

FREQUENTLY ASKED QUESTIONS (FAQs) ON NEW ALTERNATIVE CHANNEL TO SELL SPECIAL DISCOUNTED SINGAPORE TELECOM (SINGTEL) SHARES

A. GENERAL

Q1. Why is it necessary to discontinue the ATC service provided by DBS Bank?

A1. *The ATCs were set up in 1993 to allow SingTel shareholders, who did not have trading accounts, to sell their shares ATCs were gradually closed due to low trading volumes and cost factors. By May 2003, only one ATC remained, and this was located at DBS' Shenton Way Branch. It is not financially viable to continue the ATC service. [Source: SGX with DBS Bank's concurrence.]*

Q2. Who will provide the new service and for how long will it be available?

A2. *Singapore Post (SingPost) has been appointed as the facilitating agent for members who wish to sell their discounted SingTel shares. As it is not a financial institution, SingPost has teamed-up with Phillip Securities which will handle the backend brokerage work for the sale of discounted SingTel shares. SingPost will offer this new service to members from 1 April 2005 to 31 March 2007. Members may submit their sale applications at all 62 post offices from 1 April 2005. They may also sell their shares through their brokers if they have existing trading accounts.*

Q3. What happens after the SingPost service ends on 31 March 2007?

A3. *After the SingPost arrangement ends on 31 March 2007, members will need to open trading account with brokers (if they do not have one) and trade through the brokers if they decide to sell their shares. A list of brokers can be found on SGX's website at www.sgx.com*

B. PROCEDURE FOR NEW SERVICE

Q4. Where can I obtain the sales Application Form? Do I need to submit the Application Form personally at the post offices or can I authorise someone to submit the Application Form on my behalf or submit the form electronically?

A4. *You are required to obtain and submit the sales Application Form personally at any one of the 62 post offices. You will need to sign the Application Form in the presence of the post office staff, who will act as the witness.*

However, if you are unable to submit the Application Form in person at the post office (e.g. you are overseas or due to medical or other reasons), you may appoint another person to submit the Application Form on your behalf. The authorised person is required to obtain your signature on the Application Form and bring his and your NRIC to perform the transaction at the post office. He will

also need to countersign on the Application Form in the presence of the post office staff.

Q5. Can I download the application form from SingPost's website for use?

A5. *Application Forms downloaded from SingPost's website can only be used as reference. The actual Application Forms are designed in three ply to facilitate processing. You or the authorised person must obtain and complete the Application Forms that are provided at the post offices.*

Q6. I had earlier renounced my Singapore citizenship and my NRIC but I am still holding my discounted SingTel shares. What can I do to sell the shares? Can I authorise someone to sell on my behalf?

A6. *You will need to produce documentary evidence of the renunciation when you approach the post offices to sell your shares. You will also need to bring your current foreign passport. The transaction will be executed based on your original NRIC number.*

However, if you are unable to submit the Application Form in person at the post office because you are residing overseas, you may appoint another person to submit the Application Form on your behalf. The authorised person is required to obtain your signature on the Application Form and bring a photocopy of your current foreign passport, a photocopy of the letter of renunciation of Singapore citizenship from Immigration & Checkpoints Authority (ICA) and his NRIC to perform the transaction at the post office. He will also need to countersign on the Application Form in the presence of the post office staff.

Q7. Do I need to produce documentary evidence of my shareholdings before I can sell them at the post offices? How do I check the number of discounted SingTel shares that I have?

A7. *The staff at the post office will check the number of SingTel shares against CPF Board's records electronically when you submit your Application Form at the post office. There is no need for you to produce any documentary evidence of your shareholdings.*

However, if you wish to check your SingTel shareholdings, you can refer to your latest CPF Statement of Accounts. Alternatively, you can access your statement online via the CPF website (www.cpf.gov.sg).

Q8. How updated is the CPF Board's record on my SingTel shareholdings?

A8. *CPF Board's record should be the most updated. However, if you have recently sold your shares, it will take 3 to 4 trading days for the shareholdings information to be updated in the Board's records.*

Q9. Can I sell only part of my total SingTel shares? Is there a minimum?

A9. *The minimum number of shares that you can sell at the post offices is 10 shares. This is to ensure that there is sufficient sale proceeds to cover the fees relating to the sale transaction. However, you will need to incur transaction and brokerage fees again when you sell the balance of your shares the next time.*

Q10. Must I sell my SingTel shares in multiple of 10s or will the post office accept an order of odd-lot shares (e.g. 17 shares)?

A10 *The shares need not be in multiples of 10. The post offices will accept any number of shares as long as it is not below 10.*

Q11. To guard against disputes in the event of misplaced Application Forms, would the post office issue an "acknowledgement" when I submit my application form?

A11. *The post office will issue you with a copy of your Application Form as an acknowledgement slip before you leave the counter.*

Q12. How soon will my Application Form be processed and at what share price?

A12. *SingPost will forward your Application Form to Phillip Securities for processing. The sale transaction should be executed between the second and fourth trading day from the date the post office receives your Application Form. The sale price is based on the prevailing market price at the time that the sale is executed.*

Q13. Why does SingPost need to up to T + 4 trading days to execute my sale transaction?

A13. *Although SingPost collects your sale Application Form, it does not execute the sale transaction. Your form will need to be collated with other forms before it is being sent to its partner, Phillip Securities, to execute the sale transaction. This is the timeframe required for such an arrangement. [Source: SingPost]*

Q14. Why is SingPost unable to determine the sale price and execute the sale transaction when I submit the application form at its post office as compared to the ATCs?

A14. *SingPost does not provide brokerage services and will need to forward your Application Form to its partner, Phillip Securities, to execute the sale transaction.*

Hence, it is unable to determine the sale price at the point of accepting your Application Form. If you wish to determine the sale price, you may sell your shares through any of the retail brokers. However, the brokerage fee would be based on the broking firm's market rate, which is 0.5% of the trade value and subject to a minimum of \$40.

Q15. Can I check the estimated market sales price with the post office staff?

A15. Yes, the staff would be able to advise you on an indicative pricing when you submit your Application Form at the post office.

Q16. Is it possible for Phillip Securities not to execute the sale of my shares if the share price were to drop significantly, say by 20% after I have submitted my Application Form at the post office so as to protect my financial interest? Alternatively, can I revoke my sales instruction within the same day or the next day of submitting the form?

A16. No, you will have to bear the risk of a drop in the share price once you have submitted your Application Form at the post office.

Q17. How can I check whether my sales application has been executed and at what sale price?

A17. You can call SingPost at its general hotline number 1605 or visit any post offices to check the status of your sales application if you have not received the sales contract seven trading days after you have submitted the form at the post office. The officers will take down your particulars and queries and you will be informed of the status once SingPost has checked on the status. However, SingPost will not be able to advise you on the sales price executed since the trade was executed by Phillip Securities.

Q18. How soon will the sale proceeds be credited into my CPF Account and how will I be informed?

A18. The proceeds from the sale of your discounted SingTel shares will be credited to your CPF Ordinary Account on the third trading day after Phillip Securities has executed the sale transaction. CPF Board will send you a statement to confirm the crediting of the proceeds into your CPF Account. Phillip Securities will also send you a contract note containing the details relating to the sale transaction.

Q19. How many transactions can SingPost process in a day? Is there a limit?

A19. SingPost has not set a limit on the number of transactions that they can accept at the post offices in a day.

Q20. Can I sell other shares (including SingTel B shares) at the post offices?

A20. No, this special arrangement with SingPost is only for discounted SingTel shares held in your CPF Account. To sell other shares, you would need to trade through the brokers.

Q21. If I have a trading account with Phillip Securities, can I still use the post offices as the collecting agent to trade and thus benefit from the lower cost?

A21. Yes.

Q22. If I have a trading account with any other brokerage firm, can I still visit the post office to sell my discounted SingTel shares?

A22. Yes.

C. WITHDRAWAL OF CPF SAVINGS

Q23. I am above age 55 and eligible to withdraw my CPF savings, including the sale proceeds of my discounted SingTel shares. Can I also complete and submit my CPF withdrawal forms together with my sale Application Form to sell the shares at the post offices?

A23. You are required to submit your CPF Withdrawal Form directly to CPF Board.

Q24. I am above age 55. Can CPF Board automatically pay out the sales proceeds to me if the Board has recent records of my withdrawal application instead of requiring me to make a new withdrawal application?

A24. If you have given a standing instruction to CPF Board to withdraw your CPF savings on an annual basis, the sale proceeds will be automatically paid to you together with your other CPF savings on the anniversary of your withdrawal if you meet the conditions for CPF withdrawal.

D. FEES PAYABLE

Q25. How much is the fee payable for selling my discounted SingTel shares through the post offices? How do I pay the fee?

A25. For each sale transaction, you will need to pay:

- a flat fee of \$17.95*
- CDP Clearing Fee of 0.05% of trade value, and*
- SGX Trading Fees of 0.0075% of trade value*

GST is payable on all these fees. These fees are automatically offset from your sale proceeds. You need not pay the fees in cash.

Q26. Why do I need to pay SGX trading fees under the SingPost / Phillip Securities channel but not under the ATC channel?

A26. Sales transactions handled by SingPost / Phillip Securities passes through the SGX trading system unlike sales transactions handled by the ATC. Hence, SGX trading fees are payable.

Q27. If I bypass SingPost and approach Phillip Securities directly, would I still receive the same fee of \$17.95?

A27. The flat fee of \$17.95 is a special rate offered to CPF members who sell their discounted SingTel shares at the post offices. If you were to approach Phillip Securities directly, the market brokerage rate of 0.5% of trade value, subject to a minimum of \$40 would be applicable.

Q28. Are the fees higher or lower compared to what I would have paid under the ATC arrangement?

Q28. The fees under the new arrangement are generally lower for the majority of CPF members.

Q29. Can special arrangements be made for older CPF members (e.g. those above 55 or 62) to pay a lower fees, especially as some may not have employment income?

A29. The fees payable by members are already lower than the market rate charged by retail brokers.