



FRAGRANCE GROUP LIMITED

Company Registration No.: 200006656M

SALE OF PROPERTY BY SUBSIDIARY

The Board of Directors (the “**Board**”) of Fragrance Group Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) is pleased to announce that Fragrance VIC-MEL (Collins) Pty Ltd (“**FVMC**”), a wholly-owned subsidiary of the Company has accepted an offer from an unrelated third party to purchase the property located at 555 Collins Street, Melbourne, Victoria, Australia, (the “**Property**”) for a cash consideration of AUD140.0 million (the “**Sale**”) and the Sale was completed on 26 October 2018.

The total consideration for the Sale of the Property is AUD140.0 million (the “**Consideration**”) excluding Goods and Services Tax (“**GST**”) which has been satisfied wholly in cash upon completion of the Sale.

The Sale of the Property was concluded after consideration of various factors inter alia, the slow take up of the units in the development on the Property, higher constructions cost as a result of a general rise in construction activities in Melbourne, etc. The Company is of the view that the Sale is in the best interests of the Group as it will enable the Group to realise the value of the Property.

The Sale will contribute positively to the financial results of the Group in the financial year ending 31 December 2018. The Sale proceeds of A\$140.0 million will strengthen the cash position of the Group as there are no loans or encumbrances on the Property on Sale.

Pursuant to the relevant clauses in the Sale and Purchase Agreements with the individual buyers, FVMC has terminated the sale of individual residential units in the development proposed on the Property and have made arrangements to refund the deposits collected from the buyers. The buyers will also be offered an opportunity to buy units available in other development projects owned by the Group in Australia.

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 and Deputy Chief Executive Officer

30 October 2018