

FRAGRANCE GROUP LIMITED

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

INTERESTED PERSON TRANSACTION – PROPOSED ACQUISITION OF SHARES IN LCD GLOBAL INVESTMENTS LTD. BY AF GLOBAL PTE. LTD.

1. INTRODUCTION

The Board of Directors (the “**Board**”) of Fragrance Group Limited (the “**Company**” or “**FGL**”) wishes to announce that its associated company, AF Global Pte. Ltd. (the “**Purchaser**”), has today entered into a sale and purchase agreement (the “**Agreement**”) with Aspial Corporation Limited (“**Aspial**”), Mr Koh Wee Seng (“**KWS**”) and Mdm Tan Su Lan (“**TSL**” and together with Aspial and KWS, the “**Sellers**”). Pursuant to the Agreement, the Sellers have agreed to sell, and the Purchaser has agreed to acquire, all the issued ordinary shares in the capital of LCD Global Investments Ltd. (“**LCD**”) (the “**LCD Shares**”) held by the Sellers comprising, in aggregate, 304,946,000 LCD Shares (the “**Sale Shares**”), representing approximately 28.89 per cent.¹ of the total issued LCD Shares, for an aggregate cash consideration of S\$74,159,973.32 (the “**Aggregate Consideration**”) (the “**Transaction**”).

2. PRINCIPAL TERMS OF THE TRANSACTION

- 2.1 Sale and Purchase of Sale Shares.** Pursuant to the terms of the Agreement, the Sellers shall sell the Sale Shares to the Purchaser free of any encumbrances, pledges, guarantees or any other interests of any third party, and together with all rights and advantages attaching to them as at the completion of the sale and purchase of the Sale Shares (“**Completion**”).
- 2.2 Distributions.** Notwithstanding the above, the Sellers and the Purchaser have agreed that the Purchaser shall be entitled to receive such amounts from the Sellers as are equal to the dividends, rights and other distributions and/or return of capital (the “**Distributions**”) declared, made or paid by LCD on or in respect of the Sale Shares, where the payment dates or record dates (as the case may be) for such Distributions fall on (and including) the date of the Agreement (the “**Agreement Date**”) to (and including) the Completion Date (as defined below). Such Distributions will be paid to the Purchaser in accordance with the terms of the Agreement.
- 2.3 Condition Precedent.** The Transaction is subject to and conditional upon Aspial obtaining, at an extraordinary general meeting to be convened, approval from the shareholders of Aspial for the Transaction (the “**Condition**”).
- 2.4 Sale Shares.** As at the date of this announcement (the “**Announcement Date**”), (i) Aspial owns 100,519,000 LCD Shares, representing approximately 9.52 per cent. of the total issued LCD Shares (the “**Aspial Interest**”); (ii) KWS owns 152,098,000 LCD Shares, representing approximately 14.41 per cent. of the total issued LCD Shares (the “**KWS Interest**”); and (iii) TSL owns 52,329,000 LCD Shares, representing approximately 4.96 per cent. of the total issued LCD Shares (the “**TSL Interest**”).
- 2.5 Consideration.** The Aggregate Consideration is attributable to each Seller as follows:

¹ In this announcement, unless otherwise stated, all percentages calculated with reference to the aggregate number of LCD Shares are computed based on the aggregate LCD Shares in issue of 1,055,639,464 LCD Shares (excluding treasury shares) as at the Announcement Date based on the ACRA business profile of LCD and is rounded to the nearest two decimal places.

Seller	Price per Sale Share	Consideration payable
Aspial	S\$0.2946	S\$29,614,015.62
KWS	S\$0.2164	S\$32,918,183.76
TSL	S\$0.2222	S\$11,627,773.94

2.6 Pricing Factors. The consideration payable to the Sellers for their respective Sale Shares was arrived at after arm's length negotiations, on a willing-seller and willing-buyer basis, and was determined after taking into account (i) the prevailing market price of the LCD Shares; and (ii) the average transaction price per LCD Share (excluding transaction costs) paid by each Seller in respect of its Sale Shares.

2.7 Payment of Consideration. The Aggregate Consideration will be satisfied by the Purchaser in cash in the following manner:

- (i) an initial deposit amount of (a) S\$4,442,102.34 to Aspial, (b) S\$4,937,727.56 to KWS and (c) S\$1,744,166.09 to TSL to be paid on the Agreement Date, being an amount equivalent to 15 per cent. of the consideration payable to each of the Sellers as set out in paragraph 2.5 (collectively, the **"Deposit"**); and
- (ii) the remaining 85 per cent. of the Aggregate Consideration amounting to S\$63,035,977.33 shall be paid by the Purchaser to the Sellers on the Completion Date in the proportions set out against the respective names of the Sellers in accordance with paragraph 2.5 (the **"Balance Consideration"**).

2.8 Funding of Consideration. The Aggregate Consideration will be funded by the Purchaser through an interest free loan of S\$37,079,986.66 from each of Aspial and FGL (the **"Aggregate JV Loan"** and FGL's commitment to provide its share of the Aggregate JV Loan, the **"FGL JV Loan"**).

2.9 Completion. Completion shall take place on a date to be mutually agreed between the Sellers and the Purchaser within 15 Business Days² following the satisfaction of the Condition (or such later date as the Sellers and the Purchaser may mutually agree) (the **"Completion Date"**). Completion of the sale and purchase of all the Sale Shares shall take place contemporaneously.

2.10 Long Stop Date. If the Condition is not satisfied by 15 February 2016 (or such later date as the Sellers and the Purchaser may mutually agree) (the **"Long Stop Date"**), (i) each Seller shall, within three Business Days of the Long Stop Date, return the Deposit to the Purchaser, free of interest and (ii) the Agreement will terminate automatically without prejudice to any liabilities arising from any breach of the Agreement by any of the parties thereto.

2.11 Entity at Risk and Interested Persons

In Relation to the Transaction

- (i) The Purchaser is an associated company of the Company which is not listed on the SGX-ST and is jointly controlled by the Company and Aspial. Accordingly, the Purchaser is considered an "entity at risk" of FGL for the purposes of Chapter 9 of the Listing Manual (the **"Listing Manual"**) of the Singapore Exchange Securities Trading Limited (**"SGX-ST"**) in relation to the Purchaser's acquisition of the KWS Interest, the TSL Interest and the Aspial Interest pursuant to the Transaction.
- (ii) KWS is the brother of Mr Koh Wee Meng (**"KWM"**) and is therefore an associate of KWM for the purposes of Chapter 9 of the Listing Manual. Accordingly, KWS is considered an

² In this announcement, the term **"Business Day"** means a day which is not a Saturday, a Sunday or a public holiday in Singapore.

“interested person” of FGL for the purposes of Chapter 9 of the Listing Manual in relation to the Purchaser’s acquisition of the KWS Interest pursuant to the Transaction.

- (iii) TSL is the mother of KWM and is therefore an associate of KWM for the purposes of Chapter 9 of the Listing Manual. Accordingly, TSL is considered an “interested person” of FGL for the purposes of Chapter 9 of the Listing Manual in relation to the Purchaser’s acquisition of the TSL Interest pursuant to the Transaction.
- (iv) As described above, KWS is the brother of KWM, and is also a director and controlling shareholder of Aspial. As KWS and KWM have an interest of 30 per cent. or more in Aspial, Aspial is therefore an associate of KWM. Accordingly, Aspial is considered an “interested person” of FGL for the purposes of Chapter 9 of the Listing Manual in relation to the Purchaser’s acquisition of the Aspial Interest pursuant to the Transaction.

In Relation to the Funding of the Transaction

- (i) As described above, KWS is the brother of KWM, and is also a director and controlling shareholder of Aspial. KWS has an interest of 30 per cent. or more in Aspial, which has an interest in 50 per cent. in the Purchaser. Accordingly, Aspial and the Purchaser are associates of KWM and considered “interested persons” of the Company for the purposes of Chapter 9 of the Listing Manual in relation to the Aggregate JV Loan.
- (ii) The audit committee of the Company has reviewed the salient terms of the FGL JV Loan and is of the view that (a) the provision of the FGL JV Loan is not prejudicial to the interests of the Company and its minority shareholders; and (b) the risks and rewards of the joint venture are in proportion to the equity of each joint venture partner and the terms of the joint venture are not prejudicial to the interests of the Company and its minority shareholders.
- (iii) As the Aggregate JV Loan is extended by FGL and Aspial in proportion to their equity and on the same terms, and the interested person (i.e. Aspial) does not have an existing equity interest in the joint venture prior to the participation of the entity at risk (i.e. FGL) in the joint venture, the provision of the JV Loan falls within the exception under Rule 916(3) of the Listing Manual and accordingly, the Company is exempted from complying with Rule 906 of the Listing Manual.

2.12 Current and On-going Interested Person Transactions

- (i) As the Purchaser is a joint venture in which the Company has a 50 per cent. interest, the value of the Transaction to the Company is S\$37,079,986.66 (the “**FGL Transaction Value**”), which represents approximately 3.57 per cent. of the latest audited consolidated adjusted NTA of approximately S\$1,038,327,000 of the FGL Group³ as at 31 December 2014 (the “**FGL Group NTA**”).
- (ii) For the current financial year commencing on 1 January 2015 up to the Announcement Date, save for the Transaction, the aggregate value of all transactions between FGL with KWM and his respective associates (excluding transactions which are less than S\$100,000) is approximately S\$54,751,000.00, representing approximately 5.27 per cent. of the FGL Group NTA.
- (iii) The aggregate value of all interested person transactions entered into by the FGL Group for the current financial year commencing on 1 January 2015 up to the Announcement Date (excluding transactions which are less than S\$100,000) is approximately S\$96,245,094.23, representing approximately 9.27 per cent. of the FGL Group NTA.

³

In this announcement, the term “**FGL Group**” means FGL, its subsidiaries and associated companies.

2.13 Shareholders' Approval

- (i) For the purposes of determining whether approval of the shareholders of the Company (the "**Shareholders**") is required pursuant to Rule 906(1), KWM and his respective associates shall be treated as the same interested person and the transactions entered into between the FGL Group and such interested persons shall be aggregated in determining whether the designated financial thresholds under Rule 906(1)(b) are triggered.
- (ii) For the current financial year commencing on 1 January 2015 up to the Announcement Date, the aggregate value of all transactions between the FGL Group with KWM and his respective associates (including the FGL Transaction Value, but excluding transactions which are less than S\$100,000) is approximately S\$41,494,094.23, representing approximately 4.00 per cent. of the FGL Group NTA (the "**FGL Same Interested Person Transaction Value**").
- (iii) As the FGL Same Interested Person Transaction Value represents less than five per cent. of the FGL Group NTA, the Transaction is not subject to the approval of the Shareholders pursuant to Rule 906(1) of the Listing Manual.

3. RATIONALE FOR THE TRANSACTION

- 3.1 **Information on LCD.** LCD (together with its subsidiaries and associated companies, the "**LCD Group**") is a public company incorporated in Singapore on 14 June 1973. LCD is listed on the Main Board of the SGX-ST. Currently, the LCD Group has a presence in Asia and the United Kingdom and its portfolio of businesses includes owning and/or managing high-end hotels and serviced residences, and providing real estate consultancy services.
- 3.2 **Information on the Purchaser.** The Purchaser is a company jointly controlled by FGL and Aspial. Each of FGL and Aspial holds 50 per cent. of the issued ordinary shares of the Purchaser. The Purchaser was formed by FGL and Aspial for the purposes of making the voluntary conditional offer for all the issued LCD Shares (other than those already held by the Purchaser and its concert parties), which was announced on 12 January 2015 (the "**Offer**"). As a result of the Offer, the Purchaser became the majority shareholder of LCD and holds, as at the Announcement Date, 576,437,569 LCD Shares representing approximately 54.61 per cent. of the total issued LCD Shares.
- 3.3 **Rationale and Benefit to the Purchaser.** LCD Group has a portfolio of geographically diverse businesses that include high-end hotels and resorts, serviced residences and property development which FGL believes adds value to its property business. Therefore, FGL wishes to increase its holdings of LCD Shares through the Purchaser. Following Completion, the Purchaser will directly hold in aggregate approximately 83.49 per cent. of the total issued LCD Shares. Pursuant to the Transaction, the Purchaser will be able to increase its stake in LCD at an average price of S\$0.2432 for each Sale Share.

4. FURTHER INFORMATION

- 4.1 **Directors' Service Contracts.** No person is proposed to be appointed as a director of the Company in connection with the Transaction. Accordingly, no service contract is proposed to be entered into between the Company and any such person.
- 4.2 **Interests of Directors and Substantial Shareholders of the Company.** Save as disclosed in this announcement, none of the directors or substantial shareholders of the Company has any interest, direct or indirect, in the transactions contemplated by the Transaction.

- (i) The interests of the directors of the Company in the Company as recorded in the register of Directors' shareholdings of the Company as at the Announcement Date are set out below:

Name of Directors	Direct Interest		Deemed Interest	
	Number of FGL Shares ⁽¹⁾	% ⁽²⁾	Number of FGL Shares ⁽¹⁾	% ⁽²⁾
KWM	4,985,384,400	74.277	735,000,000 ⁽²⁾	10.951
Lim Wan Looi	735,000,000	10.951	4,985,384,400 ⁽³⁾	74.277
Teo Cheng Kuang	-	-	-	-
Watt Kum Kuan	-	-	-	-
Periakaruppan Aravindan	5,336,000	0.080	-	-
Leow Chong Soon	-	-	-	-

Notes:

- (1) "FGL Shares" refers to the issued shares in the capital of the Company.
- (2) The figures are based on the issued share capital of 6,711,850,000 FGL Shares (excluding treasury shares) as at the Announcement Date.
- (3) KWM is deemed interested in the FGL Shares held by his spouse, Lim Wan Looi.
- (4) Lim Wan Looi is deemed interested in the FGL Shares held by her spouse, KWM.

- (ii) The interests of the substantial shareholders of the Company in the Company as recorded in the register of substantial shareholders of the Company as at the Announcement Date are set out below:

Name of Substantial Shareholders	Direct Interest		Deemed Interest	
	Number of FGL Shares ⁽¹⁾	% ⁽¹⁾	Number of FGL Shares ⁽¹⁾	% ⁽²⁾
KWM	4,985,384,400	74.277	735,000,000 ⁽³⁾	10.951
Lim Wan Looi	735,000,000	10.951	4,985,384,400 ⁽⁴⁾	74.277

Notes:

- (1) "FGL Shares" refers to the issued shares in the capital of the Company.
- (2) The figures are based on the issued share capital of 6,711,850,000 FGL Shares (excluding treasury shares) as at the Announcement Date.

⁽³⁾ KWM is deemed interested in the FGL Shares held by his spouse, Lim Wan Looi.

⁽⁴⁾ Lim Wan Looi is deemed interested in the FGL Shares held by her spouse, KWM.

4.3 Documents for Inspection. A copy of the Agreement is available for inspection during normal business hours at the registered office of the Company at Fragrance Building, 168 Changi Road, #05-01, Singapore 419730, for a period of three months commencing from the Announcement Date.

BY ORDER OF THE BOARD
FRAGRANCE GROUP LIMITED

Periakaruppan Aravindan
Company Secretary
16 November 2015