



PROPOSED RENOUNCEABLE NON-UNDERWRITTEN RIGHTS ISSUE WITH AN IRREVOCABLE UNDERTAKING PROVIDED BY A SUBSTANTIAL SHAREHOLDER TO SUBSCRIBE FOR ITS RIGHTS ENTITLEMENTS AND ALL OF THE RIGHTS SHARES UNSUBSCRIBED AT THE CLOSE OF THE RIGHTS ISSUE

1 INTRODUCTION

The Board of Directors (“**Board**” or “**Directors**”) of IFS Capital Limited (the “**Company**”) refers to the announcement released by the Company on 6 May 2016 in relation to the Rights Issue (“**Announcement**”). Unless otherwise defined, all terms and references used herein shall bear the same meanings ascribed to them in the Announcement.

2 CLARIFICATION OF THE PARTIES ACTING IN CONCERT WITH THE UNDERTAKING SHAREHOLDER AND MR. LIM HUA MIN

The Board refers to the Announcement and wishes to provide the following clarifications:-

- (a) The list of parties (“**Other Parties**”) presumed to be acting in concert with the Undertaking Shareholder and Mr. Lim Hua Min is as follows:-

Name	Relationship
Teo Yew Hock	Executive Director of Phillip Securities Pte Ltd
Chan Poh Yoke	Mother of Mr. Lim Hua Min
Lim Wah Lin	Brother of Mr. Lim Hua Min and Executive Director of the Undertaking Shareholder
Lim Wah Tong	Brother of Mr. Lim Hua Min and Executive Director of the Undertaking Shareholder
Lim Wah Sai	Brother of Mr. Lim Hua Min and Executive Director of Phillip Securities (HK) Limited
Lim May-Tjuen Lynette	Daughter of Mr. Lim Hua Min
Lim Hua Tiong	Brother of Mr. Lim Hua Min
Ling Hua Leong	Brother of Mr. Lim Hua Min
Lim Ai Choo	Sister of Mr. Lim Hua Min
Lim Siew Eng	Sister of Mr. Lim Hua Min
Lim Siew Hong	Sister of Mr. Lim Hua Min
Lee Soon Kie	Former Group Chief Executive Officer and Executive Director of the Company and also previously held directorships of various companies controlled by Mr. Lim Hua Min

- (b) As at the date of this announcement, the Other Parties who have an interest in the Shares is as follows:-

	Number of Shares		Total ⁽¹⁾ (%)
	Direct Interest	Deemed Interest	
Teo Yew Hock	413,260	-	0.27
Chan Poh Yoke	145,200	-	0.10
Lim Wah Lin	145,200	-	0.10
Lim Wah Tong	145,200	-	0.10
Lim Wah Sai	514,250	-	0.34
Lim May-Tjuen Lynette	14,520	-	0.01
Lee Soon Kie	992,900 ⁽²⁾	-	0.66

Notes:-

(1) Based on 150,387,866 Issued Shares.

(2) Based on the CDP shareholding list as at 30 June 2016.

In aggregate, the Undertaking Shareholder, Mr. Lim Hua Min and the Other Parties (collectively, the **"Concert Parties"**) have a direct and deemed interest in 63,860,487 Shares which represents 42.46% of the voting rights of the Company.

- (c) On the assumption that all the Entitled Shareholders subscribe for their respective pro rata entitlements to the Rights Shares and no new Share is issued on or prior to completion of the Rights Issue, upon completion of the Rights Issue, the Concert Parties will have an interest in 159,651,216 Shares, representing approximately 42.46% of the voting rights of the Company.
- (d) On the assumption that there is zero subscription application for the Rights Shares, no new Share is issued on or prior to completion of the Rights Issue and the Undertaking Shareholder subscribes for its rights entitlements and an excess application for all the Rights Shares excluding its rights entitlements, amounting to 225,581,799 Rights Shares, upon completion of the Rights Issue, the Concert Parties will have an interest in 289,442,286 Shares, representing approximately 76.99% of the voting rights of the Company.

3 RECEIPT OF WHITEWASH WAIVER FROM THE SECURITIES INDUSTRY COUNCIL

The Board wishes to announce that, on 20 May 2016, the Securities Industry Council granted the Whitewash Waiver subject to the following conditions:-

- (a) a majority of holders of voting rights of the Company approve at a general meeting, before the Rights Issue, the Proposed Whitewash Resolution by way of a poll to waive their rights to receive a general offer from the Concert Parties;
- (b) the Proposed Whitewash Resolution is separate from other resolutions;
- (c) the Concert Parties and parties not independent of the Concert Parties abstain from voting on the Proposed Whitewash Resolution;
- (d) the Concert Parties did not acquire or are not to acquire any Shares or instruments convertible into and options in respect of Shares (other than subscriptions for, rights to subscribe for, instruments convertible into or options in respect of new Shares which have been disclosed in the circular to Shareholders (**"Circular"**)):-

- (i) during the period between the Announcement and the date Shareholders' approval is obtained for the Proposed Whitewash Resolution; and
 - (ii) in the six months prior to the Announcement but subsequent to negotiations, discussions or the reaching of understandings or agreements with the Directors in relation to the Rights Issue;
- (e) the Company appoints an independent financial adviser to advise the Independent Shareholders on the Proposed Whitewash Resolution;
- (f) the Company sets out clearly in the Circular:-
 - (i) details of the Rights Issue, including the Irrevocable Undertaking;
 - (ii) the dilution effect of the issue of the Rights Shares to existing holders of voting rights;
 - (iii) the number and percentage of voting rights in the Company as well as the number of instruments convertible into, rights to subscribe for and options in respect of Shares held by the Concert Parties at the latest practicable date;
 - (iv) the number and percentage of voting rights to be acquired by the Concert Parties upon the acquisition of the Rights Shares;
 - (v) specific and prominent reference to the fact that the acquisition of Rights Shares by the Undertaking Shareholder pursuant to the Irrevocable Undertaking could result in the Concert Parties holding Shares carrying over 49% of the voting rights of the Company based on its enlarged issued share capital, and the fact that the Concert Parties will as a result be free to acquire further Shares without incurring any obligation under Rule 14 of the Singapore Code on Take-overs and Mergers to make a Mandatory Offer;
 - (vi) specific and prominent reference to the fact that the Independent Shareholders, by voting for the Proposed Whitewash Resolution, are waiving their rights to a Mandatory Offer from the Undertaking Shareholder at the highest price paid by the Concert Parties for the Shares in the past six months preceding the commencement of the offer;
- (g) the Circular states that the Whitewash Waiver is subject to the conditions stated in Paragraphs 3.1(a) to 3.1(f) above;
- (h) the Company obtains the approval of the Securities Industry Council in advance for those parts of the Circular that refer to the Proposed Whitewash Resolution; and
- (i) to rely on the Proposed Whitewash Resolution, the acquisition of Rights Shares by the Undertaking Shareholder must be completed within three months of the approval of the Proposed Whitewash Resolution.

4 RECEIPT OF IN-PRINCIPLE APPROVAL OF THE SGX-ST

The Board wishes to announce that the Company has, on 13 July 2016, received the in-principle approval ("AIP") of the SGX-ST for the dealing in, listing of and quotation for the 225,581,799 Rights Shares on the Mainboard of the SGX-ST.

The AIP is subject to the following conditions:-

- (a) compliance with the listing requirements of the SGX-ST;
- (b) the approval of Shareholders for the Rights Issue;

- (c) a written undertaking from the Company that it will comply with Rules 704(30), 815, 1207(20) of the Listing Manual in relation to the use of the proceeds from the Rights Issue and where proceeds are to be used for working capital purposes, the Company will disclose a breakdown with specific details on the use of proceeds for working capital in the Company's announcements on use of proceeds and in the annual report;
- (d) a written undertaking from the Company that it will comply with Rule 877(10) of the Listing Manual with regards to the allotment of any excess Rights Shares;
- (e) a written confirmation from financial institution(s) as required under Rule 877(9) of the Listing Manual that the undertaking shareholders who have given the irrevocable undertaking have sufficient financial resources to fulfil their obligations under its undertakings; and
- (f) compliance with all relevant laws and regulations in connection with the Rights Issue.

The AIP is not to be taken as an indication of the merits of the Rights Issue, the Rights Shares, the Company and/or its subsidiaries.

By Order of the Board

Chionh Yi Chian
Company Secretary
29 July 2016
Singapore