INFORMATION SHEET

SECURITIES LENDING SERVICES
(For Local & Foreign Shares)

輝立証券私人有限公司
PHILLIP SECURITIES PTE LTD
A member of PhillipCapital

250 North Bridge Road #06-00
Raffles City Tower Singapore 179101
Tel: +65 6531 1555 www.phillip.com.sg
Co. Reg. No. 197501035Z GST Reg. No. M2-0021956-2
For more information, please visit www.poems.com/sbl or email us at sbl@phillip.com.sg

Securities Lending Explained

If you hold securities, you can now lend* them out while waiting to sell at the right price. Our securities lending service acts as an avenue for you to earn a lending fee instead of letting your securities sit idle in your securities account. This service potentially enhances the yield of your portfolio in a relatively low risk manner. Furthermore, lending your securities will not cause any disruption to your trading activities as you can still sell your securities even if you have lent them**.

Rather than having your securities sit in your account without generating any income, why not transfer your shares into Phillip Securities and loan them out to stretch their potential?

* Securities lending involves a transfer of title. If you wish to retain voting rights, the shares will have to be recalled.
** Securities will have to be sold using your trading account with Phillip Securities Pte Ltd ("Phillip Securities").

Key Benefits of Securities Lending

- ☑ Potentially Enhances the Yield of your Portfolio – Receive a lending fee (on a monthly basis) when your securities are loaned out
- ☑ No Minimum Lock-in Period – Loan out your securities for only durations that you are comfortable with
- ☑ No Disruption to your Trading Activities - Sell at any time even if your securities are loaned out
- ☑ Hassle-Free – All administrative work will be handled by Phillip Securities

Risks Involved in Securities Lending

- Counterparty Risk - However, this risk is mitigated in that a lender only looks to Phillip Securities, a reputable financial institution, as the borrower. Phillip Securities in turn requires the borrowing clients to provide collateral of at least 105% of the market value of the loan when it on-lends securities to them.

- Temporary Loss of Ownership Rights – When entering a lending agreement, a lender will temporarily lose ownership rights to the securities. In its place, the lender has a right to claim for equivalent securities from Phillip Securities. As the lender receives manufactured dividends, he / she may be required to treat the entire amount received as income for tax purposes.

Mechanics of Securities Lending

How to be ready to lend?

1. To make your existing securities that are custodised in your direct securities account with the Central Depository Pte Ltd (CDP) available for loan, you will need to transfer those securities from your direct securities account to your SBL account by submitting a "*CDP 4.2 Request for Transfer of Securities*" form.

2. To make your new purchases under trading accounts that are linked to your CDP available for lending, simply inform your trading representative (TR) no later than 5pm on T+1 and the securities purchased will be credited to your SBL account on settlement day. Funds have to be in your

SBL account by 10am on the contract due date to settle the purchase.

3. **All securities custodised with or in possession of Phillip Securities (including the ones in any other account(s) you may have with Phillip Securities) will also be made eligible for this on-lend service**.

How is the lending fee calculated?

Lending fee receivable is calculated on a daily basis and accrued on a monthly basis.

Daily lending fee is calculated by using the formula below:

$$\frac{\text{LDP x Qty x Lending Rate}}{365}$$

Where: LDP = Last Done Price (at closing)

This fee earned will be credited into your trading account / SBL account in the following month.

How will you know that your securities are lent?

You may view by logging into POEMS online under Scrip position for the securities and quantity that is loaned out.

For client who transferred shares into your SBL account, you can check your lending position by logging into POEMS Online, in the SBL module at www.poems.com.sg , which sets out the securities lent, quantity as well as the lending rate secured.

Schedule of Charges

Description	Charges[1]
CDP Transfer Fee (deposit / withdrawal of shares for individual direct securities account)	SGD 20 per counter
Custody Fee	NIL
Contract Settlement Fee	SGD 0.35 per contract
Negative (debit) Cash Ledger Interest SGD USD HKD GBP	 6% p.a. 7% p.a. 7% p.a. 6% p.a.

[1]All fees and charges shown are subject to GST.
Standard Brokerage fees apply.
Charges are subject to change. Please refer to www.poems.com.sg for more information and updates.

Credit Interest, if any will be paid on the full amount when it exceeds the stipulated limit as follow:

Amount	Interest on Credit Balance
> SGD 50,000	0.2% p.a.
> USD 50,000	0.5% p.a.
> HKD 50,000 ≤ HKD 200,000 > HKD200,000	0.2% p.a. 0.2% p.a.
> AUD 50,000	0.3% p.a.
> MYR 50,000	0.3% p.a.

Disclaimer

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