

CIRCULAR DATED 14 FEBRUARY 2020

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to the course of action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

If you have sold or transferred all of your shares in the capital of Fragrance Group Limited, you should immediately forward this Circular together with the Notice of Extraordinary General Meeting and the accompanying Proxy Form to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

The Singapore Exchange Securities Trading Limited assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this Circular.

This Circular does not constitute, and is not intended to be, an offer, or a notice, circular or advertisement calling or drawing attention to an offer to the public or to subscribe for or to purchase any AF Global Shares (as defined herein).



FRAGRANCE GROUP LIMITED

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

CIRCULAR TO SHAREHOLDERS

in relation to the

PROPOSED DIVIDEND *IN SPECIE* OF 436,384,000 SHARES IN

AF GLOBAL LIMITED

ON THE BASIS OF 0.065 SHARES IN AF GLOBAL LIMITED

FOR EACH SHARE IN FRAGRANCE GROUP LIMITED

IMPORTANT DATES AND TIMES:

Last Date and Time for Lodgement of Proxy Form	:	28 February 2020 at 9.00 a.m.
Date and Time of Extraordinary General Meeting	:	2 March 2020 at 9.00 a.m.
Place of Extraordinary General Meeting	:	456 Alexandra Road #02-03, Fragrance Empire Building Singapore 119962

IMPORTANT NOTICE TO OVERSEAS SHAREHOLDERS

The distribution of this Circular and the Proposed Distribution (as defined herein) may be prohibited or restricted by law in certain jurisdictions. Shareholders (as defined herein) are required to inform themselves of and to observe any such prohibition or restriction. It is the responsibility of Shareholders in such jurisdictions to satisfy themselves as to the full observance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required, the compliance with other necessary formalities which are required to be observed and/or payment of any issue, transfer or other taxes due in such jurisdiction.

Further details on the distribution of and the entitlement of Overseas Shareholders (as defined herein) to the AF Global Shares pursuant to the Proposed Distribution are set out on pages 14 and 15 of this Circular.

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DEFINITIONS

In this Circular, the following definitions apply throughout unless otherwise stated:

“9MFY2019”	:	The nine-month period ended 30 September 2019.
“AF Global”	:	AF Global Limited.
“AF Global Group”	:	AF Global and the subsidiaries of AF Global.
“AF Global Shares”	:	Has the meaning ascribed to it in paragraph 1.1 of the Letter to Shareholders in this Circular.
“AFC”	;	AF Corporation Pte. Ltd.
“AFC Distribution”	:	Has the meaning ascribed to it in paragraph 1.1 of the Letter to Shareholders in this Circular.
“Aspial”	:	Aspial Corporation Limited.
“Board”	:	The Board of Directors of the Company for the time being.
“Books Closure Date”	:	The date, to be determined by the Directors and announced by the Company, on which the transfer books of the Company and the Register will be closed in order to determine the entitlements of Shareholders to the Proposed Distribution.
“CDP”	:	The Central Depository (Pte) Limited.
“Code”	:	The Singapore Code on Take-overs and Mergers.
“Companies Act”	:	The Companies Act, Chapter 50 of Singapore.
“Company” or “FGL”	:	Fragrance Group Limited.
“CPF”	:	Central Provident Fund.
“CPFIS”	:	CPF Investment Scheme.
“CPFIS Agent Banks”	:	Agent banks included under the CPFIS.
“CPFIS Investors”	:	Has the meaning ascribed to it in paragraph 7.4 of the Letter to Shareholders in this Circular.
“Directors”	:	The directors of the Company for the time being.
“EGM”	:	The extraordinary general meeting of the Company to be held on 2 March 2020 at 9.00 a.m. (and any adjournment thereof), the notice of which is given on pages 23 and 24 of this Circular.

DEFINITIONS

“Entitled Shareholders”	:	Shareholders who hold Shares as at the Books Closure Date that will be entitled to the Proposed Distribution.
“EPS”	:	Earnings per FGL Share.
“FGL Group”	:	FGL and the subsidiaries of FGL.
“FGL Shares”	:	Ordinary shares in the issued share capital of the Company.
“FY2018”	:	The financial year ended 31 December 2018.
“Latest Practicable Date”	:	The latest practicable date prior to the printing of this Circular, being 6 February 2020.
“Listing Manual”	:	The Listing Manual of the SGX-ST.
“Market Day”	:	A day on which the SGX-ST is open for trading in securities.
“NAV”	:	Net asset value, being total assets less total liabilities and non-controlling interests.
“Notice of EGM”	:	The notice of EGM set out on pages 23 and 24 of this Circular.
“NTA”	:	Net tangible assets.
“Overseas Shareholders”	:	Shareholders whose registered address appearing in the Register or the Depository Register (as the case may be) is outside Singapore as at the Books Closure Date.
“Overseas Shareholders’ AF Global Shares”	:	Has the meaning ascribed to it in paragraph 7.5 of the Letter to Shareholders in this Circular.
“Proposed Distribution”	:	The proposed distribution of 436,384,000 AF Global Shares held by the Company to the Shareholders by way of a dividend <i>in specie</i> on the basis of 0.065 AF Global Shares for each FGL Share held by Shareholders or on their behalf as at the Books Closure Date.
“Register”	:	The register of members of the Company, as maintained by the Share Registrar.
“Register of AF Global”	:	The register of members of AF Global, as maintained by Boardroom Corporate & Advisory Services Pte. Ltd., being AF Global’s share registrar.
“ROE”	:	Return on equity, computed as net profit divided by NAV.

DEFINITIONS

“Securities Accounts”	:	The securities accounts maintained by Depositors with CDP, but not including securities sub-accounts maintained with a Depository Agent.
“Securities and Futures Act”	;	The Securities and Futures Act, Chapter 289 of Singapore.
“SGX-ST”	:	The Singapore Exchange Securities Trading Limited.
“Share Registrar”	:	Tricor Barbinder Share Registration Services, being the Company’s share registrar.
“Shareholders”	:	The registered holders of the FGL Shares (other than the Company) except that where the registered holder is CDP, the term “Shareholders” shall, in relation to such FGL Shares and where the context admits, mean Depositors (other than the Company) whose Securities Accounts are credited with those FGL Shares.
“S\$” and “cents”	:	Singapore dollars and cents respectively, being the lawful currency of Singapore.
“%” or “per cent.”	:	Per centum or percentage.

The expressions **“Depositor”**, **“Depository Agent”** and **“Depository Register”** shall have the respective meanings ascribed to them in Section 81SF of the Securities and Futures Act.

The term **“controlling shareholders”** shall have the meaning ascribed to it in the Listing Manual.

The term **“subsidiaries”** and **“related corporations”** shall have the meanings ascribed to them respectively in the Companies Act.

The term **“concert parties”** shall have the meaning ascribed to it in the Code.

Except where specifically defined, the terms **“we”**, **“us”** and **“our”** in this Circular refer to the FGL Group.

Words importing the singular shall, where applicable, include the plural and vice versa. Words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall include corporations.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act, the Securities and Futures Act, the Listing Manual or the Code, or any modification thereof and not otherwise defined in this Circular shall have the same meaning assigned to it under the Companies Act, the Securities and Futures Act, the Listing Manual or the Code, or any modification thereof, as the case may be.

The headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.

DEFINITIONS

Any reference to a time of day and date in this Circular is made by reference to Singapore time and date unless otherwise stated.

Any discrepancies in the tables in this Circular between the listed amounts and the totals thereof are due to rounding. Accordingly, figures shown as totals may not be an arithmetic aggregation of the figures that precede them.

As at the Latest Practicable Date, there are 6,713,600,000 FGL Shares in issue (excluding 6,400,000 treasury shares).

INDICATIVE TIMETABLE

For illustrative purposes, the following are indicative dates and times for the Proposed Distribution⁽¹⁾:

Last date and time for lodgement of Proxy Forms for the EGM⁽²⁾ : 28 February 2020 at 9.00 a.m.

Date and time of the EGM : 2 March 2020 at 9.00 a.m.

Announcement of the Books Closure Date : 2 March 2020

Expected last date and time of “cum” trading of the FGL Shares on the SGX-ST : *On or about 6 March 2020 at 5.00 p.m.*

Expected commencement of “ex” trading of the FGL Shares on the SGX-ST : *On or about 9 March 2020 at 9.00 a.m.*

Expected Books Closure Date for the Proposed Distribution : *On or about 10 March 2020 at 5.00 p.m.*

Expected date for crediting the AF Global Shares to Shareholders pursuant to the Proposed Distribution : *On or about 17 March 2020*

Notes:

- (1) Save for the date and time by which the Proxy Forms must be lodged and the date and time of the EGM, the timetable above is only indicative and the actual dates of the events in italics will be announced by the Company in due course by way of SGXNET announcements released on the SGX-ST.
- (2) All Proxy Forms must be duly completed and deposited at the registered office of the Company at 456 Alexandra Road, #26-01, Fragrance Empire Building, Singapore 119962, not later than 72 hours before the time appointed for the EGM. Completion and return of a Proxy Form will not preclude a Shareholder from attending and voting at the EGM if he so wishes. Any appointment of a proxy or proxies shall be deemed to be revoked if a Shareholder attends the EGM in person and, in such event, the Company reserves the right to refuse to admit any person or persons appointed under the Proxy Form to the EGM.

LETTER TO SHAREHOLDERS

FRAGRANCE GROUP LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration Number: 200006656M)

Board of Directors:

Koh Wee Meng (Executive Chairman and Chief Executive Officer)
Periakaruppan Aravindan (Executive Director and Deputy Chief Executive Officer)
Lim Wan Looi (Executive Director)
Leow Chung Chong Yam Soon (Lead Independent Director)
Teo Cheng Kuang (Independent Director)
Watt Kum Kuan (Independent Director)

Registered Office:

456 Alexandra Road
#26-01, Fragrance Empire Building
Singapore 119962

14 February 2020

To: The Shareholders of Fragrance Group Limited

Dear Sir/Madam

PROPOSED DIVIDEND *IN SPECIE* OF SHARES IN AF GLOBAL LIMITED

1. INTRODUCTION

1.1 AFC Distribution and Proposed Distribution. On 22 August 2019, the Company announced that:

- (i) AFC, a private limited company jointly controlled by the Company and Aspial, was proposing to undertake a distribution *in specie* (the “**AFC Distribution**”) to distribute substantially all of the 881,383,569 ordinary shares (the “**AF Global Shares**”) in the capital of AF Global Limited (“**AF Global**”) held by AFC to the Company and Aspial in proportion to their shareholdings in AFC; and
- (ii) subject to, among others, the AFC Distribution being completed, the Company was proposing to undertake a distribution *in specie* to distribute substantially all of the AF Global Shares that it will receive from the AFC Distribution to the Shareholders.

As announced by the Company via an announcement on 20 December 2019, the Company announced that the AFC Distribution was completed and it had received 440,691,784 AF Global Shares pursuant to the AFC Distribution.

1.2 Method of Distribution and Distribution Ratio. The Proposed Distribution, which is subject to the approval of the Shareholders, will be effected by way of a dividend *in specie* to Shareholders *pro rata* to their respective shareholdings in the Company as at the Books Closure Date, on the basis of 0.065 AF Global Share for each FGL Share held by Shareholders or on their behalf as at the Books Closure Date, fractional entitlements to be disregarded.

1.3 Subject to Completion Approval. The Proposed Distribution is subject to the approval of Shareholders as set out in paragraph 4.5 below.

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- 1.4 No Payment Required from Shareholders.** No payment will be required from Shareholders for the AF Global Shares to be received from the Proposed Distribution. The AF Global Shares will be distributed free of encumbrances and together with all rights attaching thereto on and from the date the Proposed Distribution is completed.
- 1.5 Availability of copies of the Announcements.** Copies of the announcements relating to the AFC Distribution and the Proposed Distribution dated 22 August 2019, 15 November 2019 and 20 December 2019 are available on the website of the SGX-ST at www.sgx.com.
- 1.6 Circular.** The purpose of this Circular is to provide Shareholders with relevant information relating to the Proposed Distribution, including the rationale and the pro forma financial effects of the Proposed Distribution on the FGL Group, and to seek Shareholders' approval for the resolution relating to the Proposed Distribution to be proposed at the EGM, notice of which is given on pages 23 and 24 of this Circular.

2. INFORMATION ON AF GLOBAL

AF Global is a public limited company incorporated in Singapore on 14 June 1973 and was listed on the Mainboard of the SGX-ST on 26 April 2012. As at the Latest Practicable Date, AF Global has a market capitalisation of approximately S\$168.9 million and has 1,055,639,464 shares in issue. As at the Latest Practicable Date, the Company holds 440,691,784 AF Global Shares representing approximately 41.75 per cent. of the total number of AF Global Shares in issue.

The principal activities of AF Global are investment holding and the provision of management services to its subsidiary companies. The AF Global Group invests in and develops properties, provides a full suite of real estate consultancy services and owns and operates hotels and serviced residences. Further details of the properties owned by the AF Global Group as at 31 December 2018, which is extracted from the annual report of AF Global for FY2018, are set out in **Appendix 1** to this Circular.

3. RATIONALE FOR THE PROPOSED DISTRIBUTION

The Board believes that the Proposed Distribution will benefit the Company and the Shareholders as follows:

- 3.1 Creates Investment Flexibility and Unlocks Value for Shareholders.** The Company is of the view that the Proposed Distribution will unlock shareholder value by giving Shareholders direct ownership of AF Global Shares. The Proposed Distribution will also give Shareholders the flexibility to deal with the AF Global Shares independently of their FGL Shares, and benefit from the direct holdings of two distinct entities without any additional cash outlay. Shareholders will have the discretion and flexibility to separately decide on their holdings of FGL and AF Global in accordance with their individual investment objectives. They will have the option to either sell AF Global Shares in the open market after the completion of the Proposed Distribution, or retain the distributed AF Global Shares and receive potential future dividends.
- 3.2 Enhancement in Trading Liquidity of AF Global.** As at the Latest Practicable Date, based on information provided by AF Global, approximately 16.05 per cent. of the AF Global Shares are held in public hands. Assuming that the Proposed Distribution were completed

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as at the Latest Practicable Date, it is anticipated that this percentage would increase to approximately 20.28 per cent. An increase in public float would help to improve trading liquidity in AF Global Shares.

4. DETAILS OF THE PROPOSED DISTRIBUTION

4.1 The Proposed Distribution. As at the Latest Practicable Date, the Company holds 440,691,784 AF Global Shares, representing approximately 41.75 per cent. of the total number of AF Global Shares in issue. The Proposed Distribution will be effected by way of a dividend *in specie* of substantially all of the AF Global Shares held by the Company to Entitled Shareholders on a *pro rata* basis and in proportion to each Entitled Shareholder's shareholding as at the Books Closure Date such that Entitled Shareholders will be given 0.065 AF Global Share for each Share held by the Entitled Shareholders or on their behalf, fractional entitlements to be disregarded. Accordingly, for every 1000 Shares held by a Shareholder as at the Books Closure Date, the Shareholder will receive 65 AF Global Shares.

As at the Latest Practicable Date, there are 6,713,600,000 FGL Shares in issue (excluding 6,400,000 treasury shares). The Company has no convertible securities or options outstanding.

Based on the distribution ratio of 0.065 AF Global Shares for each FGL Share, the Company will distribute an aggregate of 436,384,000 AF Global Shares to Shareholders. The AF Global Shares will be distributed free of encumbrances and together with all rights attaching thereto on and from the date the Proposed Distribution is completed. The remaining 4,307,784 AF Global Shares held by the Company after completion of the Proposed Distribution, which represents approximately 0.41 per cent. of the total issued share capital of AF Global, as well as any resultant fractional AF Global Shares, will be aggregated and retained by the Company for future disposal.

4.2 Appropriation from Retained Profits. As at 30 September 2019, according to the unaudited financial statements of FGL Group for 9MFY2019, the retained profits of FGL was approximately S\$711.36 million. Other than the Proposed Distribution, the Company has not declared any dividend during the year ended 31 December 2019. To effect the Proposed Distribution as a dividend *in specie*, the Company will appropriate an amount of approximately S\$104.55 million out of the retained profits of the Company to meet the dividend to be declared based on the carrying value (or cost of investment) of the AF Global Shares in the accounts of the Company. The carrying cost per AF Global Share in the accounts of the Company is approximately S\$0.2396. The dividend to be declared for each FGL Share is therefore S\$0.01557 to be satisfied by the distribution of 0.065 AF Global Shares for each FGL Share.

4.3 Effects of the Proposed Distribution. On completion of the Proposed Distribution, the Company will have distributed substantially all of its holding of AF Global Shares and Shareholders will hold listed shares in both the Company and AF Global. **The Proposed Distribution will not result in any change to the issued and paid up share capital of the Company after the Proposed Distribution or to the number of Shares held by a Shareholder.**

As the distribution *in specie* of 436,384,000 AF Global Shares to Shareholders is effected at the carrying value of the AF Global Shares in the accounts of the Company, the Proposed Distribution will not incur any gain or loss for the Company. Assuming that the remaining

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4,307,784 AF Global Shares held by the Company after completion of the Proposed Distribution are disposed of at the last traded price of S\$0.160 as at the Latest Practicable Date, the loss attributable to such disposal will be approximately S\$343,000.

4.4 Common Director. An executive director of FGL, being Mr Periakaruppan Aravindan, currently sits on the board of AF Global as a non-executive director. While it is expected that Mr Periakaruppan Aravindan will remain on the board of AF Global after the Proposed Distribution, the key business decisions of AF Global will continue to be made by the executive directors of AF Global. As at the Latest Practicable Date, the Company has three independent directors on its Board and AF Global has three independent directors on its board. Accordingly, any business decisions taken by the respective board of directors of each of FGL and AF Global will remain subject to the views of their respective independent directors.

Having regard to the foregoing, the audit committee of the Company has confirmed that it is of the view that there are adequate safeguards in place to ensure that any conflicts of interest arising from Mr Periakaruppan Aravindan's concurrent appointments on the boards of FGL and AF Global can be managed.

4.5 Condition to the Proposed Distribution. Pursuant to Regulation 130 of the Constitution of the Company, the Proposed Distribution requires approval of Shareholders. Accordingly, the Proposed Distribution and the completion thereof is subject to the approval of Shareholders by way of an ordinary resolution for the Proposed Distribution at the EGM to be convened on 2 March 2020 at 9.00 a.m. at 456 Alexandra Road, #02-03, Fragrance Empire Building, Singapore 119962.

4.6 Date of Crediting the AF Global Shares. Subject to the condition in paragraph 4.5 above being satisfied, it is currently expected that the Securities Accounts of Shareholders who are Depositors will be credited with AF Global Shares on or about 17 March 2020. Shareholders who are not Depositors will be credited with AF Global Shares on or about 17 March 2020 by the entry of their names on the Register of AF Global. Please refer to paragraph 7 below for further details.

4.7 Taxation. Shareholders should note that the following statements are not to be regarded as advice on the tax position of any Shareholder or on any tax implications arising from the Proposed Distribution. Shareholders who are in doubt as to their respective tax positions or any such tax implications or who may be subject to tax in a jurisdiction outside Singapore should consult their own professional advisers.

4.7.1 Tax implications for the Shareholders. As the Company is tax resident in Singapore, dividends paid by the Company (whether paid in the form of cash or by way of distribution *in specie* of the Company's assets) are tax exempt (one-tier) dividends which are exempt from Singapore income tax in the hands of the shareholders. Accordingly, as the Proposed Distribution is a payment of a dividend *in specie* by the Company, it will be exempt from Singapore income tax when received by Shareholders.

4.7.2 Stamp Duty. The Company will bear stamp duty, if any, chargeable for the transfer of the AF Global Shares by the Company to Shareholders pursuant to the Proposed Distribution. Stamp duty is not ordinarily payable on electronic transfers of AF Global Shares from the Company to a Shareholder through the scripless trading system operated by CDP since there will be no instrument of conveyance,

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transfer or assignment involved in the transfer of the AF Global Shares. However, stamp duty is payable where any instrument of conveyance, transfer or assignment is involved in transferring the AF Global Shares, for example, in transferring AF Global Shares which are in the form of physical share certificates. In such cases where stamp duty is payable, the total amount of stamp duty payable by the Company will be at the rate of 0.2 per cent. of the market value of the AF Global Shares so transferred through such instrument of conveyance, assignment or transfer.

5. FINANCIAL EFFECTS

5.1 Bases and Assumptions. The pro forma financial effects of the Proposed Distribution on selected financial measures of the FGL Group have been prepared based on the unaudited consolidated financial statements of the FGL Group for 9MFY2019 and take into account the following assumptions:

- (i) the entire 436,384,000 AF Global Shares will be distributed pursuant to the Proposed Distribution (assuming there is no fractional entitlement) and the remaining 4,307,784 AF Global Shares held by the Company after completion of the Proposed Distribution have also been disposed of at the market value of the AF Global Shares based on the last traded price of S\$0.160 per AF Global Share as at the Latest Practicable Date;
- (ii) the NAV and NTA as at 30 September 2019 have been prepared on a pro forma basis on the assumption that the Proposed Distribution had been completed on 30 September 2019;
- (iii) the EPS has been prepared on a pro forma basis on the assumption that the Proposed Distribution had been completed on 1 January 2019;
- (iv) the ROE has been prepared on a pro forma basis on the assumption that the Proposed Distribution had been completed on 30 September 2019; and
- (v) the Proposed Distribution will be effected at the carrying value (or cost of investment) of AFC of approximately S\$104.55 million as recorded in the accounts of the Company as at 30 September 2019.

The pro forma financial effects are purely for illustrative purposes only and do not reflect the actual financial position of the FGL Group after the completion of the Proposed Distribution.

5.2 NAV/NTA and NAV/NTA per FGL Share. The pro forma financial effects of the Proposed Distribution on the NAV/NTA and NAV/NTA per FGL Share of the FGL Group as at 30 September 2019 are as follows:

	Before the Proposed Distribution	After the Proposed Distribution
NAV ⁽¹⁾ /NTA (S\$ million)	1,392	1,287
NAV ⁽¹⁾ /NTA per FGL Share (\$) ⁽²⁾	0.21	0.19

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Notes:

- (1) Non-controlling interests, which comprise 0.13 per cent. of the total equity in the capital of the Company both before and after the Proposed Distribution respectively, have been excluded from the computation.
- (2) The figures are based on the issued share capital of 6,713,600,000 FGL Shares (excluding 6,400,000 treasury shares) as at the Latest Practicable Date.

5.3 Earnings and EPS. The pro forma financial effects of the Proposed Distribution on the earnings and EPS of the FGL Group for 9MFY2019 are as follows:

	Before the Proposed Distribution	After the Proposed Distribution
Net Profit (S\$ million)	94.60	86.81
EPS ⁽¹⁾ (cents)	1.41	1.29

Note:

- (1) The figures are based on the weighted average of 6,713,566,601 FGL Shares as at the Latest Practicable Date.

5.4 ROE. The pro forma financial effects of the Proposed Distribution on the ROE of the FGL Group for 9MFY2019 are as follows:

	Before the Proposed Distribution	After the Proposed Distribution
ROE (%)	6.80	6.75

5.5 Share Capital. The Proposed Distribution will not have any impact on the number of FGL Shares held by Shareholders after the Proposed Distribution or on the share capital of the Company.

5.6 Leverage Ratios. The pro forma financial effects of the Proposed Distribution on the leverage ratios of the FGL Group as at 30 September 2019 are as follows:

	Before the Proposed Distribution	After the Proposed Distribution
Total borrowings (S\$ million)	1,665	1,665
NAV (S\$ million)	1,392	1,287
Gearing (x)	1.20	1.29

5.7 Pro Forma Financial Information. The unaudited pro forma statement of comprehensive income and statement of financial position of the FGL Group after the Proposed Distribution are set out in **Appendix 2** to this Circular.

5.8 Book Value/NTA Value of, and Net Profits Attributable to, the AF Global Shares. Based on AFC's unaudited financial results for 9MFY2019:

- (i) the book value/NTA value of the 440,691,784 AF Global Shares is approximately S\$105.6 million; and

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- (ii) the net profits attributable to the 440,691,784 AF Global Shares is approximately S\$7.45 million.

5.9 Market Value of the AF Global Shares. The latest market value of the 440,691,784 AF Global Shares is S\$70,510,685, based on the last traded price of S\$0.160 as at the Latest Practicable Date.

6. SECURITIES INDUSTRY COUNCIL

Pursuant to the Proposed Distribution, the controlling shareholders of the Company, Koh Wee Meng and Lim Wan Looi, who are collectively interested in 5,750,500,000 FGL Shares representing approximately 85.7 per cent. of the total number of FGL Shares in issue as at the Latest Practicable Date, will receive 373,782,500 AF Global Shares representing approximately 35.41 per cent. of the total number of AF Global Shares in issue.

The Securities Industry Council has confirmed that Koh Wee Meng and Lim Wan Looi will not incur an obligation to make a general offer for all the issued AF Global Shares under the Code as a result of the Proposed Distribution.

7. ADMINISTRATIVE PROCEDURES FOR THE PROPOSED DISTRIBUTION

7.1 Books Closure Date and Entitlements. Persons registered in the Register and Depositors whose Securities Accounts are credited with Shares as at the Books Closure Date would be entitled to receive 0.065 AF Global Shares for each FGL Share held by them or on their behalf as at the Books Closure Date.

Subject to the Proposed Distribution being approved by Shareholders at the EGM, the Company will announce the Books Closure Date as soon as practicable in order to determine the entitlements of each Shareholder to the AF Global Shares.

For illustrative purposes, Shareholders as at the Books Closure Date shall receive AF Global Shares as follows:

	Number of AF Global Shares the Shareholder is entitled
If the Shareholder holds 1000 FGL Shares as at the Books Closure Date	65 AF Global Shares
If the Shareholder holds 200 FGL Shares as at the Books Closure Date	13 AF Global Shares

7.2 Depositors. In the case of Shareholders being Depositors, entitlements to the AF Global Shares will be determined on the basis of the number of FGL Shares standing to the credit of their respective Securities Accounts as at the Books Closure Date. Following the Books Closure Date, CDP will credit their Securities Accounts with the relevant number of AF Global Shares on the credit date to be announced by the Company in due course and CDP will send to each such Depositor a notification letter confirming the number of AF Global Shares that has been credited to his Securities Account.

7.3 Scrip Shareholders. In the case of Shareholders who hold FGL Shares registered in their own names in the Register, entitlements to the AF Global Shares will be determined on the

LETTER TO SHAREHOLDERS

basis of their holdings of FGL Shares in the Register as at the Books Closure Date. Following the Books Closure Date, the names of each such Shareholder as well as the relevant number of AF Global Shares to be distributed to such Shareholder will be entered into the Register of AF Global and the share certificates in respect of the AF Global Shares will be sent to them by registered post to their address stated in the Register. Shareholders should note that they will not be able to trade in such AF Global Shares on the SGX-ST unless they have a Securities Account and make appropriate arrangements for the share certificates of the AF Global Shares to be deposited with CDP for crediting into said Securities Account.

Shareholders holding their FGL Shares in scrip form and who wish to have the AF Global Shares credited to their Securities Accounts pursuant to the Proposed Distribution or wish to trade the AF Global Shares on the SGX-ST on or immediately after the Proposed Distribution should deposit with CDP their existing share certificates in respect of their FGL Shares, together with the duly executed instruments of transfer in favour of CDP, no later than 5.00 p.m. on the date falling 12 Market Days prior to the Books Closure Date so as to enable CDP to credit their Securities Accounts with the relevant FGL Shares by the Books Closure Date and thereafter for CDP to credit their Securities Accounts with the AF Global Shares.

7.4 CPFIS Investors. In the case of investors who have purchased FGL Shares using their CPF funds (the “**CPFIS Investors**”), entitlements to the AF Global Shares will be determined based on the number of Shares standing to the credit of their respective investment accounts with the CPFIS Agent Banks as at the Books Closure Date. Following the Books Closure Date, CDP will credit their CPFIS Agent Banks’ Securities Accounts with the relevant number of AF Global Shares on the credit date to be announced by the Company in due course. The respective CPFIS Agent Banks will notify the relevant CPFIS Investors of the credit and such CPFIS Investors are advised to consult their CPFIS Agent Banks as to the crediting status of their AF Global Shares in their respective investment accounts as CDP will not be sending any notifications to such CPFIS Investors.

7.5 Overseas Shareholders. You will be regarded as an Overseas Shareholder if your registered address on the Register or the Depository Register (as the case may be) is not in Singapore as at the Books Closure Date. Shareholders who wish to change their registered address on the Register or the Depository Register (as the case may be) to provide an address in Singapore in substitution thereof prior to the Books Closure Date may do so by sending a notice in writing to the Share Registrar (in the case of a change of address on the Register) or CDP (in the case of a change of address on the Depository Register), respectively not later than three Market Days prior to the Books Closure Date.

Where the Board is of the view that the distribution of the AF Global Shares to any Overseas Shareholders may infringe any relevant foreign law or may necessitate compliance with conditions or requirements which they, in their sole discretion, regard as onerous by reason of costs, delay or otherwise, the AF Global Shares which such Overseas Shareholders would have been entitled to pursuant to the Proposed Distribution (the “**Overseas Shareholders’ AF Global Shares**”) will not be distributed to such Overseas Shareholders. Instead, the Overseas Shareholders’ AF Global Shares shall be transferred to such person(s) as the Board may appoint, to sell the relevant AF Global Shares and thereafter to distribute the net proceeds, after deducting for all dealings and other expenses in connection therewith, proportionately among such Overseas Shareholders according to their respective entitlements to the AF Global Shares as at the Books Closure Date in full

LETTER TO SHAREHOLDERS

satisfaction of their rights to the AF Global Shares which they would otherwise have become entitled to under the Proposed Distribution.

Malaysia

Overseas Shareholders with registered addresses in Malaysia as at the Books Closure Date will be entitled to receive AF Global Shares pursuant to the Proposed Distribution. No offer for subscription or purchase, or invitation to subscribe for or purchase, of securities is or will be made to Overseas Shareholders in Malaysia on the basis of this Circular. The contents of this Circular have not been reviewed by or registered with any regulatory authority in Malaysia. Overseas Shareholders in Malaysia are advised to exercise caution in relation to the Proposed Distribution and such other information contained herein. If you are in any doubt about any of the contents of this Circular, you should obtain independent professional advice.

Other Jurisdictions

Overseas Shareholders with registered addresses in a jurisdiction other than Malaysia as at the Books Closure Date will not receive the AF Global Shares in the Proposed Distribution and the AF Global Shares to which such Overseas Shareholders would otherwise have been entitled will be dealt with in accordance with paragraph 7.5.

7.6 Odd-Lot Trading. The AF Global Shares are currently traded in board lots of 100 AF Global Shares in the ready market. Shareholders may receive odd lots of AF Global Shares pursuant to the Proposed Distribution (that is, lots other than board lots of 100 AF Global Shares). Shareholders who receive odd lots of AF Global Shares pursuant to the Proposed Distribution and who wish to trade such odd lots of AF Global Shares on the SGX-ST are able to trade with a minimum size of 1 AF Global Share on the Unit Share Market of the SGX-ST. As odd lots of AF Global Shares can be traded on the Unit Share Market of the SGX-ST, no separate arrangement will be made for the trading of such odd lots. Shareholders should note that the market for trading of odd lots of AF Global Shares may be illiquid and trading in odd lots of AF Global Shares may also incur a proportionately higher brokerage cost than trading in board lots of AF Global Shares.

8. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

8.1 Interest in Proposed Distribution. Save as disclosed in this Circular, none of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in the Proposed Distribution.

8.2 Interests of the Directors in the FGL Shares. The interests of the Directors in the FGL Shares as recorded in the register of directors' shareholdings of the Company as at the Latest Practicable Date are set out below:

Directors	Direct Interest		Deemed Interest	
	No. of FGL Shares	% ⁽¹⁾	No. of FGL Shares	% ⁽¹⁾
Koh Wee Meng ⁽²⁾	5,015,500,000	74.71	735,000,000	10.95
Lim Wan Looi ⁽²⁾	735,000,000	10.95	5,015,500,000	74.71

LETTER TO SHAREHOLDERS

Directors	Direct Interest		Deemed Interest	
	No. of FGL Shares	% ⁽¹⁾	No. of FGL Shares	% ⁽¹⁾
Periakaruppan Aravindan	6,241,000	0.09	–	–
Leow Chung Chong Yam Soon	–	–	–	–
Teo Cheng Kuang	–	–	–	–
Watt Kum Kuan	–	–	–	–

Notes:

- (1) The figures are based on the issued share capital of 6,713,600,000 FGL Shares (excluding 6,400,000 treasury shares) as at the Latest Practicable Date.
- (2) Koh Wee Meng is the husband of Lim Wan Looi. Each of them is deemed to be interested in the shares held by each other.

8.3 Interests of the Substantial Shareholders in the FGL Shares. The interests of the substantial shareholders in the FGL Shares as recorded in the register of substantial shareholders of the Company as at the Latest Practicable Date are set out below:

Substantial Shareholders	Direct Interest		Deemed Interest	
	No. of FGL Shares	% ⁽¹⁾	No. of FGL Shares	% ⁽¹⁾
Koh Wee Meng ⁽²⁾	5,015,500,000	74.71	735,000,000	10.95
Lim Wan Looi ⁽²⁾	735,000,000	10.95	5,015,500,000	74.71

Notes:

- (1) The figures are based on the issued share capital of 6,713,600,000 FGL Shares (excluding 6,400,000 treasury shares) as at the Latest Practicable Date.
- (2) Koh Wee Meng is the husband of Lim Wan Looi. Each of them is deemed to be interested in the shares held by each other.

9. DIRECTORS' RECOMMENDATION

Having considered the terms of and the rationale for the Proposed Distribution, the Directors are of the opinion that the Proposed Distribution is in the best interests of the Company and the Shareholders. Accordingly, the Directors recommend that Shareholders vote in favour of the ordinary resolution relating to the Proposed Distribution set out in the Notice of the EGM.

10. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is given on pages 23 and 24 of this Circular, will be held at 456 Alexandra Road, #02-03, Fragrance Empire Building, Singapore 119962 on 2 March 2020 at 9.00 a.m. for the purpose of considering and, if thought fit, passing with or without any modification, the ordinary resolution relating to the Proposed Distribution set out in the Notice of EGM.

LETTER TO SHAREHOLDERS

11. ACTION TO BE TAKEN BY SHAREHOLDERS

- 11.1 Appointment of Proxies.** If a Shareholder is unable to attend the EGM and wishes to appoint a proxy to attend and vote on his behalf, he should complete, sign and return the attached Proxy Form in accordance with the instructions printed thereon as soon as possible and, in any event, so as to reach the registered office of the Company at 456 Alexandra Road, #26-01, Fragrance Empire Building, Singapore 119962, not later than 72 hours before the time appointed for the EGM. Completion and return of the Proxy Form by a Shareholder will not prevent him from attending and voting at the EGM if he so wishes. An appointment of a proxy or proxies shall be deemed to be revoked if a Shareholder attends the EGM in person and, in such event, the Company reserves the right to refuse to admit any person or persons appointed under the Proxy Form to the EGM.
- 11.2 When a Depositor is Regarded as a Shareholder.** A Depositor shall not be regarded as a Shareholder of the Company entitled to attend the EGM and to speak and vote thereat unless his name appears on the Depository Register as at 72 hours before the time appointed for the EGM.

12. RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Proposed Distribution and the FGL Group and the Directors are not aware of any fact the omission of which would make any statement in this Circular misleading. Where information in this Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from such sources and/or reproduced in this Circular in its proper form and context.

13. ADDITIONAL INFORMATION

The following documents are available for inspection at the registered office of the Company at 456 Alexandra Road, #26-01, Fragrance Empire Building, Singapore 119962 during normal business hours from the date of this Circular up to the date of the EGM:

- (i) the annual report of the Company for FY2018;
- (ii) the unaudited consolidated financial statements of the FGL Group for 9MFY2019; and
- (iii) the Constitution of the Company.

Yours faithfully
for and on behalf of the Board of Directors of
Fragrance Group Limited

Periakaruppan Aravindan
Executive Director and Deputy CEO
14 February 2020

APPENDIX 1 – PROPERTIES OWNED BY THE AF GLOBAL GROUP

PROPERTIES OWNED BY THE AF GLOBAL GROUP

The list of properties owned by the AF Global Group as at 31 December 2018 has been reproduced from the annual report of the AF Global Group for FY2018 and, save for references to page numbers which have been altered to conform to the pagination of this Circular, is set out below.

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AF GLOBAL
ANNUAL REPORT 2018

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

10. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

The Group's cash outflow on acquisition of property, plant and equipment amounted to \$3,830,000 (2017: \$2,303,000). The Group's net carrying amount of property, plant and equipment under hire purchase at the end of the last financial period amounted to \$77,000 (1 January 2017: \$104,000).

The Group's freehold and leasehold land and buildings consist of the following:

	Location	Description	Site area	Gross floor area	Tenure of land
(i)	Holiday Inn Resort Phuket 52 Thaweewong Road Tambol Patong Amphoe Kathu Phuket Thailand	398-room hotel	30,670 sq.m.	36,860 sq.m.	Freehold
(ii)	Somerset Vientiane Souphanouvong Avenue Sikottabong District Vientiane Lao People's Democratic Republic	116-unit serviced residence	11,946 sq.m.	13,619 sq.m.	40 years lease from 7 November 1994
(iii)	Cityview Apartments and Commercial Centre 12 Mac Dinh Chi Street Da Kao Ward District 1 Ho Chi Minh City Vietnam	66-unit serviced residence and office space	2,690 sq.m.	12,856 sq.m.	40 years lease from 1 March 1995
(iv)	Phuket Rawai Beach Resort 100 Wiset Road Tambol Rawai Amphoe Muang Phuket Phuket Thailand	Resort hotel (under redevelopment)	180,132 sq.m.	Not applicable	Freehold

The net written down value of the Group's freehold land and buildings included in property, plant and equipment that have been mortgaged to secure various loan facilities, as detailed in Note 23, amounted to \$137,641,000 (2017: \$274,323,000, 1 January 2017: \$229,399,000).

The fair values of the above land and buildings were determined by an independent valuation specialist or Directors in December 2018 (2017: November/December 2017, 1 January 2017: November/December 2016) using valuation techniques and inputs as disclosed in Note 35(a).

APPENDIX 1 – PROPERTIES OWNED BY THE AF GLOBAL GROUP

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

If the land and buildings were measured on a historical cost basis, the carrying amounts would be:

	Group		
	2018 \$'000	2017 \$'000	1 January 2017 \$'000
Freehold land	85,022	124,115	121,982
Buildings on freehold land	15,847	27,922	30,095
Leasehold land	1,061	1,127	1,285
Buildings on leasehold land	10,533	11,273	13,047
	112,463	164,437	166,409

11. SUBSIDIARY COMPANIES

	Company		
	2018 \$'000	2017 \$'000	1 January 2017 \$'000
Unquoted shares, at cost	209,309	216,323	216,323
Advances to subsidiary companies	230,236	231,179	224,444
Less: Allowance for impairment loss	(143,015)	(148,184)	(148,184)
	296,530	299,318	292,583
Movement in allowance for impairment loss:			
Balance at beginning	148,184	148,184	145,892
(Writeback of allowance)/charge to profit or loss	(5,169)	–	2,292
Balance at end	143,015	148,184	148,184

Advances to subsidiary companies represent an extension of investments in the subsidiary companies. They are unsecured and interest free except for the amounts of \$6,873,000 (2017: \$7,678,000, 1 January 2017: \$4,751,000) which are interest bearing at 2.92% to 4.49% (2017: 2.41% to 3.46%, 1 January 2017: 1.86% to 3.74%) per annum during the year. It is repayable only when the cash flow of the subsidiary companies permit.

During the financial year, the Company wrote back impairment loss of \$5,169,000 in respect of the disposal of a subsidiary company, ZONE X Leisure Pte Ltd. Impairment loss of \$2,292,000 as at 1 January 2017 relates to the shortfall between the carrying amounts of the cost of investment and the estimated recoverable amounts of the subsidiary companies.

APPENDIX 2 – UNAUDITED PRO FORMA STATEMENT OF COMPREHENSIVE INCOME AND STATEMENT OF FINANCIAL POSITION OF THE FGL GROUP

UNAUDITED PRO FORMA STATEMENT OF COMPREHENSIVE INCOME FOR NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2019

	Before the AFC Distribution and the Proposed distribution	After the AFC Distribution and the Proposed Distribution
	9M 2019 S\$'000	9M 2019 S\$'000
Revenue	43,420	43,420
Cost of sales	(11,701)	(11,701)
Gross profit	31,719	31,719
Other operating income	106,743	106,400
Other operating expenses	(20,810)	(20,810)
Finance costs	(22,838)	(22,838)
Share of results of a joint venture	7,450	–
Profit before income tax	102,264	94,471
Taxation	(7,942)	(7,942)
Profit for the period	94,322	86,529
Other Comprehensive income, net of tax		
Exchange differences on translation of foreign operations	(17,006)	(17,006)
Share of other comprehensive income of joint venture		
Exchange differences on translation of foreign operations	4,062	–
Fair value gain/(loss) on investment securities	(12)	–
Net other comprehensive loss	(12,956)	(17,006)
Total comprehensive income for the period	81,366	69,459
Profit attributable to:		
Owners of the Company	94,598	86,805
Non-controlling interests	(276)	(276)
	94,322	86,529
Total comprehensive income attributable to :		
Owners of the Company	81,642	69,799
Non-controlling interests	(276)	(276)
	81,366	69,523

APPENDIX 2 – UNAUDITED PRO FORMA STATEMENT OF COMPREHENSIVE INCOME AND STATEMENT OF FINANCIAL POSITION OF THE FGL GROUP

UNAUDITED PRO FORMA STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2019

	Before the AFC Distribution and the Proposed distribution S\$'000	After the AFC Distribution and the Proposed Distribution S\$'000
<u>Non-current assets</u>		
Property, plant and equipment	76,800	76,800
Investment properties	1,858,564	1,858,564
Other receivables and prepayment	18,141	18,141
Total non-current assets	1,953,505	1,953,505
<u>Current assets</u>		
Cash and cash equivalents	73,227	73,916
Trade and other receivables	36,016	36,016
Properties under development	862,982	862,982
Properties held for sale	89,971	89,971
Financial assets at fair value through profit or loss	4,034	4,034
Investment in a joint venture*	105,584	–
Inventories	90	90
Total current assets	1,171,904	1,067,009
<u>Current liabilities</u>		
Trade and other payables	42,207	42,207
Notes payable	5,264	5,264
Term loans	514,622	514,622
Finance lease payable	8	8
Income tax payable	1,723	1,723
Derivative financial instruments	4,409	4,409
Total current liabilities	568,233	568,233
Net current assets	603,671	498,776
<u>Non-current liabilities</u>		
Notes payable	271,370	271,370
Term loans	874,108	874,108
Finance lease payable	20	20
Deferred tax liabilities	11,341	11,341
Total non-current liabilities	1,156,839	1,156,839
Net Assets	1,400,337	1,295,442

APPENDIX 2 – UNAUDITED PRO FORMA STATEMENT OF COMPREHENSIVE INCOME AND STATEMENT OF FINANCIAL POSITION OF THE FGL GROUP

	Before the AFC Distribution and the Proposed distribution S\$'000	After the AFC Distribution and the Proposed Distribution S\$'000
Capital and reserves		
Share capital	150,000	150,000
Treasury shares	(885)	(885)
Performance share reserve	325	325
Revaluation reserve	51,550	24,165
Foreign currency translation reserve	(81,612)	(79,650)
Investment revaluation reserve	(592)	–
Accumulated profits	1,273,074	1,193,010
Equity attributable to the owners of the Company	1,391,860	1,286,965
Non-controlling interests	8,477	8,477
Total Equity	1,400,337	1,295,442

NOTICE OF EXTRAORDINARY GENERAL MEETING

FRAGRANCE GROUP LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration Number: 200006656M)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting (“**EGM**”) of Fragrance Group Limited (the “**Company**”) will be held at 456 Alexandra Road, #02-03, Fragrance Empire Building, Singapore 119962, on 2 March 2020 at 9.00 a.m. for the purpose of considering and, if thought fit, passing with or without modifications, the following resolution which will be proposed as an Ordinary Resolution:

Ordinary Resolution

RESOLVED THAT pursuant to Regulation 130 of the Constitution of the Company:

(1) Approval of the Proposed Distribution

Approval be and is hereby given for the Company to make a distribution (the “**Proposed Distribution**”) of 436,384,000 ordinary shares in the issued share capital of AF Global Limited (the “**AF Global Shares**”) held by the Company to the shareholders of the Company (the “**Shareholders**” and each a “**Shareholder**”) by way of a dividend *in specie* on the basis of 0.065 AF Global Shares for each ordinary share in the issued share capital of the Company (the “**FGL Shares**”) held by or on behalf of shareholders (“**Shareholders**”, being registered holders of the FGL Shares (other than the Company) except that where the registered holder is The Central Depository (Pte) Limited, the term Shareholders shall mean Depositors (other than the Company), as defined under the Securities and Futures Act, Chapter 289 of Singapore) as at a books closure date to be determined by the Company (the “**Books Closure Date**”), fractional entitlements to be disregarded such that:

- (i) the AF Global Shares are distributed free of encumbrances and together with all rights attaching thereto on and from the date the Proposed Distribution is completed;
- (ii) where the directors of the Company (“**Directors**”) are of the view that the distribution of the AF Global Shares to any Shareholder whose registered address as recorded in the Register of Members of the Company or in the Depository Register maintained by CDP on the Books Closure Date is outside Singapore (the “**Overseas Shareholder**”) may infringe any foreign law or may necessitate compliance with conditions or requirements which the Directors, in their absolute discretion, regard as onerous or impracticable by reason of costs, delay or otherwise, such AF Global Shares shall not be distributed to such Overseas Shareholder, but shall be dealt with in the manner set out in paragraph (iii) below;
- (iii) the AF Global Shares which such Overseas Shareholders would have been entitled to pursuant to the Proposed Distribution (the “**Overseas Shareholders’ AF Global Shares**”) will not be distributed to such Overseas Shareholders. Instead, the Overseas Shareholders’ AF Global Shares shall be transferred to such person(s) as the Directors may appoint, to sell the relevant AF Global Shares and thereafter to distribute the net proceeds, after deducting for all dealings and other expenses in connection therewith, proportionately among such Overseas Shareholders according to their respective entitlements to the AF Global Shares as at the Books Closure Date in full satisfaction of their rights to the AF Global Shares which they would otherwise have become entitled to under the Proposed Distribution;

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (iv) the Directors and/or any of them be and are hereby authorised to appropriate an amount of approximately S\$104.55 million out of the retained profits of the Company to meet the dividend to be declared based on the carrying value (or cost of investment) of the AF Global Shares in the accounts of the Company; and
- (v) the Directors and/or any of them be authorised to deal with the AF Global Shares remaining with the Company (including any resulting fractional AF Global Shares arising from the Proposed Distribution) after the Proposed Distribution, in such manner as they deem fit.

(2) Authority to Directors

The Directors and each of them be and are hereby authorised to do all acts and things and to execute all such documents as they or he may consider necessary or expedient to give effect to the Proposed Distribution as set out in the preceding paragraph (1).

BY ORDER OF THE BOARD

CHEN LOONG MEY (MS)

KELOTH RAJ KUMAR (MR)

Company Secretaries

14 February 2020

Notes:

1. (a) A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the EGM. Where such member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.
(b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the EGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.
"Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act, Chapter 50.
2. A proxy need not be a member of the Company.
3. Members wishing to vote by proxy/proxies at the EGM may use the proxy form enclosed. The completed proxy form must be deposited at the registered office of the Company at 456 Alexandra Road, #26-01, Fragrance Empire Building, Singapore 119962, not less than 72 hours before the time appointed for the EGM. The sending of a proxy form by a member does not preclude him from attending and voting in person at the EGM if he so wishes. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the EGM in person and, in such event, the Company reserves the right to refuse to admit any person or persons appointed under the proxy form to the EGM.

Personal Data Privacy

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the EGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

FRAGRANCE GROUP LIMITED

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

PROXY FORM EXTRAORDINARY GENERAL MEETING

IMPORTANT:

1. Relevant intermediaries as defined in Section 181 of the Companies Act, Chapter 50 may appoint more than two proxies to attend, speak and vote at the EGM.
2. For investors who have used their CPF monies to buy Fragrance Group Limited's shares, this form of proxy is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by them. CPF investors should contact their respective agent banks if they have any queries regarding their appointment as proxies.
3. By submitting an instrument appointing a proxy(ies) and/or representative(s), a member accepts and agrees to the personal data privacy terms set out in the Notice of EGM.

I/We _____ (Name) _____ (NRIC/Passport Number)
of _____ (Address)
being a *member/members of Fragrance Group Limited (the "Company"), hereby appoint:

Name	Address	NRIC/Passport Number	Proportion of Shareholdings	
			No. of Shares	%

and/or (delete as appropriate)

Name	Address	NRIC/Passport Number	Proportion of Shareholdings	
			No. of Shares	%

or failing the person or both of the persons above, the Chairman of the Extraordinary General Meeting ("EGM"), as *my/our proxy/proxies to vote for me/us on my/our behalf, at the EGM to be held on 2 March 2020 at 9.00 a.m. at 456 Alexandra Road, #02-03, Fragrance Empire Building, Singapore 119962 and at any adjournment thereof.

The proxy is required to vote for or against the Ordinary Resolution to be proposed at the EGM as indicated hereunder. If no specified direction as to voting is given, the proxy/proxies may vote or abstain from voting at his/her/their discretion, as he/she/they may on any other matter arising at the EGM.

	For**	Against**
Ordinary Resolution To approve the Proposed Distribution		

* Delete accordingly.

** Voting will be conducted by poll. If you wish to exercise all your votes "For" or "Against" the resolution, please tick (✓) within the relevant box. Alternatively, if you wish to exercise your votes for both "For" and "Against" the resolution, please indicate the number of Shares in the boxes provided.

Signed this _____ day of _____ 2020

Total Number of Shares held (Note a):

Signature(s)/Common Seal(s) of Member(s)

IMPORTANT: PLEASE READ NOTES OVERLEAF



Notes:

- (a) If the member has shares entered against his name in the Depository Register (maintained by The Central Depository (Pte) Limited), he should insert that number of shares. If the member has shares registered in his name in the Register of Members (maintained by or on behalf of the Company), he should insert that number of shares. If the member has shares entered against his name in the Depository Register and shares registered in his name in the Register of Members, he should insert the aggregate number of shares. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by the member.
- (b) (1) A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the EGM. Where such member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.

(2) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the EGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

"Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act, Chapter 50.

- (c) A proxy need not be a member of the Company.
- (d) The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or if such appointor is a corporation under its common seal or under the hand of its attorney.
- (e) Where an instrument appointing a proxy or proxies is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.
- (f) The appointment of a proxy or proxies by this instrument shall not preclude a member from attending and voting in person at the EGM. If a member attends the EGM in person the appointment of a proxy or proxies shall be deemed to be revoked, and the Company reserves the right to refuse to admit such proxy or proxies to the EGM.
- (g) An instrument appointing a proxy must be deposited at the registered office of the Company at 456 Alexandra Road #26-01 Fragrance Empire Building Singapore 119962 not less than 72 hours before the time appointed for holding the EGM.
- (h) The Company shall be entitled to reject this instrument of proxy which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in this instrument of proxy. In addition, in the case of shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the EGM, as certified by The Central Depository (Pte) Limited to the Company.

Personal Data Privacy

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms as set out in the Notice of EGM.