cent. of the issued Fragrance Shares. The LWL Irrevocable Undertaking will lapse if the Offer lapses or is withdrawn.

8.2.2 Cash Consideration. Pursuant to the LWL Irrevocable Undertaking, subject to the conditions set out in 8.2.1, LWL will be tendering the Fragrance Shares held by her for cash, on the same terms as all other Fragrance Shares which will be tendered in acceptance of the Offer.

8.3 Further Details. Further details of the Irrevocable Undertakings are set out in **paragraph 4 of Appendix 5** to this Offer Document.

9. RATIONALE FOR THE OFFER

9.1 Opportunity for Shareholders to realise their investment at a premium without incurring brokerage fees. The Offer presents Shareholders with an opportunity to realise their investment in their Fragrance Shares at a premium of approximately 16.9 per cent. over the Company’s closing price of S\$0.118 as of 8 July 2021, being the Last Trading Date and a premium of 19.0 per cent., 19.0 per cent., 20.0 per cent., and 21.1 per cent. over the one-month VWAP up to and including the Last Trading Date of S\$0.116, three-month VWAP up to and including the Last Trading Date of S\$0.116, six-month VWAP up to and including the Last Trading Date of S\$0.115 and 12-month VWAP up to and including the Last Trading Date of S\$0.114, respectively, without incurring brokerage and other trading costs.



Notes:

(1) The S\$ figures (other than the Offer Price) are rounded to the nearest three (3) decimal places and computed on data sourced from Bloomberg L.P. up to and including the Last Trading Day.

(2) The respective premia are rounded to the nearest one (1) decimal place.

LETTER TO SHAREHOLDERS

9.2 Opportunity for Shareholders who may otherwise find it difficult to exit their investment in the Company due to low trading liquidity. The trading volume of the Fragrance Shares has been generally low, with an average daily trading volume¹ of approximately 141,523 Fragrance Shares, 143,540 Fragrance Shares, 142,159 Fragrance Shares and 108,820 Fragrance Shares during the one-month period, three-month period, six-month period and 12-month period up to and including the Last Trading Date.

	One-month	Three-months	Six-months	Twelve-months
Average Daily Trading Volume	141,523	143,540	142,159	108,820
Average daily trading volume as a percentage (%) of total number of issued Shares⁽¹⁾⁽²⁾	0.002%	0.002%	0.002%	0.002%

Notes:

(1) The average daily trading volume is based on data extracted from Bloomberg L.P. as at the Last Trading Day and calculated using the daily total volume of Shares traded divided by the total number of Shares.

(2) The percentage figures are rounded to the nearest three decimal places.

Hence, the Offer represents a unique cash exit opportunity for Shareholders to liquidate and realise their entire investment at a premium to the prevailing market prices and free of brokerage costs, being an option which may not otherwise be readily available due to the low trading liquidity of the Fragrance Shares.

9.3 Unlikely to require access to equity capital markets. Since its initial public offering in 2005, the Company has not carried out any exercise to raise equity capital on the SGX-ST. The Offeror is of the view that the Company is unlikely to require access to Singapore equity capital markets to finance its operations in the foreseeable future. Accordingly, the Offeror does not believe it is necessary for the Company to maintain a listing on the SGX-ST.

9.4 Only Offer capable of turning unconditional or succeeding. Given that KWM, who holds more than 50 per cent. of the Shares, has undertaken to accept the Offer, no other general offer will be capable of turning unconditional or succeeding. Should the Offer fail to become or be declared unconditional, the Offeror is not permitted under the Code to make another general offer for the Company for 12 months following the lapse of the Offer.

9.5 Greater management flexibility. The Offeror is making the Offer with a view to delisting the Company from the SGX-ST and exercising its rights of compulsory acquisition. The Offeror believes that privatising the Company will provide the Offeror with more flexibility to manage the business of the Group, optimise the use of its management and resources and facilitate the implementation of any operational change.

9.6 Compliance costs of maintaining listing status. In maintaining its listed status, the Company incurs compliance and associated costs. In the event that the Company is delisted from the SGX-ST, the Company will be able to save on expenses relating to the maintenance of a listed status and focus its resources on its business operations.

¹ The average daily trading volume is computed based on the total volume of Fragrance Shares traded divided by the number of Market Days with respect to the one-month period, three-month period, six-month period and 12-month period up to and including the Last Trading Date.

LETTER TO SHAREHOLDERS

10. OFFEROR'S INTENTIONS IN RELATION TO FRAGRANCE

The Offeror intends for the Company to continue with its existing activities and has no intention to (i) introduce any major changes to the business of the Company; (ii) re-deploy the fixed assets of the Company; or (iii) discontinue the employment of any of the existing employees of the Group, other than in the ordinary course of business. However, the board of directors of the Offeror retains the flexibility at any time to consider any options in relation to the Group which may present themselves and which it may regard to be in the interest of the Offeror.

11. LISTING STATUS

11.1 Free Float Requirement. Pursuant to Rule 723 of the Listing Manual, Fragrance must ensure that at least 10 per cent. of the total number of Fragrance Shares (excluding treasury shares) is at all times held by the public (the "**Free Float Requirement**"). Pursuant to Rule 1105 of the Listing Manual, in the event that the Offeror and parties acting in concert with the Offeror should, as a result of the Offer or otherwise, own or control more than 90 per cent. of the total number of Fragrance Shares (excluding treasury shares), the SGX-ST may suspend the trading of the Fragrance Shares on the SGX-ST until such time when the SGX-ST is satisfied that at least 10 per cent. of the total number of Fragrance Shares (excluding treasury shares) are held by at least 500 Shareholders who are members of the public. Under Rule 1303(1) of the Listing Manual, where the Offeror succeeds in garnering acceptances exceeding 90 per cent. of the total number of issued Fragrance Shares (excluding treasury shares), thus causing the percentage of the total number of issued Fragrance Shares (excluding treasury shares) held in public hands to fall below 10 per cent., the SGX-ST will suspend trading of the listed securities of the Company at the Closing Date.

In addition, under Rule 724(1) of the Listing Manual, if the Free Float Requirement is not complied with, the Company must, as soon as possible, announce that fact and the SGX-ST may suspend trading of all the Fragrance Shares on the SGX-ST. Rule 724(2) of the Listing Manual states that the SGX-ST may allow the Company a period of three months, or such longer period as the SGX-ST may agree, for the percentage of the Fragrance Shares held by members of the public to be raised to at least 10 per cent., failing which the Company may be removed from the Official List of the SGX-ST.

11.2 Intention of the Offeror. The Offeror is making the Offer with the intention of privatising the Company. In the event the Company does not meet the Free Float Requirement as at the Closing Date and the SGX-ST suspends trading of the Fragrance Shares, **the Offeror does not intend to maintain the present listing status of the Company and, accordingly, does not intend to place out any Fragrance Shares held by the Offeror to members of the public to meet the Free Float Requirement. In addition, the Offeror does not intend to support any action by the Company to meet the Free Float Requirement.**

The Offeror hereby reserves its right, to take steps at an appropriate time, whether during or after the Offer, to seek a voluntary delisting of the Company from the SGX-ST, where permitted by, and in accordance with, the relevant requirements of the Listing Manual and the Code.

LETTER TO SHAREHOLDERS

12. COMPULSORY ACQUISITION

12.1 Compulsory Acquisition. Pursuant to Section 215(1) of the Companies Act, if the Offeror receives valid acceptances pursuant to the Offer or acquires Fragrance Shares from the Dissemination Date otherwise than through valid acceptances of the Offer, in respect of not less than 90 per cent. of the total number of Fragrance Shares in issue as at the Closing Date (other than those already held by the Offeror, its related corporations or their respective nominees as at the Dissemination Date), the Offeror will be entitled to exercise the right to compulsorily acquire, at the Offer Price, all the Fragrance Shares held by Shareholders who have not accepted the Offer (the “**Dissenting Shareholders**”).

In the event that the Offeror becomes entitled to exercise its right under Section 215(1) of the Companies Act, the Offeror intends to exercise its right to compulsorily acquire all the Fragrance Shares not acquired under the Offer. The Offeror will then proceed to delist Fragrance from the SGX-ST.

12.2 Section 215(3). In addition, pursuant to Section 215(3) of the Companies Act, if the Offeror acquires such number of Fragrance Shares which, together with the Fragrance Shares held by it, its related corporations and their respective nominees, comprise 90 per cent. or more of the total number of issued Fragrance Shares at the Offer Price, the Dissenting Shareholders have the right to require the Offeror to acquire their Fragrance Shares at the Offer Price. Dissenting Shareholders who wish to exercise such right are advised to seek their own independent legal advice.

13. FINANCIAL EVALUATION OF THE OFFER

The Offer Price of S\$0.138 represents the following premium over the historical traded prices of the Fragrance Shares:

	Benchmark Price (S\$)⁽¹⁾⁽²⁾	Premium over the Benchmark Price(%)⁽³⁾
Last traded price per Fragrance Share as quoted on the SGX-ST on the Last Trading Date	0.118	16.9
VWAP of the Fragrance Shares for the one-month period up to and including the Last Trading Date	0.116	19.0
VWAP of the Fragrance Shares for the three-month period up to and including the Last Trading Date	0.116	19.0
VWAP of the Fragrance Shares for the six-month period up to and including the Last Trading Date	0.115	20.0
VWAP of the Fragrance Shares for the 12-month period up to and including the Last Trading Date	0.114	21.1

Notes:

(1) Based on data extracted from Bloomberg Finance L.P. Calculated by using the total value of Fragrance Shares traded over the total volume of Fragrance Shares traded for the relevant period.

(2) Computed based on the Fragrance Share prices rounded to the nearest three decimal places.

(3) Percentage figures are rounded to the nearest one decimal place.

LETTER TO SHAREHOLDERS

14. DISCLOSURES

14.1 Holdings. As at the Latest Practicable Date, based on the latest information available to the Offeror, and save as disclosed in **Appendix 5** to this Offer Document and in this Offer Document, none of the Offeror and its concert parties owns, controls or has agreed to acquire any Fragrance Securities.

14.2 Dealings. None of the Offeror and its concert parties have dealt for value in any Fragrance Securities during the Reference Period.

14.3 Other Arrangements. As at the Latest Practicable Date, based on the latest information available to the Offeror, and save as disclosed in **Appendix 5** to this Offer Document and in this Offer Document, none of the Offeror and the concert parties of the Offeror have:

14.3.1 entered into any arrangement with any person, including any indemnity or option arrangements, and any agreement or understanding, formal or informal, of whatever nature, relating to any Fragrance Securities which may be an inducement to deal or refrain from dealing of Fragrance Securities;

14.3.2 received any irrevocable commitment (other than the Irrevocable Undertakings) to accept the Offer in respect of any Fragrance Securities;

14.3.3 granted a security interest in respect of any Fragrance Securities to another person, whether through a charge, pledge or otherwise;

14.3.4 borrowed any Fragrance Securities from another person (excluding borrowed securities which have been on-lent or sold); or

14.3.5 lent any Fragrance Securities to another person.

15. CONFIRMATION OF FINANCIAL RESOURCES

DBS Bank, as financial adviser to the Offeror in connection with the Offer, confirms that sufficient financial resources are available to the Offeror to satisfy in full all acceptances of the Offer by Shareholders on the basis of the Offer Price (excluding the deferred consideration payable for the Deferred Consideration Shares, as described in **Section 8.1.2** of this Letter to Shareholders and **Appendix 5** to this Offer Document).

16. OVERSEAS SHAREHOLDERS

16.1 Overseas Shareholders. This Offer Document does not constitute an offer or a solicitation to any person in any jurisdiction in which such offer or solicitation is unlawful. The Offer is not being proposed in any jurisdiction in which the introduction or implementation of the Offer would not be in compliance with the laws of such jurisdiction. As there may be potential restrictions on sending this Offer Document and the Relevant Acceptance Forms and/or any related documents to any overseas jurisdictions, the Offeror and DBS Bank reserve the right not to send this Offer Document and the Relevant Acceptance Forms and/or any related documents to overseas jurisdictions. The availability of the Offer to Shareholders whose addresses are outside Singapore as shown in the Register or, as the case may be, in the records of CDP ("**Overseas Shareholders**") may be affected by the laws of the relevant overseas jurisdictions. Accordingly, Overseas Shareholders should inform themselves about and observe any applicable legal requirements in their own jurisdictions. For the avoidance of doubt, the Offer is made to all Shareholders, including those to whom this Offer Document and the Relevant Acceptance Forms and/or any related documents have not been, or will not be, sent.

LETTER TO SHAREHOLDERS

16.2 Copies of Offer Document. Shareholders (including Overseas Shareholders) may (subject to compliance with applicable laws) obtain electronic copies of this Offer Document, the Relevant Acceptance Forms and/or any related documents from the website of the SGX-ST at www.sgx.com. To obtain a copy of this Offer Document, please select the section “**Securities**”, select “**Company Information**” and then “**Company Announcements**” from the drop-down menu list and type the name of the Company: “**Fragrance Group Limited**” in the box titled “**Filter by Company/Security Name**”. “**Fragrance Group Limited**” will appear as a drop-down item below the filter box.

Thereafter, please select the announcement dated 30 July 2021 titled “Electronic dissemination of Offer Document”. This Offer Document and its related documents can be accessed by clicking on the link under the section titled “Attachments” at the bottom of the announcement.

16.3 Notice. The Offeror and DBS Bank each reserves the right to notify any matter, including the fact that the Offer has been made, to any or all Shareholders (including Overseas Shareholders) by announcement to the SGX-ST or paid advertisement in a daily newspaper published and circulated in Singapore, in which case such notice shall be deemed to have been sufficiently given notwithstanding any failure by any Shareholder (including Overseas Shareholders) to receive or see such announcement or advertisement.

16.4 Compliance with Applicable Laws. It is the responsibility of any Overseas Shareholder who wishes to (i) request for this Offer Document, the Relevant Acceptance Forms and/or any related documents; or (ii) accept the Offer, to satisfy himself as to the full observance of the laws of the relevant jurisdictions in that connection, including the obtaining of any governmental or other consent which may be required, or compliance with all other necessary formalities or legal requirements, or the payment of any taxes, imposts, duties or other requisite payments due in such jurisdiction. Such Overseas Shareholder shall be liable for any taxes, imposts, duties or other requisite payments payable and the Offeror and any person acting on his behalf (including DBS Bank, CDP and the Registrar) shall be fully indemnified and held harmless by such Overseas Shareholder for any such taxes, imposts, duties or requisite payments that may be required to be paid and the Offeror shall be entitled to set-off any such amounts against any sum payable to the Overseas Shareholder pursuant to the Offer and/or any exercise of the rights described in this Offer Document. In (a) requesting for this Offer Document, the Relevant Acceptance Forms and/or any related documents; and/or (b) accepting the Offer, the Overseas Shareholder represents and warrants to the Offeror, CDP, the Registrar and DBS Bank that he is in full observance of the laws of the relevant jurisdiction in that connection, and that he is in full compliance with all necessary formalities or legal requirements. If any Shareholder is in any doubt about his position, he should consult his professional adviser in the relevant jurisdiction.

17. INFORMATION RELATING TO CPFIS INVESTORS AND SRS INVESTORS

CPFIS Investors and SRS Investors should receive further information on how to accept the Offer from their respective CPF Agent Banks and SRS Agent Banks. CPFIS Investors and SRS Investors are advised to consult their respective CPF Agent Banks and SRS Agent Banks should they require further information and if they are in any doubt as to the action they should take, CPFIS Investors and SRS Investors should seek independent professional advice.

LETTER TO SHAREHOLDERS

CPFIS Investors and SRS Investors who wish to accept the Offer are to reply to their respective CPF Agent Banks and SRS Agent Banks by the deadline stated in the letter from their respective CPF Agent Banks and SRS Agent Banks. Subject to the Offer becoming or being declared to be unconditional in all respects in accordance with its terms, CPFIS Investors and SRS Investors who accept the Offer will receive the payment for their Fragrance Shares in their CPF investment accounts and SRS investment accounts.

18. GENERAL

18.1 Valid Acceptances. The Offeror and DBS Bank each reserves the right to treat acceptances of the Offer as valid if received by or on behalf of either of them at any place or places determined by them otherwise than as stated herein or in the Relevant Acceptance Forms, or if made otherwise than in accordance with the provisions herein and instructions printed on the Relevant Acceptance Forms.

18.2 Governing Law and Jurisdiction. The Offer, this Offer Document, the Relevant Acceptance Forms, and all acceptances of the Offer and all contracts made pursuant thereto and actions taken or made or deemed to be taken or made thereunder shall be governed by, and construed in accordance with, the laws of the Republic of Singapore. The Offeror and each Accepting Shareholder submit to the non-exclusive jurisdiction of the Singapore courts.

18.3 No Third Party Rights. Unless expressly provided to the contrary in this Offer Document and the Relevant Acceptance Forms, a person who is not a party to any contracts made pursuant to the Offer, this Offer Document and the Relevant Acceptance Forms has no rights under the Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore, to enforce any term of such contracts. Notwithstanding any term herein, the consent of any third party is not required for any subsequent agreement by the parties hereto to amend or vary (including any release or compromise of any liability) or terminate such contracts. Where third parties are conferred rights under such contracts, those rights are not assignable or transferable.

18.4 Accidental Omission. Accidental omission to despatch this Offer Document, the Relevant Acceptance Forms or any notice or announcement required to be given under the terms of the Offer or any failure to receive the same by any person to whom the Offer is made or should be made, shall not invalidate the Offer in any way.

18.5 Independent Advice. DBS Bank is acting for and on behalf of the Offeror and does not purport to advise the Shareholders and/or any other person. In preparing this Letter to Shareholders on behalf of the Offeror, DBS Bank has not had regard to the general or specific investment objectives, tax positions, risk profiles, financial situation or particular needs and constraints of any individual Shareholder. The views of the Independent Directors and the independent financial adviser to the Independent Directors on the Offer will be made available to Shareholders in due course and in any event, they are required under the Code to despatch their views within 14 days after the posting of this Offer Document. Shareholders may wish to consider their advice before taking any action in relation to the Offer.

18.6 General Information. Appendix 6 to this Offer Document sets out certain additional general information relating to the Offer.

LETTER TO SHAREHOLDERS

19. RESPONSIBILITY STATEMENT

The director of the Offeror (including where he has delegated detailed supervision of this Offer Document) has taken all reasonable care to ensure that the facts stated and all opinions expressed in this Offer Document are fair and accurate and that no material facts have been omitted from this Offer Document, and accepts responsibility accordingly. Where any information has been extracted or reproduced from published or otherwise publicly available sources (including, without limitation, in relation to Fragrance or its subsidiaries), the sole responsibility of the director of the Offeror has been to ensure, through reasonable enquiries, that such information is accurately extracted from such sources or, as the case may be, reflected or reproduced in this Offer Document.

Issued by
DBS Bank Ltd.
Tel: +65 6878 6212

For and on behalf of
JK Global Treasures Pte. Ltd.

30 July 2021

APPENDIX 1 – DETAILS OF THE OFFER

1. DURATION OF THE OFFER

- 1.1 Closing Date.** The Offer is open for acceptance by Shareholders for at least 28 days from the Dissemination Date, unless the Offer is withdrawn with the consent of the SIC and every person released from any obligation incurred thereunder. **Accordingly, the Offer will close at 5.30 p.m. on 27 August 2021, or such later date(s) as may be announced from time to time by or on behalf of the Offeror.**
- 1.2 Subsequent Closing Date(s).** As the Offer is unconditional in all respects, if the Offer is extended, the announcement of the extension need not state the next Closing Date but may state that the Offer will remain open until further notice. In such a case, the Offeror must give Shareholders at least 14 days' prior notice in writing before it may close the Offer.
- 1.3 Offer to Remain Open for 14 Days after Being Declared Unconditional as to Acceptances.** In order to give Shareholders who have not accepted the Offer the opportunity to accept the Offer after the Offer has become or is declared unconditional as to acceptances, the Offer will remain open for a period (the "**Rule 22.6 Period**") of not less than 14 days after the date on which it would otherwise have closed.

This requirement does not apply if, before the Offer has become or is declared unconditional as to acceptances, the Offeror has given Shareholders at least 14 days' notice in writing ("**Shut-Off Notice**") that the Offer will not be open for acceptance beyond a specified Closing Date, provided that:

- 1.3.1** the Offeror may not give a Shut-Off Notice in a competitive situation; and
- 1.3.2** the Offeror may not enforce a Shut-Off Notice, if already given, in a competitive situation.

If a declaration that the Offer is unconditional as to acceptances is confirmed in accordance with **paragraph 3.1** of this **Appendix 1**, the Rule 22.6 Period will run from the date of such confirmation or the date on which the Offer would otherwise have closed, whichever is later.

- 1.4 Revision.** Pursuant to Rule 20.1 of the Code, the terms of the Offer, if revised, will remain open for acceptance for a period of at least 14 days from the date of despatch of the written notification of the revision to Shareholders. In any case, where the terms are revised, the benefit of the Offer (as so revised) will be made available to each of the Shareholders, including who had previously accepted the Offer.

2. SETTLEMENT

When Settlement is Due for All Shareholders. Subject to the receipt by the Offeror from Accepting Shareholders of valid acceptances and all relevant documents required by the Offeror which are complete in all respects and in accordance with the instructions given in this Offer Document and in the Relevant Acceptance Forms, and in the case of a depositor, the receipt by the Offeror of a confirmation satisfactory to it that the number of Fragrance Shares tendered by the depositor in acceptance of the Offer are standing to the credit of the "Free Balance" of the depositor's Securities Account at the relevant time, then pursuant to Rule 30 of the Code, in the case of Accepting Shareholders who are depositors, payment of the aggregate Offer Price in respect of their Fragrance Shares validly tendered in acceptance of the Offer will be credited directly into their designated bank account for Singapore Dollars via CDP's Direct Crediting Service ("**DCS**") on the payment date. In the

APPENDIX 1 – DETAILS OF THE OFFER

event an Accepting Shareholder who is a depositor is not subscribed to CDP's DCS, any monies to be paid shall be credited to such Accepting Shareholder's Cash Ledger and subject to the same terms and conditions as Cash Distributions under the CDP Operation of Securities Account with the Depository Terms and Conditions (Cash Ledger and Cash Distributions are defined therein), or in such other manner as they may have agreed with CDP for payment of any cash distribution, as soon as practicable and in any case, in respect of acceptances of the Offer which are complete and valid in all respects, within seven (7) Business Days of the Date of Receipt of such acceptance.

3. ANNOUNCEMENTS

3.1 Timing and Contents. Pursuant to Rule 28.1 of the Code, by 8.00 a.m. on the Market Day ("**Relevant Day**") immediately after the day on which the Offer is due to expire, or the Offer becomes or is declared to be unconditional as to acceptances, or the Offer is revised or extended, the Offeror will announce and simultaneously inform the SGX-ST of the total number of Fragrance Shares (as nearly as practicable):

3.1.1 for which valid acceptances of the Offer have been received;

3.1.2 held by the Offeror and parties acting in concert with the Offeror before the Offer Period (as defined under the Code); and

3.1.3 acquired or agreed to be acquired by the Offeror and parties acting in concert with the Offeror during the Offer Period (as defined under the Code),

and will specify the percentages of the total number of Fragrance Shares in issue represented by such numbers.

3.2 Suspension. If the Offeror is unable, within the time limit, to comply with any of the requirements in **paragraph 3.1** of this **Appendix 1**, the SIC will consider requesting the SGX-ST to suspend dealings in the Fragrance Shares until the relevant information is given.

3.3 Valid Acceptances of Fragrance Shares. Under Rule 28.1 of the Code, subject to **Section 18.1** of the Letter to Shareholders in this Offer Document, in computing the number of Fragrance Shares represented by acceptances, the Offeror will, at the time of making an announcement, take into account acceptances which are valid in all respects.

Acceptances of the Offer will only be treated as valid for the purposes of the Acceptance Condition if the relevant requirements of Note 2 on Rule 28.1 of the Code are met.

4. WITHDRAWAL OF ACCEPTANCES

Except as expressly provided in this Offer Document and the Code, acceptances of the Offer shall be irrevocable.

APPENDIX 2 – PROCEDURES FOR ACCEPTANCE OF THE OFFER

1. OFFER

1.1 Depositors

1.1.1 Depositors whose Securities Accounts are credited with Fragrance Shares.

If you have Fragrance Shares standing to the credit of the “Free Balance” of your Securities Account, you should receive this Offer Document together with the FAA. If you do not receive the FAA, you may obtain a copy of such FAA, upon production of satisfactory evidence that you are a Shareholder, by submitting a request to CDP via phone (+ 65 6535 7511) or email services (asksgx@sgx.com) or by post to The Central Depository (Pte) Limited at 11 North Buona Vista Drive, #06-07 The Metropolis Tower 2, Singapore 138589. Electronic copies of the FAA may also be obtained from the website of the SGX-ST at www.sgx.com.

Acceptance. If you wish to accept the Offer in respect of all or any of your Fragrance Shares, you should:

- (i) complete the FAA in accordance with the provisions and instructions in this Offer Document and the FAA (which provisions and instructions shall be deemed to form part of the terms and conditions of the Offer). In particular, you must state in **Part C** of the enclosed FAA or the relevant section in the electronic form of the FAA, the number of Fragrance Shares in respect of which you wish to accept the Offer. Please note that:

(a) if you:

- (I) do not specify such number; or
- (II) specify a number which exceeds the number of Fragrance Shares standing to the credit of the “Free Balance” of your Securities Account as at 5.00 p.m. (Singapore time) on the Date of Receipt or, in the case where the Date of Receipt is on the Closing Date, as at 5.30 p.m. (Singapore time) on the Closing Date,

you shall be deemed to have accepted the Offer in respect of all the Fragrance Shares standing to the credit of the “Free Balance” of your Securities Account as at 5.00 p.m. (Singapore time) on the Date of Receipt or 5.30 p.m. (Singapore time) on the Closing Date (if the FAA is received by CDP on the Closing Date); and

(b) if:

- (I) at the time of verification by CDP of the FAA on the Date of Receipt, **Paragraph 1.1.1(i)(a)(II)** of this **Appendix 2** is applicable in respect of the FAA;
- (II) there are, at such time of verification and/or at any subsequent time before 5.30 p.m. (Singapore time) on the Closing Date, outstanding settlement instructions with CDP to receive further Fragrance Shares into the “Free Balance” of your Securities Account (“**Unsettled Buy Position**”); and

APPENDIX 2 – PROCEDURES FOR ACCEPTANCE OF THE OFFER

(III) the Unsettled Buy Position will settle such that the Fragrance Shares in the Unsettled Buy Position are transferred to the “Free Balance” of your Securities Account at any time during the period the Offer is open, up to 5.30 p.m. on the Closing Date (“**Settled Fragrance Shares**”),

then you shall be deemed to have accepted the Offer in respect such number of Settled Fragrance Shares representing the balance number of Fragrance Shares inserted in **Part C** of the FAA which has not yet been accepted pursuant to **Paragraph 1.1.1(i)(a)(II)** of this **Appendix 2**, or all Settled Fragrance Shares, whichever is less; and

(ii) submit the FAA:

- (a) in the physical form after signing the FAA in accordance with this Appendix 2 and the instructions printed on the FAA and delivering the completed and signed FAA (no part may be detached or otherwise mutilated) by post, in the enclosed pre-addressed envelope at your own risk, to JK Global Treasures Pte. Ltd. c/o The Central Depository (Pte) Limited at Robinson Road Post Office, P.O. Box 1984, Singapore 903934. If the completed and signed FAA is delivered by post to the Offeror, please use the enclosed pre-addressed envelope, which is pre-paid for posting in Singapore only. It is your responsibility to affix adequate postage on the said envelope if posting outside of Singapore. Proof of posting is not proof of receipt by the Offeror at the above address; or:
- (b) in electronic form via SGX-ST’s Investor Portal at investors.sgx.com (in respect of individual and joint-alt account holders only). Depositors who are corporations or joint-and account holders cannot submit their FAA in electronic form and should sign the enclosed FAA per its/their signing mandate and where appropriate, affix its common seal to the FAA in accordance with its constitution or relevant constitutive documents,

in each case so as to arrive NOT LATER than 5.30 p.m. (Singapore time) on the Closing Date. Settlement of the consideration under the Offer is subject to the receipt of confirmation satisfactory to the Offeror that the Fragrance Shares to which the FAA relates are credited to the “Free Balance” of your Securities Account and such settlement cannot be made until all relevant documents have been properly completed and submitted in accordance with this Offer Document and the instructions contained in the FAA.

If you have sold or transferred all your Fragrance Shares held through CDP, you need not forward this Offer Document and the FAA to the purchaser or transferee, as CDP will arrange for an FAA to be sent to the purchaser or transferee.

If you are a depository agent, you may accept the Offer via Electronic Acceptance. CDP has been authorised by the Offeror to receive Electronic Acceptances on its behalf and such Electronic Acceptances must be submitted **not later than 5.30 p.m. (Singapore time) on the Closing Date**. Such Electronic Acceptances submitted will be deemed irrevocable and subject to each of the terms and

APPENDIX 2 – PROCEDURES FOR ACCEPTANCE OF THE OFFER

conditions contained in the FAA and this Offer Document as if the FAA had been completed and delivered to CDP.

1.1.2 Depositors whose Securities Accounts will be credited with Fragrance Shares. If you have purchased Fragrance Shares on the SGX-ST and such Fragrance Shares are in the process of being credited to the “Free Balance” of your Securities Account, you should also receive this Offer Document together with a FAA. If you do not receive the FAA, you may obtain a copy of such FAA, upon production of satisfactory evidence that you have purchased the Fragrance Shares on the SGX-ST, by submitting a request to CDP via phone (+ 65 6535 7511) or email services (asksgx@sgx.com) or by post to The Central Depository (Pte) Limited at 11 North Buona Vista Drive, #06-07 The Metropolis Tower 2, Singapore 138589. Electronic copies of the FAA may also be obtained from the website of the SGX-ST at www.sgx.com.

Acceptance. If you wish to accept the Offer in respect of such Fragrance Shares, you should, AFTER the “Free Balance” of your Securities Account has been credited with such number of Fragrance Shares:

- (i) complete and sign the FAA in accordance with **Paragraph 1.1.1** of this **Appendix 2** and the instructions printed on the FAA; and
- (ii) submit the FAA:
 - (a) in the physical form after signing the FAA in accordance with Paragraph 1.1.1 of this Appendix 2 and the instructions printed on the FAA and delivering the completed and signed FAA (no part may be detached or otherwise mutilated) by post, in the enclosed pre-addressed envelope at your own risk, to JK Global Treasures Pte. Ltd. c/o The Central Depository (Pte) Limited at Robinson Road Post Office, P.O. Box 1984, Singapore 903934. If the completed and signed FAA is delivered by post to the Offeror, please use the enclosed pre-addressed envelope, which is pre-paid for posting in Singapore only. It is your responsibility to affix adequate postage on the said envelope if posting outside of Singapore. Proof of posting is not proof of receipt by the Offeror at the above address; or
 - (b) in electronic form via SGX-ST’s Investor Portal at investors.sgx.com (in respect of individual and joint-alt account holders only). Depositors who are corporations or joint-and account holders cannot submit their FAA in electronic form and should sign the enclosed FAA per its/their signing mandate and where appropriate, affix its common seal to the FAA in accordance with its constitution or relevant constitutive documents,

in each case so as to arrive NOT LATER than 5.30 p.m. (Singapore time) on the Closing Date. Settlement of the consideration under the Offer is subject to the receipt of confirmation satisfactory to the Offeror that the Fragrance Shares to which the FAA relates are credited to the “Free Balance” of your Securities Account and such settlement cannot be made until all relevant documents have been properly completed and submitted in accordance with this Offer Document and the instructions contained in the FAA.

APPENDIX 2 – PROCEDURES FOR ACCEPTANCE OF THE OFFER

Rejection. If upon receipt by CDP, on behalf of the Offeror, of the FAA, it is established that such Fragrance Shares have not been or will not be, credited to the “Free Balance” of your Securities Account (for example, where you sell or have sold such Fragrance Shares), your acceptance is liable to be rejected. None of CDP, DBS Bank, the Registrar and/or the Offeror accepts any responsibility or liability in relation to such rejections, including the consequences thereof.

If you purchase Fragrance Shares on the SGX-ST on a date close to the Closing Date, your acceptance in respect of such Fragrance Shares is liable to be rejected if the “Free Balance” of your Securities Account is not credited with such Fragrance Shares by 5.00 p.m. (Singapore time) on the Date of Receipt or 5.30 p.m. (Singapore time) on the Closing Date (if the FAA is received by CDP on the Closing Date), save where you had indicated the number of Fragrance Shares you wish to tender in acceptance of the Offer in Part C of the FAA and there is an Unsettled Buy Position on or subsequent to the time of verification by CDP of the FAA on the Date of Receipt which settles on or before 5.30 p.m. (Singapore time) on the Closing Date. If an Unsettled Buy Position does not settle on or before 5.30 p.m. (Singapore time) on the Closing Date, your acceptance in respect of such Fragrance Shares will be rejected. None of CDP, DBS Bank, the Registrar and the Offeror accepts any responsibility or liability in relation to such a rejection, including the consequences thereof.

- 1.1.3 Depositors whose Securities Accounts are and will be credited with Fragrance Shares.** If you have Fragrance Shares credited to the “Free Balance” of your Securities Account, and have purchased additional Fragrance Shares on the SGX-ST which are in the process of being credited to the “Free Balance” of your Securities Account, you may accept the Offer in respect of the Fragrance Shares standing to the credit of the “Free Balance” of your Securities Account and may accept the Offer in respect of the additional Fragrance Shares purchased which are in the process of being credited to your Securities Account only AFTER the “Free Balance” of your Securities Account has been credited with such additional number of Fragrance Shares purchased. The provisions set out above shall apply in the same way to your acceptance of the Offer.
- 1.1.4 FAAs received on Saturday, Sunday and public holidays.** For the avoidance of doubt, FAAs received by CDP on a Saturday, Sunday or public holiday in Singapore will only be processed and validated on the next Business Day.
- 1.1.5 General.** No acknowledgement will be given by CDP for submissions of FAAs. All communications, notices, documents, payments and remittances to be delivered or sent to you will be sent by ordinary post at your own risk to your address as it appears in the records of CDP. For reasons of confidentiality, CDP will not entertain telephone enquiries relating to the number of Fragrance Shares credited to your Securities Account. You can verify such number in your Securities Account: (i) through CDP Online if you have registered for the CDP Internet Access Service; or (ii) through the CDP Phone Service using SMS OTP, under the option “To check your securities balance”.

APPENDIX 2 – PROCEDURES FOR ACCEPTANCE OF THE OFFER

- 1.1.6 Blocked Balance.** Upon receipt of the signed original of the FAA which is complete and valid in all respects, CDP will take such measures as it may consider necessary or expedient to prevent any trading of the Fragrance Shares in respect of which you have accepted the Offer during the period commencing on the Date of Receipt and ending on the date of settlement of the consideration for such Fragrance Shares (including, without limitation, earmarking or blocking the Fragrance Shares in respect of which you have accepted the Offer and/or transferring them to the “Blocked Balance” of your Securities Account). Such Fragrance Shares will be held in the “Blocked Balance” until the consideration for such Fragrance Shares has been despatched to you.
- 1.1.7 Notification.** If you have accepted the Offer in accordance with the provisions contained in this **Appendix 2** and the FAA, upon the Offeror’s despatch of the consideration for the Fragrance Shares in respect of which you have accepted the Offer, CDP will send you a notification letter stating the number of Fragrance Shares debited from your Securities Account together with payment of the aggregate Offer Price in respect of the Fragrance Shares validly tendered in acceptance of the Offer which will be credited directly into your designated bank account for Singapore Dollars via CDP’s DCS as soon as practicable and in any event in respect of acceptances of the Offer which are complete and valid in all respects within seven (7) Business Days of the Date of Receipt of such acceptance. In the event you are not subscribed to CDP’s DCS, any monies to be paid shall be credited to your Cash Ledger and subject to the same terms and conditions as Cash Distributions under the CDP Operation of Securities Account with the Depository Terms and Conditions (Cash Ledger and Cash Distributions are defined therein), or in such other manner as they may have agreed with CDP for payment of any cash distribution.
- 1.1.8 No Existing Securities Account.** If you do not have any existing Securities Account in your own name at the time of acceptance of the Offer, your acceptance as contained in the FAA will be rejected.

1.2 Scrip Holders

- 1.2.1 Shareholders whose Shares are not deposited with CDP.** If you hold Fragrance Shares which are not deposited with CDP (“in scrip form”), you should receive this Offer Document together with a FAT. If you do not receive a FAT, you may obtain a copy, upon production of satisfactory evidence that you are a Shareholder, from the Registrar, at its office located at 80 Robinson Road, #02-00, Singapore 068898. Electronic copies of the FAT may also be obtained on the website of the SGX-ST at www.sgx.com.

APPENDIX 2 – PROCEDURES FOR ACCEPTANCE OF THE OFFER

- 1.2.2 Acceptance.** If you wish to accept the Offer in respect of all or any of your Fragrance Shares, you should:
- (i) complete the FAT in accordance with the provisions and instructions in this Offer Document and the FAT (which provisions and instructions shall be deemed to form part of the terms and conditions of the Offer). In particular, you must state in **Part A** of the FAT, the number of Fragrance Shares in respect of which you wish to accept the Offer and state in **Part B** of the FAT, the share certificate number(s) of the relevant share certificate(s). If you:
 - (a) do not specify a number in **Part A** of the FAT; or
 - (b) specify a number in **Part A** of the FAT which exceeds the number of Fragrance Shares represented by the attached share certificate(s) accompanying the FAT, you shall be deemed to have accepted the Offer in respect of the total number of Fragrance Shares represented by the share certificate(s) accompanying the FAT;
 - (ii) sign the FAT in accordance with this **Appendix 2** and the instructions printed on the FAT; and
 - (iii) deliver:
 - (a) the completed and signed FAT in its entirety (no part may be detached or otherwise mutilated);
 - (b) the share certificate(s), other document(s) of title and/or other relevant document(s) required by the Offeror and/or the Registrar relating to the Fragrance Shares in respect of which you wish to accept the Offer. If you are recorded in the Register as holding Fragrance Shares but do not have the relevant share certificate(s) relating to such Fragrance Shares, you, at your own risk, are required to procure the Company to issue such share certificate(s) in accordance with the constitution of the Company and then deliver such share certificate(s) in accordance with the procedures set out in this Offer Document and the FAT;
 - (c) where such Fragrance Shares are not registered in your name, a transfer form, duly executed by the person in whose name such share certificate(s) is/are registered and stamped, with the particulars of the transferee left blank (to be completed by the Offeror or a person authorised by it); and
 - (d) any other relevant document(s), either:
 - (I) by hand, to JK Global Treasures Pte. Ltd. c/o Tricor Barbinder Share Registration Services, at 80 Robinson Road, #02-00, Singapore 068898; or
 - (II) by post, in the enclosed pre-addressed envelope at your own risk, to JK Global Treasures Pte. Ltd. c/o Tricor Barbinder Share Registration Services, at 80 Robinson Road, #02-00, Singapore 068898,

APPENDIX 2 – PROCEDURES FOR ACCEPTANCE OF THE OFFER

in each case so as to arrive not later than 5.30 p.m. (Singapore time) on the Closing Date. If the completed and signed FAT is delivered by post to the Offeror, please use the enclosed pre-addressed envelope at your own risk, which is pre-paid for posting in Singapore only. It is your responsibility to affix adequate postage on the said envelope if posting outside of Singapore. Proof of posting is not proof of receipt by the Offeror at the above address. Settlement of the Offer Price for such Fragrance Shares cannot be made until all relevant documents have been properly completed and delivered.

- 1.2.3 Receipt.** No acknowledgement of receipt of any FAT, share certificate(s), other document(s) of title, transfer form(s) and/or any other accompanying document(s) will be given by the Offeror, DBS Bank or the Registrar.
- 1.2.4 Risk of Posting.** All communications, certificates, notices, documents, payments and remittances to be delivered or sent to you (or your designated agent or, in the case of joint Accepting Shareholders who have not designated any agent, to the one first-named in the Register, as the case may be) will be sent by ordinary post to your respective addresses as they appear in the records of the Registrar (or for the purposes of payments only, to such address as may be specified in the FAT) at your sole risk.
- 1.2.5 FATs received on Saturday, Sunday and public holidays.** For the avoidance of doubt, FATs received by the Registrar on a Saturday, Sunday or public holiday in Singapore will only be processed and validated on the next Business Day.

2. GENERAL

- 2.1 Disclaimer.** Each of the Offeror, DBS Bank, the Registrar and CDP will be entitled, at their sole and absolute discretion, to reject any acceptance of the Offer which does not comply with the terms of this Offer Document and the Relevant Acceptance Forms or which is otherwise incomplete, incorrect or invalid in any respect. If you wish to accept the Offer, it is your responsibility to ensure that the FAA and/or FAT, as the case may be, is properly completed in all respects and that the FAA and/or the FAT, as the case may be, should be submitted with original signature(s) and all required documents (where applicable) are provided. Any decision to reject any acceptance will be final and binding and none of the Offeror, DBS Bank, the Registrar or CDP accepts any responsibility or liability for such decision, including the consequences thereof.
- 2.2 Discretion.** The Offeror and DBS Bank reserve the right to treat acceptances of the Offer as valid if received by or on behalf of either of them at any place or places determined by them otherwise than as stated in this Offer Document or in the FAA and the FAT, as the case may be, or if made otherwise than in accordance with the provisions of this Offer Document and in the FAA. Any decision to treat such acceptances as valid will be final and binding and none of the Offeror, DBS Bank, the Registrar or CDP accepts any responsibility or liability for such decision, including the consequences thereof.
- 2.3 Scrip and Scripless Fragrance Shares.** If you hold some Fragrance Shares in scrip form and others with CDP, you should complete the FAT for the former and the FAA for the latter in accordance with the respective procedures set out in this **Appendix 2** if you wish to accept the Offer in respect of all such Fragrance Shares.

APPENDIX 2 – PROCEDURES FOR ACCEPTANCE OF THE OFFER

- 2.4 Acceptances received on Saturday, Sunday or Public Holidays.** Acceptances in the form of the FAA and/or the FAT received by the Offeror, CDP and/or the Registrar, on a Saturday, Sunday or public holiday will only be processed and validated on the next Business Day.
- 2.5 Deposit Time.** If you hold Fragrance Shares in scrip form, the Fragrance Shares may not be credited into your Securities Account with CDP in time for you to accept the Offer if you were to deposit your share certificate(s) with CDP after the Despatch Date. If you wish to accept the Offer in respect of such Fragrance Shares, you should complete the FAT and follow the procedures set out in **paragraph 1.2 of this Appendix 2**.
- 2.6 Correspondences.** All communications, notices, documents and remittances to be delivered or sent to you (or, in the case of scrip holders, your designated agent or, in the case of joint Accepting Shareholders who have not designated any agent, to the one first named in the records of CDP or the Register, as the case may be) will be sent by ordinary post to your respective addresses as they appear in the records of CDP or the Registrar, as the case may be, at the risk of the person entitled thereto (or for the purposes of remittances only, to such different name and addresses as may be specified by you in the FAA and/or the FAT, as the case may be, at your own risk).
- 2.7 Evidence of Title.** Delivery of the duly completed and signed FAA and/or FAT, together with the relevant share certificate(s) and/or other document(s) of title and/or other relevant document(s) required by CDP, the Registrar and/or the Offeror to CDP, the Registrar and/or the Offeror, as the case may be, shall be conclusive evidence in favour of CDP, the Registrar and the Offeror of the right and title of the person signing it to deal with the same and with the Fragrance Shares to which it relates.
- 2.8 Loss in Transmission.** The Offeror, DBS Bank, the Registrar and/or CDP, as the case may be, shall not be liable for any loss in transmission of the FAA and/or the FAT.
- 2.9 Acceptances Irrevocable.** Except as expressly provided in this Offer Document and the Code, the acceptance of the Offer made by you using the FAA and/or the FAT, as the case may be, shall be irrevocable.
- 2.10 Personal Data Privacy.** By completing and delivering a Relevant Acceptance Form, each person (i) consents to the collection, use and disclosure of his personal data by CDP, the Registrar, the Offeror, DBS Bank and the Company (the “**Relevant Persons**”) for the purpose of facilitating his acceptance of the Offer, and in order for the Relevant Persons to comply with any applicable laws, regulations and/or guidelines; (ii) warrants that where he discloses the personal data of another person, such disclosure is in compliance with applicable law; and (iii) agrees that he will indemnify the Relevant Persons in respect of any penalties, liabilities, claims, demands, losses and damages as a result of his breach of warranty.

APPENDIX 3 – ADDITIONAL INFORMATION ON THE OFFEROR

1. DIRECTOR

The name, addresses and descriptions of the sole director of the Offeror as at the Latest Practicable Date are as follows:

Name	Address	Description
Mr Koh Wee Meng	456 Alexandra Road #26-01 Fragrance Empire Building Singapore 119962	Director

2. PRINCIPAL ACTIVITIES

The Offeror is a private company limited by shares incorporated in Singapore on 28 November 2017, and its principal activity is investment holding. As at the Latest Practicable Date, the Offeror has an issued and paid-up share capital of S\$1,000,000 comprising 1,000,000 ordinary shares, and KWM is the sole shareholder of the Offeror.

3. FINANCIAL SUMMARY

Set out below is a summary of certain financial information extracted from the unaudited financial statements of the Offeror for FY2018, FY2019 and FY2020.

3.1 Income Statement for FY2018, FY2019 and FY2020

	Unaudited FY2020	Unaudited FY2019	Unaudited FY2018
Turnover	–	–	–
Exceptional items	–	–	–
Profit (loss) before tax	(2,784)	(2,702)	(2,206)
Net profit (loss) after tax	(2,784)	(2,702)	(2,206)
Profit attributable to minority interests	–	–	–
Net loss per share	(0.0557)	(2,702)	(2,206)
– Basic	(0.0557)	(2,702)	(2,206)
– Diluted	(0.0557)	(2,702)	(2,206)
Net dividend per share (cents)	–	–	–

APPENDIX 3 – ADDITIONAL INFORMATION ON THE OFFEROR

3.2 Statement of Assets and Liabilities as at 31 December 2020

	As at 31 December 2020
Assets	
Current asset	
Cash and cash equivalents	50,000
Total asset	50,000
Liabilities and equity	
Current liabilities	
Other payables	7,692
Equity	
Share capital	50,000
Accumulated losses	(7,692)
Total equity	42,308
Total liabilities and equity	50,000

4. MATERIAL CHANGES IN FINANCIAL POSITION

Save for:

- 4.1 the increase in its share capital from S\$50,000 to S\$1,000,000 by way of a subscription for shares in cash by KWM, its sole shareholder; and
- 4.2 the Offeror making and obtaining financing (and entering into ancillary security arrangements in connection with such financing) for the Offer,

there have been no known material changes in the financial position of the Offeror since the Offeror's last unaudited accounts for FY2020.

5. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies of the Offeror as set out in Note 2 to the Offeror's last unaudited accounts have been extracted and reproduced on the following page.

6. REGISTERED OFFICE

The registered office of the Offeror is 456 Alexandra Road, #15-02, Fragrance Empire Building, Singapore 119962.

APPENDIX 3 – ADDITIONAL INFORMATION ON THE OFFEROR

SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING – The financial statements have been prepared in accordance with the historical cost basis, except as disclosed in the accounting policies below, and are drawn up in accordance with the provisions of the Singapore Companies Act and Financial Reporting Standards in Singapore (“FRSs”).

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the company takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in the financial statements is determined on such a basis, except for leasing transactions that are within the scope of FRS 116 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as value in use in FRS 36 *Impairment of Assets*.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

ADOPTION OF NEW AND REVISED STANDARDS – On January 1, 2020, the company adopted all the new and revised FRSs and Interpretations of FRS (“INT FRS”) that are effective from that date and are relevant to its operations. The adoption of these new/revised FRSs and INT FRSs does not result in changes to the company’s accounting policies and has no material effect on the amounts reported for the current or prior years.

Management anticipates that the adoption of the new/revised FRSs, INT FRSs and amendments to FRS in future periods will not have a material impact on the financial statements of the company in the period of their initial adoption.

FINANCIAL INSTRUMENTS – Financial assets and financial liabilities are recognised on the company’s statement of financial position when the company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

APPENDIX 3 – ADDITIONAL INFORMATION ON THE OFFEROR

Financial assets

Classification of financial assets

Debt instruments mainly comprise cash and bank balances and trade and other receivables that meet the following conditions and are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. On the other hand, the gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest is recognised using the effective interest method for debt instruments measured subsequently at amortised cost, except for short-term balances when the effect of discounting is immaterial.

Impairment of financial assets

The company recognises a loss allowance for expected credit losses (“ECL”) on trade and other receivables. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The company always recognises lifetime ECL for trade receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the company’s historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the company recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the company measures the loss allowance for that financial instrument at an amount equal to 12-month ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring.

APPENDIX 3 – ADDITIONAL INFORMATION ON THE OFFEROR

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the company considers historical loss rates for each category of customers and adjusts to reflect current and forward-looking macroeconomic factors affecting the ability of the customers to settle the receivables.

The company presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the company has reasonable and supportable information that demonstrates otherwise.

The company assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if i) the financial instrument has a low risk of default, ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The company regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

Definition of default

The company considers that default has occurred when (i) a financial asset is more than 90 days past due unless the company has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate; or (ii) the borrower is unlikely to pay its credit obligations to the company in full, without recourse by the company to actions such as realising security (if any is held).

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred.

Write-off policy

The company writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

APPENDIX 3 – ADDITIONAL INFORMATION ON THE OFFEROR

Measurement and recognition of expected credit losses

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the company in accordance with the contract and all the cash flows that the company expects to receive, discounted at the original effective interest rate.

If the company has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the company measures the loss allowance at an amount equal to 12-month ECL at the current reporting date.

Derecognition of financial assets

The company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the company recognises its retained interest in the asset and an associated liability for amounts it may have to pay.

If the company retains substantially all the risks and rewards of ownership of a transferred financial asset, the company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash at bank, and demand deposits that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Classification as debt or equity

Debt and equity instruments issued by the company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Other financial liabilities

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest method, with interest expense recognised on an effective yield basis except for short term payables when the effect of discounting is immaterial.

APPENDIX 3 – ADDITIONAL INFORMATION ON THE OFFEROR

Derecognition of financial liabilities

The company derecognises financial liabilities when, and only when, the company's obligations are discharged, cancelled or they expire.

PROVISIONS – Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that the company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

INCOME TAX – Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The company's liability for current tax is calculated using tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised based on the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities; they relate to income taxes levied by the same taxation authority; and the company intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised as an expense or income in profit or loss.

APPENDIX 4 – ADDITIONAL INFORMATION ON FRAGRANCE

1. DIRECTORS

The names, addresses and descriptions of the directors of Fragrance as at the Latest Practicable Date are as follows:

Name	Address	Description
Mr Koh Wee Meng	456 Alexandra Road #26-01 Fragrance Empire Building Singapore 119962	Executive Chairman and Chief Executive Officer
Ms Lim Wan Looi	456 Alexandra Road #26-01 Fragrance Empire Building Singapore 119962	Executive Director
Mr Periakaruppan Aravindan	456 Alexandra Road #26-01 Fragrance Empire Building Singapore 119962	Executive Director and Deputy Chief Executive Officer
Mr Leow Chung Chong Yam Soon	10 Newton Road #15-01 Gloucester Mansions Singapore 307947	Lead independent director
Mr Lo Kim Seng	59 Jalan Bangsawan Opera Estate Singapore 457824	Independent director
Mr Tham Chee Soon	456 Alexandra Road #26-01 Fragrance Empire Building Singapore 119962	Independent director

2. SHARE CAPITAL

As at the Latest Practicable Date, Fragrance has an issued and paid-up share capital of S\$150,000,000 comprising 6,713,600,000 ordinary shares (excluding 6,400,000 treasury shares).

3. MATERIAL CHANGES IN FINANCIAL POSITION

Save as disclosed in the audited consolidated financial statements of Fragrance for the full year ended 31 December 2020 announced by Fragrance on 27 April 2021 and any other information on Fragrance which is publicly available (including, without limitation, the announcements released by Fragrance on the SGX-ST), there has not been, within the knowledge of the Offeror, any material changes in the financial position or prospects of Fragrance since 31 December 2020, being the date of the last balance sheet laid before the Shareholders in general meeting.

4. REGISTERED OFFICE

The registered office of Fragrance is 456 Alexandra Road, #26-01, Fragrance Empire Building, Singapore 119962.

APPENDIX 5 – DISCLOSURES

1. HOLDINGS OF FRAGRANCE SHARES

As at the Latest Practicable Date, based on disclosures made to the Offeror, the Offeror and its concert parties interests in the Fragrance Shares as at the Latest Practicable Date are as follows:

	Holdings in Fragrance Shares	
	No. of Fragrance Shares	%⁽¹⁾
KWM	5,015,500,000 ⁽²⁾⁽⁵⁾	74.71
LWL	735,000,000 ⁽³⁾⁽⁵⁾	10.94
Periakaruppan Aravindan	6,500,000 ⁽⁴⁾	0.10
Other Concert Parties		
Tan Su Lan	126,990,800 ⁽⁶⁾	1.89
Koh Wee Seng	126,255,000 ⁽⁷⁾	1.88
Ko Lee Meng	23,434,100 ⁽⁸⁾	0.35
Koh Lee Hwee	2,800,000 ⁽⁹⁾	0.04
Lim Kwee Hua	23,342,000 ⁽¹⁰⁾	0.35
Ng Sheng Tiong	3,950,000	0.06
Koh Joo Huang, Karen	1,050,000	0.02
Koh Yong Hui Kelvin	6,821,000 ⁽¹¹⁾	0.10
Koh Kian Soo	13,870,000	0.21
Tan Su Kiok and Sia Li Wei Jolie	51,122,000	0.76
Sia Li Wei Jolie	2,400,000	0.04
Xavier Koh Hongwei	4,000,000	0.06
Total	6,143,034,900	91.50

Notes:

- (1) As a percentage of the total number of Fragrance Shares in issue (excluding treasury shares) as at the date of this Announcement. For the purposes of the table above, all percentage figures are rounded to the nearest two decimal places.
- (2) Of these Fragrance Shares, 945,000,000 Fragrance Shares representing approximately 14.08 per cent. of the issued Fragrance Shares are held through nominee(s) accounts and have been pledged to certain financial institution(s) as part of a collateral package in connection with financing facilities granted to KWM.
- (3) Of these Fragrance Shares, 125,900,000 Fragrance Shares representing approximately 1.87 per cent. of the issued Fragrance Shares are held through nominee(s) accounts and have been pledged to certain financial institution(s) as part of a collateral package in connection with financing facilities granted to LWL.
- (4) Of these Fragrance Shares, 6,169,000 Fragrance Shares representing approximately 0.09 per cent. of the issued Fragrance Shares are held through nominee(s) accounts and have been pledged to certain financial institution(s) as part of a collateral package in connection with financing facilities granted to Mr Periakaruppan Aravindan.
- (5) As disclosed in the annual report of the Company for the financial year ended 31 December 2020, each of KWM and LWL are deemed interested in each other's shareholding in the Company.
- (6) Of these Fragrance Shares, 126,839,200 Fragrance Shares representing approximately 1.89 per cent. of the issued Fragrance Shares have been pledged to certain financial institution(s).

APPENDIX 5 – DISCLOSURES

- (7) Of these Fragrance Shares, 122,500,000 Fragrance Shares representing approximately 1.82 per cent. of the issued Fragrance Shares have been pledged to certain financial institution(s).
- (8) Of these Fragrance Shares, 23,322,100 Fragrance Shares representing approximately 0.35 per cent. of the issued Fragrance Shares have been pledged to certain financial institution(s).
- (9) All of these Fragrance Shares representing approximately 0.04 per cent. of the issued Fragrance Shares have been pledged to certain financial institution(s).
- (10) Of these Fragrance Shares, 23,000,000 Fragrance Shares representing approximately 0.34 per cent. of the issued Fragrance Shares have been pledged to certain financial institution(s).
- (11) Of these Fragrance Shares, 6,779,000 Fragrance Shares representing approximately 0.10 per cent. of the issued Fragrance Shares have been pledged to certain financial institution(s).

2. DEALINGS IN FRAGRANCE SHARES

The details of the dealings in Fragrance Shares by the Offeror and parties acting in concert with it during the Reference Period are set out below:

Name of Party	No. of Fragrance Shares Bought/(Sold)	Price per Fragrance Share (\$)	Dealing Date
Tan Su Lan	10,000	0.117	9/4/2021
Tan Su Lan	120,000	0.114	9/4/2021
Tan Su Lan	210,000	0.115	13/4/2021
Tan Su Lan	10,000	0.115	13/4/2021
Tan Su Lan	30,000	0.116	14/4/2021
Tan Su Lan	69,900	0.114	15/4/2021
Tan Su Lan	149,400	0.117	16/4/2021
Tan Su Lan	(30,100)	0.117	16/4/2021
Tan Su Lan	173,900	0.115	19/4/2021
Tan Su Lan	120,000	0.116	20/4/2021
Tan Su Lan	27,300	0.116	22/4/2021
Tan Su Lan	25,000	0.115	22/4/2021
Tan Su Lan	5,000	0.117	23/4/2021
Tan Su Lan	20,000	0.117	28/4/2021
Tan Su Lan	54,200	0.116	29/4/2021
Tan Su Lan	(100,000)	0.119	29/4/2021
Tan Su Lan	(100,000)	0.119	29/4/2021
Tan Su Lan	21,000	0.117	30/4/2021
Tan Su Lan	18,700	0.115	30/4/2021
Tan Su Lan	20,000	0.117	3/5/2021
Tan Su Lan	27,000	0.117	3/5/2021
Tan Su Lan	10,000	0.118	4/5/2021
Tan Su Lan	20,000	0.116	5/5/2021

APPENDIX 5 – DISCLOSURES

Name of Party	No. of Fragrance Shares Bought/(Sold)	Price per Fragrance Share (S\$)	Dealing Date
Tan Su Lan	73,700	0.116	5/5/2021
Tan Su Lan	90,000	0.116	6/5/2021
Tan Su Lan	202,300	0.113	7/5/2021
Tan Su Lan	45,000	0.117	11/5/2021
Tan Su Lan	(141,500)	0.116	11/5/2021
Tan Su Lan	43,300	0.117	17/5/2021
Tan Su Lan	60,000	0.117	18/5/2021
Tan Su Lan	(200,000)	0.116	18/5/2021
Tan Su Lan	65,000	0.115	19/5/2021
Tan Su Lan	37,000	0.116	20/5/2021
Tan Su Lan	5,000	0.116	21/5/2021
Tan Su Lan	20,000	0.115	24/5/2021
Tan Su Lan	27,600	0.115	25/5/2021
Tan Su Lan	15,700	0.115	27/5/2021

3. OTHER ARRANGEMENTS

The Offeror intends to charge the Fragrance Shares to be acquired by it pursuant to or in connection with the Offer in favour of DBS Bank as security for, inter alia, the financing arrangements for the Offer.

4. IRREVOCABLE UNDERTAKINGS

Details of the number of Fragrance Shares to be tendered in acceptance of the Offer by KWM and LWL pursuant to their Irrevocable Undertakings are as follows:

Name	No. of Fragrance Shares to be tendered in acceptance of the Offer	Percentage of Issued Fragrance Shares ⁽¹⁾	Amount of Consideration Deferred (S\$)
KWM	5,015,500,000	74.71	692,139,000
LWL	735,000,000	10.94	Not applicable.
Total	5,750,500,000	85.65	692,139,000

Note:

(1) As a percentage of the total number of Fragrance Shares in issue (excluding treasury shares) as at the Latest Practicable Date. For the purposes of the table above, all percentage figures are rounded to the nearest two decimal places.

APPENDIX 6 – GENERAL INFORMATION

1. DISCLOSURE OF INTERESTS

- 1.1 No Agreement having any Connection with or Dependence upon the Offer.** As at the Latest Practicable Date, save for the Irrevocable Undertakings and as disclosed in this Offer Document, there is no agreement, arrangement or understanding between (i) the Offeror or any person acting in concert with the Offeror and (ii) any of the current or recent directors of Fragrance or any of the current or recent shareholders of the Company having any connection with or dependence upon the Offer.
- 1.2 Transfer of Fragrance Shares.** As at the Latest Practicable Date, save as disclosed in this Offer Document, there is no agreement, arrangement or understanding whereby any Fragrance Shares acquired pursuant to the Offer will be transferred to any other person.
- 1.3 No Payment or Benefit to Directors of Fragrance.** As at the Latest Practicable Date, there is no agreement, arrangement or understanding for any payment or other benefit to be made or given to any director of Fragrance or any of its related corporations (as defined in the Companies Act) as compensation for loss of office or otherwise in connection with the Offer.
- 1.4 No Agreement Conditional upon Outcome of Offer.** As at the Latest Practicable Date, the Offeror has entered into financing arrangements with DBS Bank in connection with the acquisition of the Fragrance Shares for the Offer and has provided a charge over the Fragrance Shares to be tendered into the Offer as security in connection with the acquisition financing and other financing arrangements in connection with the Offer. KWM has also provided a guarantee in respect of such financing. In addition, KWM has also provided a guarantee in respect of certain facilities extended by DBS Bank to the Company in connection with the redemption of a principal amount of GBP45,000,000 and SGD70,000,000 in bonds which have been issued by the Company and whose maturity dates fall on 23 August 2021 and 23 November 2021 respectively. Save for the foregoing, the Irrevocable Undertakings, and as otherwise disclosed in this Offer Document, there is no agreement, arrangement or understanding between (i) the Offeror or any person acting in concert with the Offeror and (ii) any of the directors of Fragrance or any other person in connection with or conditional upon the outcome of the Offer or is otherwise connected with the Offer.
- 1.5 Transfer Restrictions.** The constitution of Fragrance does not contain any restrictions on the right to transfer the Fragrance Shares.

2. GENERAL

- 2.1 Costs and Expenses.** All costs and expenses of or incidental to the preparation and circulation of this Offer Document, the Relevant Acceptance Forms (other than professional fees and other costs incurred or to be incurred by Fragrance relating to the Offer) and stamp duty and transfer fees resulting from acceptances of the Offer will be paid by the Offeror.
- 2.2 Consent.** (i) DBS Bank, as financial adviser to the Offeror; and (ii) Tricor, as the registrar, have given and have not withdrawn their written consent to the issue of this Offer Document with the inclusion of their names and all references to their names in the form and context in which they appear in this Offer Document.

APPENDIX 6 – GENERAL INFORMATION

3. MARKET QUOTATIONS

3.1 Closing Prices. The following table sets out the closing prices of the Fragrance Shares on the SGX-ST (as reported by Bloomberg L.P.) on (i) the last trading day of each of the six months preceding the Announcement Date; (ii) the Last Trading Date; and (iii) the Latest Practicable Date, and the corresponding premia based on the Offer Price of S\$0.138:

Date	Closing Price ⁽¹⁾ (S\$)	Premium based on the Offer Price of S\$0.138 ⁽²⁾ (%)
29 January 2021	0.116	19.0
26 February 2021	0.113	22.1
29 March 2021 ⁽³⁾	0.117	17.9
30 April 2021	0.117	17.9
31 May 2021	0.116	19.0
30 June 2021	0.119	16.0
8 July 2021 (the Last Trading Date)	0.118	16.9
27 July 2021 (the Latest Practicable Date)	0.137	0.7

Notes:

(1) Source: Bloomberg L.P..

(2) Percentages rounded to the nearest one decimal place.

(3) Last trading day in March 2021 that Fragrance Shares were traded.

3.2 Highest and Lowest Prices. The highest and lowest closing prices of the Fragrance Shares on the SGX-ST (as reported by Bloomberg L.P.) for the period commencing six months prior to the Announcement Date and ending on the Latest Practicable Date, and the corresponding premia based on the Offer Price of S\$0.138 are as follows:

- (i) **Highest closing price.** S\$0.138 per Fragrance Share, transacted on 12 July 2021, 14 July 2021, 19 July 2021, 21 July 2021, 22 July 2021, and 23 July 2021. The Offer Price of S\$0.138 represents a premium of 0.0 per cent. over the highest closing price.
- (ii) **Lowest closing price.** S\$0.112 per Fragrance Share, transacted on 8 February 2021. The Offer Price of S\$0.138 represents a premium of 23.2 per cent. over the lowest closing price.

APPENDIX 6 – GENERAL INFORMATION

4. DOCUMENTS FOR INSPECTION

Copies of the following documents are available for inspection at the offices of Allen & Gledhill LLP at #28-00 One Marina Boulevard, Singapore 018989 during normal business hours for the period for which the Offer remains open for acceptance:

- (i) the Offer Announcement;
- (ii) the letters of consent of (a) DBS Bank and (b) Tricor, referred to in **paragraph 2.2** of this **Appendix 6**;
- (iii) the Constitution of the Offeror; and
- (iv) the Irrevocable Undertakings.