

## SETTING UP OF A SUBSIDIARY & ACQUISITION OF PROPERTY

## **SETTING UP OF A SUBSIDIARY**

The Board of Directors of Fragrance Group Limited (the "Company", and together with its subsidiaries, the "Group") wish to announce that the Group has incorporated a subsidiary known as FRAGRANCE VIC-MEL (SPENCER) PTY LTD ("Fragrance Spencer") in Australia. Fragrance Spencer will have an initial paid up capital of AUD2/-.

## **ACQUISITION OF PROPERTY**

Fragrance Spencer has entered into a Sale & Purchase agreement to acquire a property located at 134-160 Spencer Street, Melbourne, Victoria, Australia (the "Property") at the purchase consideration of AUD44,500,000/-.

The Property, which is an existing single-storey commercial building and car park, has a freehold tenure with a land area of approximately 1,800 square metres. The Property is strategically located at the intersection of Spencer Street and Bourke Street and is a unique corner site in the bustling Melbourne CBD situated directly opposite Southern Cross Station, a major Railway and Transport Hub of Melbourne City. This area is a central hub for business, retail and is highly connected by public transport.

The Property is currently zoned "Capital City Zone 1" and can potentially be developed for office, retail, hotel and/or residential uses. Subject to obtaining all regulatory approvals, the Group intends to redevelop the Property into a high-rise mixed-use 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 nor Substantial Shareholders of the Company has any interest, direct or indirect, in the abovementioned transaction.

By order of the Board

Periakaruppan Aravindan Executive Director

17 June 2014