

APPENDIX DATED 4 APRIL 2022

THIS APPENDIX IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

IF YOU ARE IN ANY DOUBT AS TO THE CONTENTS HEREIN OR AS TO THE COURSE OF ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT, TAX ADVISER OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.

If you have sold or transferred all your shares in the capital of the Company held through The Central Depository (Pte) Limited (“**CDP**”), you need not forward this Appendix to the purchaser or transferee as arrangements will be made by CDP for a separate Appendix to be sent to the purchaser or transferee. If you have sold or transferred all your shares represented by physical share certificate(s), you should at once hand this Appendix, the Notice of AGM (as defined herein) and the proxy form (“**Proxy Form**”) to the purchaser or transferee or to the bank, stockbroker or agent through whom you effected the sale or transfer, for onward transmission to the purchaser or transferee.

This Appendix is circulated to the Shareholders (as defined in this Appendix) of IFS Capital Limited (the “**Company**”) together with the Company’s annual report for the financial year ended 31 December 2021 (the “**Annual Report**”). Its purpose is to explain to the Shareholders the rationale and provide information to the Shareholders for the Proposed Change of Auditors (as defined in this Appendix) to be tabled at the annual general meeting of the Company (the “**AGM**”) to be convened by electronic means on 22 April 2022 at 2.30 p.m.

The Notice of the AGM and the Proxy Form are enclosed with the Annual Report. This Appendix has been appended to the Annual Report, which has been made available on SGXNet and the Company’s website. A printed copy of this Appendix will not be despatched to Shareholders.

This Appendix has been prepared by the Company with assistance from RHTLaw Asia LLP. RHTLaw Asia LLP has not independently verified the contents of this Appendix.

The Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) assumes no responsibility for the accuracy of any statements or opinions made or reports contained in the Appendix.



(Incorporated in the Republic of Singapore)
Company Registration Number: 198700827C

APPENDIX TO SHAREHOLDERS IN RELATION TO THE PROPOSED CHANGE OF THE AUDITORS OF THE COMPANY FROM MESSRS KPMG LLP TO MESSRS ERNST & YOUNG LLP

DEFINITIONS

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

“ACRA”	: The Accounting and Corporate Regulatory Authority
“AGM”	: The annual general meeting of the Company to be convened by electronic means on 22 April 2022 at 2.30 p.m.
“Annual Report”	: The annual report of the Company for the financial year ended 31 December 2021
“Appendix”	: This appendix dated 4 April 2022
“Audit Committee”	: The audit committee of the Company, comprising Tam Chee Chong, Law Song Keng and Barney Lau Tai Chiau
“Auditors”	: The external auditors of the Company as appointed from time to time
“Board”	: The board of directors of the Company for the time being
“CDP”	: The Central Depository (Pte) Limited
“Companies Act”	: The Companies Act 1967 of Singapore, as amended, supplemented or modified from time to time
“Company”	: IFS Capital Limited
“Constitution”	: The constitution of the Company as amended, supplemented or modified from time to time
“Directors”	: The directors of the Company for the time being, and each a “Director”
“FY2021”	: The financial year ended 31 December 2021
“FY2022”	: The financial year ended or ending 31 December 2022
“Group”	: The Company and its subsidiaries
“Latest Practicable Date”	: 10 March 2022, being the latest practicable date prior to the finalisation of this Appendix
“Listing Manual”	: The Listing Manual of the SGX-ST as may be amended, supplemented or modified from time to time
“Notice of AGM”	: The notice of AGM to be held on 22 April 2022 at 2.30 p.m.
“Ordinary Resolution”	: The ordinary resolution in relation to the Proposed Change of Auditors
“Proposed Change of Auditors”	: The proposed change of Auditors from Messrs KPMG LLP to Messrs Ernst & Young LLP
“SGX-ST”	: Singapore Exchange Securities Trading Limited
“Shareholders”	: Registered holders of the Shares, except that where the registered holder is CDP, the term “Shareholders” shall, in relation to such Shares and where the context admits, mean

DEFINITIONS

the persons named as Depositors in the Depository Register maintained by CDP whose Securities Accounts are credited with those Shares

“Shares” : Ordinary shares in the capital of the Company

“Substantial Shareholder” : A person who has an interest or interests in one or more voting shares in the Company, and the total votes attached to that share, or those shares, is not less than 5% of the total votes attached to all the voting shares of the Company

“%” : Per centum or percentage

The terms **“Depositor”**, **“Depository Agent”** and **“Depository Register”** shall have the respective meanings ascribed to them in Section 81SF of the Securities and Futures Act 2001 of Singapore.

The terms **“subsidiary holdings”** and **“treasury shares”** shall have the respective meanings ascribed to them in the Listing Manual.

The term **“subsidiary”** shall have the meaning ascribed to it in Section 5 of the Companies Act.

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, where applicable, include corporations.

Any reference to a time of day in this Appendix shall be a reference to Singapore time unless otherwise stated. Any reference to any enactment is a reference to that enactment as for the time being amended or re-enacted.

Any term defined under the Companies Act or the Listing Manual, or any statutory modification thereof and used in this Appendix shall, where applicable, have the meaning ascribed to it under the Companies Act or the Listing Manual, or such modification thereof, as the case may be, unless otherwise provided.

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

Any reference to a date and/or time of day in this Appendix shall be a reference to Singapore time unless otherwise stated.

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

IFS CAPITAL LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration No. 198700827C)

Directors:

Mr Lim Hua Min (Chairman & Non-Executive Director)
Mr Randy Sim Cheng Leong (Executive Director & Group Chief Executive Officer)
Mr Barney Lau Tai Chiau (Lead Independent Director)
Mr Tam Chee Chong (Independent Director)
Mr Law Song Keng (Non-Executive Director)

Registered Office:

10 Eunos Road 8
#09-04A
Singapore Post
Centre Singapore
408600

4 April 2022

To: The Shareholders of IFS Capital Limited

Dear Sir / Madam,

THE PROPOSED CHANGE OF THE AUDITORS OF THE COMPANY FROM MESSRS KPMG LLP TO MESSRS ERNST & YOUNG LLP

1. INTRODUCTION

- 1.1. We refer to item 5 appearing in the Notice of Annual General Meeting. This item is an Ordinary Resolution ("**Resolution 5**") for the Proposed Change of Auditors.
- 1.2. The purpose of this Appendix is to explain the rationale for, and to provide Shareholders with the relevant information in connection with the Resolution 5 to be tabled at the AGM, and to seek Shareholders' approval for the resolution relating to the same. This Appendix has been prepared solely for the purpose set out herein and may not be relied upon by any persons (other than the Shareholders) or for any other purpose.
- 1.3. The SGX-ST assumes no responsibility for the accuracy of any statements or opinions made or reports contained in this Appendix.

2. THE PROPOSED CHANGE OF AUDITORS

2.1. Background and Rationale

- 2.1.1. At the last annual general meeting of the Company held on 23 April 2021, Messrs KPMG LLP was re-appointed as Auditors of the Company to hold office until the close of the next annual general meeting of the Company. Messrs KPMG LLP has been the Auditors of the Group for more than 30 years.
- 2.1.2. The Board and the Audit Committee are of the view that it is timely to effect a change of Auditors for the forthcoming FY2022 for the following reasons:
 - (a) Messrs KPMG LLP has been our Auditors for more than 30 years. The management is of the view that working with another audit firm may give us fresh insights that can support new business initiatives that the Company is pursuing.
 - (b) Messrs Ernst & Young LLP was selected for the proposed appointment after the Audit Committee invited and evaluated competitive proposals from various audit firms. The Audit Committee reviewed and deliberated on the proposals received from each of the audit firms, taking into consideration the Audit Quality Indicators Disclosure Framework introduced by the ACRA, and the criteria for the evaluation and selection of the external auditors contained in the Guidebook for Audit Committees in Singapore and the Audit Committee Guide issued by the Singapore Institute of Directors, including factors such as the adequacy of the resources and experiences of the audit firm to be selected and the audit engagement partner to be assigned to the audit, the audit firm's ability to tap into its

network for auditing an exchange, audit approach, transition plan, and the number and experience of supervisory and professional staff to be assigned. After evaluation, the Audit Committee recommended that Messrs Ernst & Young LLP be selected for the proposed appointment, on the basis that it best suits the current business and operational needs of the Company and its subsidiaries.

(c) The Proposed Change of Auditors is a matter of good corporate governance and will enable the Company to benefit from fresh perspectives and views of another professional audit firm, which will further enhance the value of the audit.

2.1.3. The financial statements of the Company are currently prepared in accordance with the Singapore Financial Reporting Standards (International) and the scope of audit services to be provided by Messrs Ernst & Young LLP will be comparable to the services currently provided by Messrs KPMG LLP.

2.1.4. In this regard, the Company's retiring Auditors, Messrs KPMG LLP, will retire and not seek re-appointment at the Company's AGM.

2.1.5. Messrs Ernst & Young LLP have on 25 March 2022 given their written consent to act as the Auditors, subject to the approval of the Shareholders at the AGM.

2.1.6. The appointment of Messrs Ernst & Young LLP would be effective upon obtaining the approval of Shareholders at the AGM. If approval is obtained, Messrs Ernst & Young LLP will hold office as the Auditors until the conclusion of the next AGM.

2.1.7. The Board wishes to highlight that the Proposed Change of Auditors is in no way the result of any disagreement with Messrs KPMG LLP or dismissal of Messrs KPMG LLP. The Directors wish to express their appreciation for the past services rendered by Messrs KPMG LLP.

2.2. Requirements under Rule 712 of the Listing Manual

2.2.1. Pursuant to Rule 712(1) of the Listing Manual, the Board and the Audit Committee, have considered the adequacy of the resources and experience of Messrs Ernst & Young LLP and the audit partner-in-charge assigned, the firm's other audit engagements, the size and complexity of the Group's operations, and the number and experience of supervisory and professional staff assigned to the audit. Messrs Ernst & Young LLP meets the requirements under Rule 712(2) of the Listing Manual as it is approved under the Accountants Act. Upon evaluation, the Board and the Audit Committee are satisfied that Messrs Ernst & Young LLP will be able to meet the audit requirements of the Group.

2.2.2. Pursuant to Rule 712(3) of the Listing Manual, the appointment of Messrs Ernst & Young LLP as the Auditors must be specifically approved by Shareholders in a general meeting. Accordingly, the appointment of Messrs Ernst & Young LLP would be effective upon the approval by Shareholders at the AGM to be held on 22 April 2022.

2.2.3. Pursuant to Section 205 of the Companies Act, a copy of the notice of nomination of the proposed new Auditors dated 18 March 2022 from a Shareholder shall be available for inspection at the registered office of the Company at during normal business hours from the date of this Appendix up to and including the date of the AGM.

2.3. Requirements under Rule 715 of the Listing Manual

2.3.1. The Board confirms that pursuant to the Shareholders' approval of the Proposed Change of Auditors, Messrs Ernst & Young LLP will become the Auditors of the Company and of its Singapore-incorporated subsidiaries and significant associated companies for FY2022 and going forward.

2.4. Requirements under Rule 1203(5) of the Listing Manual

2.4.1. In accordance with the requirements of Rule 1203(5) of the Listing Manual:

- (i) the Company had received a copy of the professional clearance letter from Messrs KPMG LLP dated 25 March 2022 to Messrs Ernst & Young LLP, confirming that they are not aware of any professional reasons why Messrs Ernst & Young LLP should not accept appointment as the new Auditors of the Company;
- (ii) the Board confirms that there were no disagreements with Messrs KPMG LLP on accounting treatments within the last 12 months from the date of this Appendix;
- (iii) the Board confirms that the Company is not aware of any circumstances connected with the Proposed Change of Auditors that should be brought to the attention of the Shareholders which has not been disclosed in this Appendix;
- (iv) the reasons for the Proposed Change of Auditors are disclosed in paragraph 2.1 of this Appendix above; and
- (v) the Board confirms that the Company is in compliance with Rules 712 and 715 of the Listing Manual in relation to the proposed appointment of Messrs Ernst & Young LLP as its new Auditors, after taking into account the various factors in paragraph 2.2 and 2.3 of this Appendix above.

2.5. Information on Messrs Ernst & Young LLP

- 2.5.1. Messrs Ernst & Young LLP registered with the ACRA and approved under the Accountants Act, is among the largest accounting firms in Singapore. Messrs Ernst & Young LLP has more than 130 years of experience providing audit, tax and professional services to Singapore and the global markets and employs more than 230,000 people globally including over 1,600 employees in the audit service line of the Singapore office. Messrs Ernst & Young LLP has relevant industry experience with audit clients with similar business activities to that of the Group, including companies listed on the SGX-ST in the industries of diversified investment, retail and distribution.
- 2.5.2. Mr Wilson Woo will be the audit partner-in-charge who will be assigned to lead the audit of the Company and its subsidiaries. He has more than 30 years of audit experience and is the Head of Assurance for Financial Service in Singapore.
- 2.5.3. The latest Practice Monitoring Programme review by the ACRA for Mr Wilson Woo is currently ongoing. The last completed inspection by the ACRA was in 2017, the Company noted that there is no adverse feedback.
- 2.5.4. For more information about Messrs Ernst & Young LLP, please visit <http://www.ey.com>.

2.6. Recommendation of the Audit Committee

- 2.6.1. The Audit Committee has reviewed the Proposed Change of Auditors and has taken into consideration the requirements under the Listing Manual. The Audit Committee has also noted that Mr Wilson Woo is currently undergoing the latest Practice Monitoring Programme review by ACRA and the last completed inspection by ACRA on Mr Wilson Woo was in 2017.
- 2.6.2. Having satisfied itself as to the suitability of Messrs Ernst & Young LLP, the Audit Committee recommends the Proposed Change of Auditors.

3. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

- 3.1. As at the Latest Practicable Date, the interests of the Directors and the Substantial Shareholders in the Shares, as recorded in the Register of Directors' Shareholdings and Register of Substantial Shareholders' Shareholdings of the Company are as follows:

	Number of Shares		Total Interest (%) ⁽¹⁾
	Direct Interest	Deemed Interest	
Directors			
Lim Hua Min	–	226,586,029	60.27
Randy Sim Cheng Leong	1,050,000	–	0.28
Tam Chee Chong	–	–	–
Law Song Keng	–	–	–
Barney Lau Tai Chiau	–	–	–
Substantial Shareholders			
Phillip Assets Pte. Ltd.	226,586,029 ⁽²⁾	–	60.27
Lim Hua Min	–	226,586,029 ⁽³⁾	60.27
Factorie, L.P.	25,773,280	–	6.86
Factorie Ltd	–	25,773,280 ⁽⁴⁾	6.86
Diamond GP Holdings Ltd.	–	25,773,280 ⁽⁵⁾	6.86
Dymon Asia Private Equity (S.E. Asia) Ltd	–	25,773,280 ⁽⁶⁾	6.86
DAPE Ltd	–	25,773,280 ⁽⁷⁾	6.86
Tan Keng Soon	–	25,773,280 ⁽⁸⁾	6.86
Dymon Asia Capital Ltd	–	25,773,280 ⁽⁹⁾	6.86
Yong Ming Chong	–	25,773,280 ⁽¹⁰⁾	6.86

Notes:

- (1) Based on 375,969,665 shares (excluding treasury shares and subsidiary holdings) in issue as at the Latest Practicable Date.
- (2) Deposited with the Depository Agent, Phillip Securities Pte. Ltd.
- (3) Lim Hua Min is deemed to have an interest in the 226,586,029 shares held by Phillip Assets Pte. Ltd.
- (4) Factorie Ltd is the general partner of Factorie, L.P. and is deemed to have an interest in the 25,773,280 shares held by Factorie, L.P.
- (5) Diamond GP Holdings Ltd. has a controlling interest in Factorie Ltd and is deemed to have an interest in the 25,773,280 shares held by Factorie, L.P.
- (6) Dymon Asia Private Equity (S.E. Asia) Ltd has a controlling interest in Diamond GP Holdings Ltd. and is deemed to have an interest in the 25,773,280 shares held by Factorie, L.P.
- (7) DAPE Ltd has a controlling interest in Dymon Asia Private Equity (S.E. Asia) Ltd and is deemed to have an interest in the 25,773,280 shares held by Factorie, L.P.
- (8) Tan Keng Soon holds more than 20% voting rights in DAPE Ltd and is deemed to have an interest in the 25,773,280 shares held by Factorie, L.P.
- (9) Dymon Asia Capital Ltd holds more than 20% voting rights in DAPE Ltd and is deemed to have an interest in the 25,773,280 shares held by Factorie, L.P.
- (10) Yong Ming Chong has a controlling interest in Dymon Asia Capital Ltd and is deemed to have an interest in the 25,773,280 shares held by Factorie, L.P.

4. DIRECTORS' RECOMMENDATIONS

The Directors are of the opinion that the Proposed Change of Auditors is in the interests of the Company. Accordingly, they recommend that Shareholders vote in favour of the ordinary resolution in respect of the Proposed Change of Auditors set out in the Notice of AGM.

5. ANNUAL GENERAL MEETING

- 5.1. The AGM, notice of which is appended to the Annual Report, will be held by way of electronic means on **22 April 2022** at 2.30 p.m. for the purpose of considering and, if thought fit, passing with or without modifications, the resolutions set out therein.

6. ACTIONS TO BE TAKEN BY SHAREHOLDERS

6.1. Alternative Arrangements for AGM

No physical attendance

Pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 (as amended from time to time), the AGM will be held by electronic means and Shareholders will NOT be allowed to attend the AGM in person. Alternative arrangements relating to attendance at the AGM via electronic means (including arrangements by which the meeting can be electronically accessed via live audio-visual webcast or live audio-only stream), submission of questions to the Chairman of the AGM in advance of the AGM, addressing of substantial and relevant questions prior to the AGM and voting by appointing the Chairman of the AGM as proxy at the AGM, are set out in the accompanying Company's announcement dated 4 April 2022. This announcement may be accessed at the Company's website at the URL <https://www.ifscapital.com.sg/annualgeneralmeetings#2022agm> and will also be made available on SGX-ST's website at the URL <https://www.sgx.com/securities/company-announcements>.

Shareholders may submit questions related to the resolutions to be tabled for approval at the AGM, including Resolution 5 for the Proposed Change of Auditors, in advance of the AGM, in the following manner by 5.00 p.m. on 12 April 2022: (a) via pre-registration website at the URL <https://online.meetings.vision/ifscapital-agm-registration>; (b) by email to ir@ifscapital.com.sg. The Company will endeavour to address all substantial and relevant questions submitted prior to the AGM by publishing the responses to such questions on the Company's corporate website and on SGXNet prior to the AGM.

Due to the constantly evolving COVID-19 situation, the Company may be required to change its AGM arrangements at short notice. Shareholders are advised to regularly check the Company's website or announcements released on SGXNet for latest updates on the AGM arrangements.

Appointment of Chairman of the AGM as Proxy

Shareholders (whether individuals or corporates) must appoint the Chairman of the AGM as his/her/its proxy to attend, speak and votes on his/her/its behalf at the AGM, if he/she/it wishes to exercise his/her/its voting rights at the AGM. In appointing the Chairman of the AGM as proxy, a Shareholder must give specific instructions as to his/her/its manner of voting, or abstentions from voting, in the Proxy Form failing which the appointment of the Chairman of the AGM as proxy and vote will be treated as invalid.

The Proxy Form may be downloaded from the Company's website at the URL <https://www.ifscapital.com.sg/annualgeneralmeetings#2022agm> and from SGX-ST's website at the URL <https://www.sgx.com/securities/company-announcements>. A Shareholder who wishes to submit an instrument of proxy must first download a copy of the Proxy Form from the Company's website or the SGXNet, and complete and sign the proxy form, before submitting it by post to the address provided below, or before scanning and sending it by email to the email address provided below. Due to the current COVID-19 situation in Singapore, members are strongly encouraged to submit completed proxy forms electronically via email.

The instrument appointing the Chairman of the AGM as proxy must be submitted to the Company in the following manner:

- (a) if submitted by post, be deposited at the Company's share registrar, M & C Services Private Limited, 112 Robinson Road #05-01, Singapore 068902; **or**
- (b) if submitted electronically, be submitted via email to gpe@mncsingapore.com,

in either case **by 2.30 p.m. on 19 April 2022, being 72 hours before the time appointed for the AGM.**

Central Provident Fund ("CPF") and Supplementary Retirement Scheme ("SRS") investors who wish to appoint the Chairman of the AGM as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 5.00 p.m. on 11 April 2022.

6.2. When Depositor regarded as Shareholder

A Depositor shall not be regarded as a member of the Company entitled to vote thereat unless his name appears on the Depository Register maintained by CDP pursuant to Part IIIA of the Securities and Futures Act at least 72 hours before the AGM.

6.3. No Despatch of Printed Copies of Appendix, Notice of AGM and Proxy Form

In line with the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020, no printed copies of the Appendix, the Notice of AGM and the Proxy Form in respect of the AGM will be despatched to Shareholders.

A copy of the Appendix is and the Notice of AGM will be disseminated to Shareholders by electronic means via publication on the Company's website at the URL <https://www.ifscapital.com.sg/annualgeneralmeetings#2022agm> and on SGX-ST's website at the URL <https://www.sgx.com/securities/company-announcements>. A Shareholder will need an internet browser and PDF reader to view these documents on SGXNet and the Company's website.

7. DIRECTORS' RESPONSIBILITY STATEMENT

- 7.1. The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Appendix and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Appendix constitutes full and true disclosure of all material facts about the Proposed Change of Auditors, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Appendix misleading.
- 7.2. Where information in the Appendix 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 those sources and/or reproduced in the Appendix in its proper form and context.

8. DOCUMENTS FOR INSPECTION

- 8.1. Copies of the following documents are available for inspection at the registered office of the Company during normal business hours from the date of this Appendix up to and including the date of the AGM:
 - (a) the Constitution;
 - (b) the annual report of the Company for FY2021;

- (c) the notice of nomination of the proposed new Auditors dated 18 March 2022 from a Shareholder;
- (d) the professional clearance letter from Messrs KPMG LLP; and
- (e) the written consent to act from Messrs Ernst & Young LLP.

8.2. In view of the movement restrictions pursuant to the COVID-19 (Temporary Measures) (Control Order) Regulations 2020, access to the registered office of the Company may not be possible during this period. Shareholders who wish to inspect the above documents should contact the Company so that arrangements can be made.

For and on behalf of the Board

Mr Lim Hua Min
Chairman
IFS Capital Limited