



EMPERADOR INC.

7th Floor, 1880 Eastwood Avenue, Eastwood City CyberPark, Bagumbayan, Quezon City, Metro Manila
Tel Nos. 87092038 to 41

14 July 2022

THE PHILIPPINE STOCK EXCHANGE, INC.

6/F PSE Tower
5th Avenue corner 28th Street
Bonifacio Global City, Taguig City
Philippines 1634

Attention: **Hannah Abigail R. De Guzman**
Analyst, Disclosure Department

Re : **Secondary Listing on SGX-ST**

Dear Ms. De Guzman,

We write in response to the Exchange's query on the clearance and settlement procedures as indicated in Emperador Inc.'s Introductory Document dated June 20, 2022 filed with Singapore Exchange Securities Trading Limited (the "SGX-ST"). Our responses are as follows:

1. With regard to the relationships of the participants to the clearing and settlement process, please specify the role of each entity and identify their counterparts under the Philippine capital markets setting.

SGX Entity	Role	Counter-part Entity	Philippine
CDP	Depository and clearing organisation	Philippine Depository & Trust Corporation ("PDTC")	
Depository Agent	An entity which establishes an account in its name with CDP, deposits book-entry securities with CDP on behalf of sub-account holders and performs services as a depository agent for sub-account holders.	A Philippines broker, custodian bank, and other corporations or institutions that have their own PDTC account (" PDTC Participant ")	
CDP Depositor	Investors which have a direct account with CDP or the Depository Agent but does not include sub-account holders	Investors which have a direct account with PDTC	

For completeness, the Singapore Custodian and Philippines Custodian are not specific participants to the clearing and settlement process.

2. On the “settlement of trades on a normal ‘ready’ basis”, please clarify when is the settlement date and when is the payment date. In the introductory document, there appears to be an inconsistency in the statement that settlement “takes place on the second Market Day following the transaction date (T+2), and payment for the securities is generally settled on the following business day”.

Settlement of trades on the SGX-ST takes place on a T+2 market day basis, where T refers to the transaction date. The second part of the sentence “payment for the securities is generally settled on the following business day” is to clarify that generally, particularly for retail, payment for the securities between brokers and their clients is settled on the following business day of the transaction date, being T+1. For avoidance of doubt, the actual settlement of trades on the SGX-ST between buyer and seller will take place on T+2.

3. Under the diagram regarding the clearing mechanism of share transfers from PSE to SGX, please explain this part: “If the Shareholder holds a securities sub-account with a Depository Agent.” Who is the “Depository Agent” referred to here? We note that in the introductory document, the term refers to either a “member-company of the SGX-ST, bank, merchant bank, or trust company.” Please also explain who can be member-companies of SGX-ST and the difference between a bank and a merchant bank.

Please see our response to 1. above for a description of the role of the Depository Agent.

A member-company refers to either a trading member or clearing member. The market participant must apply to become a member of the SGX-ST and comply with various capital, financial and licensing requirements. For example, market participants who opt to provide both trading and clearing services by being a member of both SGX-ST and CDP must maintain a minimum base capital of S\$5m and possess a capital markets services licence if they are operating within Singapore. Please see <https://www.sgx.com/jianguan/memberships> for further details on the various memberships as well as <https://www.sgx.com/regulation/memberships/list-member-firms> for the current list of member firms.

Generally, banks refer to full banks which undertake activities such as deposit taking, cheque services and lending. Merchant banks generally undertake activities such as corporate finance advisory, underwriting of share and bond issues as well as mergers and acquisitions. For further details on the differences between banks and merchant banks, please see <https://www.mas.gov.sg/regulation/Banking/Types-of-Deposit-Taking-Institutions>.

Thank you.

Very truly yours,

EMPERADOR INC.

By:



Anna Michelle T. Llovido
Corporate Secretary