

**FRAGRANCE GROUP LIMITED**

Company Registration No.: 200006656M

ACQUISITION OF PROPERTY BY SUBSIDIARY – FRAGRANCE VIC-MEL (COLLINS) PTY LTD

The Directors of Fragrance Group Limited (the “Company”) wish to announce that the Company through its subsidiary FRAGRANCE VIC-MEL (COLLINS) PTY LTD (“Fragrance Vic-Mel (Collins)”) in Australia has entered into a Sale and Purchase Agreement to acquire a property located at 555 Collins Street, Melbourne, Victoria (the “Property”) from Collins Street Corp Pty Ltd.

The total purchase consideration for the Property is A\$78,000,000 (the “Consideration”). The Consideration was arrived at on a willing buyer willing seller basis after taking into consideration the development potential and location of the Property. The Property is freehold with an existing high-rise commercial building with a total land area of approximately 2,300 square metres.

The Property is currently zoned “Capital City Zone 1”. Strategically located at the intersection of Kings Street and Collins Street, 555 Collins Street is a unique corner site in the bustling Melbourne CBD. The area is a central hub for business and well connected by public transport.

Under the current zoning in Melbourne, the Property can be developed for office, retail, hotel and residential uses. The Company intends to develop the Property into a high-rise mixed development.

This transaction is not expected to have any material impact on the earnings and net tangible assets of the Company in FY2014.

None of the directors and substantial shareholders of the Company has any interest, direct or indirect, in the transaction.

By order of the Board

Periakaruppan Aravindan
Executive Director

10 June 2014