



SETTING UP OF SUBSIDIARY & ACQUISITION OF THE TOWNHOUSE HOTEL IN MANCHESTER, UNITED KINGDOM

SETTING UP OF SUBSIDIARY

The Board of Directors (the “**Board**”) of Fragrance Group Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to announce that the Group has incorporated a wholly owned subsidiary in the United Kingdom, known as FRAGRANCE UK-MANCHESTER LIMITED (“**Fragrance UK-Manchester**”).

Fragrance UK-Manchester is principally engaged in the activity of a property investment holding company and has a paid-up capital of GBP 1,000,000/-.

ACQUISITION OF PROPERTY

The Board wishes to announce that the Group has acquired The Townhouse Hotel located at 101 Portland Street, Manchester M1 6DF, United Kingdom (the “**Property**” or the “**Townhouse**”) at the purchase consideration of GBP 12,500,000.

Constructed in 1870, the Property has a grand facade which remained largely unchanged when it was converted into a hotel in 1982. The Townhouse underwent an extensive refurbishment programme in 2010 to transform it into a 4-star boutique hotel.

The 85-bedroom Property is located in the heart of Manchester City Centre. The Manchester Art Gallery and the Palace Theatre can be reached in less than 5 minutes’ walk, while the Manchester Piccadilly Railway train station is just a 10-minute walk away. In addition, the Property is a 15-minute drive from the Manchester airport.

The acquisition of the Property is not expected to have a material impact on the net tangible assets of the Company while the hotel is expected to contribute positively to the Group’s results for the current financial year ending 31 December 2017.

None of the Directors nor Substantial Shareholders of the Company has any interest, direct or indirect, in the abovementioned transaction, other than their indirect interest by virtue of their shareholding in the Company.

By order of the Board
Fragrance Group Limited

Periakaruppan Aravindan
Executive Director

28 August 2017