



**SINGAPORE POST LIMITED**  
("SingPost" or the "Company")  
(Incorporated in the Republic of Singapore)

**MINUTES OF THE 25<sup>TH</sup> ANNUAL GENERAL MEETING ("AGM")  
OF SINGAPORE POST LIMITED HELD ON  
THURSDAY, 20 JULY 2017 AT 2.30 P.M.  
AT LEVEL 3, NICOLL 1-3,  
SUNTEC SINGAPORE CONVENTION & EXHIBITION CENTRE,  
1 RAFFLES BOULEVARD, SUNTEC CITY, SINGAPORE 039593**

**PRESENT**

Mrs Fang Ai Lian	Chairperson of the AGM, Lead Independent Director and Chairperson of Audit Committee ("Chairperson")
Mr Paul William Coutts	Director, Group Chief Executive Officer ("Group CEO")
Mr Bob Tan Beng Hai	Director, Chairman of Compensation Committee
Mr Zulkifli Bin Baharudin	Director, Chairman of Nominations and Corporate Governance Committee
Ms Aliza Knox	Director
Ms Elizabeth Kong Sau Wai	Director
Mr Chen Jun	Director
Ms Lim Cheng Cheng	Director
Mr Steven Robert Leonard	Director

**ABSENT WITH APOLOGIES**

Mr Simon Claude Israel	Chairman of the Board of Directors
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**IN ATTENDANCE**

Mr Mervyn Lim	Deputy Group CEO (Corporate Services) & Group Chief Financial Officer ("Group CFO")
Mr Woo Keng Leong	Chief Executive Officer ("CEO"), Postal Services
Mr Sam Ang	CEO, Quantum Solutions and Famous Holdings
Mrs Genevieve Tan McCully	Group Company Secretary

**BY INVITATION**

Mr Daniel Khoo	Audit Partner, PricewaterhouseCoopers LLP
Ms Yap Lune Teng	Partner, Allen & Gledhill LLP

## **SHAREHOLDERS, PROXIES, CORPORATE REPRESENTATIVES, OBSERVERS, INVITEES**

As per Attendance Lists.

### **1. Introduction**

- 1.1 Mrs Genevieve Tan McCully, the Group Company Secretary, informed shareholders that the Board Chairman, Mr Simon Israel was hospitalised that morning and therefore absent with apologies. The Board and Management wished him a speedy recovery. In his absence, the Directors present at the AGM have elected the Lead Independent Director, Mrs Fang Ai Lian, to chair the AGM. The Directors, Management and advisors were introduced and procedures for the AGM highlighted to shareholders.

The AGM was thereafter handed over to the Chairperson.

### **2. Welcome Remarks By the Chairperson**

- 2.1 The Chairperson greeted and thanked everyone present for their attendance. She welcomed Ms Elizabeth Kong, Mr Bob Tan, Mr Paul Coutts, Ms Lim Cheng Cheng and Mr Steven Leonard to their first SingPost AGM.

She informed that Mr Simon Israel would have been at the rostrum but for his hospitalisation. She explained that he had prepared well for the AGM including his speech and she proceeded in his absence, to deliver the speech on his behalf. A copy of Mr Simon Israel's speech, which was announced via SGXNet after the close of trading, is annexed hereto as Annex 1.

### **3. Presentation by Group Chief Financial Officer**

- 3.1 Mr Mervyn Lim, the Group CFO, presented on the business operations, impairment on TradeGlobal and performance of the Group, details of which are set out in the slides attached hereto as Annex 2. The slides were announced via SGXNet after the close of trading.

### **4. The Group Chief Executive Officer's Speech**

- 4.1 Mr Paul Coutts, the Group CEO, thanked the Chairperson for delivering Mr Simon Israel's speech and the Group CFO for running through the numbers. He shared his first impressions of SingPost. His speech included his plans to update the business strategy, innovations at SingPost and its US businesses.

He also identified his top three priorities namely integrating investments which SingPost has made, updating the business strategy and ensuring good stewardship. A copy of Mr Paul Coutts's speech, which was announced via SGXNet after the close of trading, is annexed hereto as Annex 3.

**5. Quorum**

5.1 The Secretary confirmed that there was sufficient quorum to constitute the AGM as required under Article 56 of the Company's Constitution.

5.2 The Chairperson then proceeded to commence with the business of the AGM.

**6. Notice of AGM**

6.1 The Notice of AGM dated 28 June 2017 convening the AGM was agreed to be taken as read.

6.2 Pursuant to Rule 730A(2) of the Listing Manual of the Singapore Exchange Securities Trading Limited, the Chairperson exercised the right under Article 61(a) of the Company's Constitution to direct that voting on each of the resolutions as set out in the Notice of AGM be conducted by way of poll. The Chairperson informed shareholders that polling would be conducted electronically.

6.3 The Chairperson informed shareholders that RHT Corporate Advisory Pte Ltd has been appointed as scrutineers for the conduct of the poll.

6.4 Mr Raymond Ang of RHT Corporate Advisory Pte Ltd informed shareholders that the electronic poll voting services were provided by Trusted Source Pte Ltd and apprised shareholders of the procedures for voting by poll.

6.5 Shareholders voted on a test resolution to ensure that the devices were working properly. Mr Raymond Ang declared the test resolution carried based on the results.

6.6 Mr Raymond Ang announced that certain members had appointed the Chairperson to vote on their behalf, and that the Chairperson would be voting for or against certain resolutions to be voted on at the AGM, according to such members' instructions.

## AS ORDINARY BUSINESS

### 7. **Ordinary Resolution No. 1 – To receive and adopt the Audited Financial Statements for the financial year ended 31 March 2017, and the Directors' Statement and Independent Auditor's Report thereon**

7.1 The Chairperson proposed the following motion:

"THAT the Audited Financial Statements of the Company for the financial year ended 31 March 2017, Directors' Statement and Independent Auditors Report thereon, be and are hereby approved and adopted."

7.2 The Chairperson invited questions from shareholders.

7.3 Mr Raymond Lee referred to the Summary Report of the Review of Processes in the Acquisition of TradeGlobal Holdings, Inc. ("**Summary Report**") which the Company had publicly released on 17 July 2017. He expressed his disappointment with the observations made in the Summary Report that (i) there was an asymmetrical flow of information which had resulted in the Board not being in the position to fully consider or debate certain material risks relating to the acquisition; (ii) no finalised commercial due diligence report was issued; and (iii) valuation was based on aggressive forecasts and not on historical values. He inquired why the identity of the Financial Adviser was not disclosed in the Summary Report and whether any of the Directors had any interest in the Financial Adviser. He also requested that an explanation be given by independent directors Ms Aliza Knox and Mr Zulkifli Bin Baharudin who were serving on the Board at the time of the acquisition.

7.4 The Chairperson explained that the Summary Report does not discuss individual roles and is not directed at any individual. All Directors currently on the Board are relevant to the Board in terms of their skill sets and experience and continue to contribute to the Board.

7.5 Ms Elizabeth Kong reiterated that the Summary Report is focused on the processes surrounding the acquisition. Details surrounding the roles and responsibilities of the individuals would be in the full report which will be handed to the authorities. In the meanwhile, shareholders are advised not to make any inference of any wrong doing by any one or more individuals who were involved in the acquisition. She explained that the Company was not able to disclose the identity of the Financial Adviser because SingPost did not have the consent of the Financial Adviser to do so. She further informed that none of the Directors had an interest in the Financial Adviser.

7.6 Mr Raymond Lee clarified that his questions were directed at Ms Aliza Knox and Mr Zulkifli Bin Baharudin only because they were on the Board at the time of the acquisition. He was not alleging in any way that they were at fault.

Mr Zulkifli Bin Baharudin acknowledged that the questions were fair. He explained that he had thought long and hard whether to remain on the Board. He informed that his decision as an independent director to approve the acquisition of TradeGlobal was based on information presented to him then. He had decided that he could contribute by remaining on the Board. As Chairman of the Nominations and Corporate Governance Committee, he has helped in the transformation of the Board by adding many new members to the Board. He has availed himself to answering questions and has readily answered questions by the new Directors.

7.7 Mr Frederick Tan Beng Chuan asked whether the Company could claim equitable remedies from former board directors.

7.8 Ms Elizabeth Kong explained that the Board will consider whether any claims can be made against third parties, Directors and Management. The decision will not be taken lightly and shareholders' best interest will be at the forefront of any such decision. In the meantime, Ms Elizabeth Kong reiterated that shareholders are reminded not to infer that there is wrong doing by any one or more particular individuals.

7.9 The Board noted Mr David Chan's comment that disagreements within the Company should be escalated internally and addressed promptly by the Board rather than to be resolved only after notification by an external whistleblower.

7.10 The Board also noted Mr Sunny Tan Keng Sooi's opinion on the need for greater acceleration in the board renewal process.

7.11 Mr Tan See Peng referred to pages 244 and 245 of the Annual Report and inquired whether the Company has considered currency hedging to mitigate its risk exposure. The Group CFO informed that the Company has a hedging policy in place.

7.12 Mr Tan See Peng next referred to the Chairman's letter to shareholders at page 10 of the Annual Report. Noting the reference to shifts in consumer patterns in the area of fashion apparel retail, he suggested that SingPost considers addressing such challenges with big data and artificial intelligence. The Group CEO replied that SingPost would keep an eye out for opportunities.

- 7.13 Mr Kuek Chiang Chai inquired on the number of pieces of airmail which would make one kilogram. Mr Woo Keng Leong, CEO, Postal Services informed that it would depend on the weight of the airmail. The answer would be 20 pieces if based on air letters which weigh 50g each.
- 7.14 Mr Kuek Chiang Chai expressed his puzzlement over losses earlier highlighted by the Group CFO as he was of the view that the profit margin should be fairly high for airmail. The Group CFO clarified that the reduction he earlier referred to was in reference to domestic mail. He explained that the volume of domestic mail which traditionally enjoyed a higher profit margin compared to international mail had fallen so the blended profit margin has correspondingly decreased.
- 7.15 The Chairperson noted Mr Henry Ho's feedback for future Annual Reports to be larger in physical size to reduce flipping between the pages, especially for the financial statements section.
- 7.16 Mr Henry Ho also wished to record his unhappiness with the performance of the Board, based on the outcome of the TradeGlobal acquisition.
- 7.17 Mr Bob Tan replied that he understood the sentiments from the floor. He mentioned, however, that the impairment should be looked at in context. Firstly, the acquisition of TradeGlobal was made in line with the Company's strategy to develop an ecommerce logistics business that can go global and help to make up for its declining domestic postal business. TradeGlobal was identified as an ecommerce logistic company with a good reputation in the United States. As for the impairment, besides the question of pre-acquisition valuation, there were also unexpected events such as the loss of two major customers that occurred post-acquisition. Mr Bob Tan noted that the Summary Report addresses systemic issues. The full report will contain details on how the acquisition was carried out and the people involved. Hence, he cautioned against pre-judging the roles played by individuals from this Summary Report.
- 7.18 Mr Henry Ho urged the Board to exercise great transparency in the review of the TradeGlobal acquisition. Ms Elizabeth Kong assured him that the decision to commission the review was prompted by the importance of ensuring transparency and accountability to stakeholders.
- 7.19 Mr Teng Chai Hai inquired whether any of the current Directors have experience in the logistics industry. The Chairperson answered that Mr Zulkifli Bin Baharudin and Alibaba's nominated Director Mr Chen Jun were both in the logistics business.
- 7.20 Mr T.N. Srinivasan informed that he had encountered mail delivery issues. Arrangements were made for the Company's Group Customer Service to follow up on his feedback.

- 7.21 Mr Long Tian Shiun questioned whether any Director had personally benefitted from the TradeGlobal acquisition. Ms Elizabeth Kong informed that as an exception to the Company not making any comment on the full Report, she can state that from what has been seen, there was no issue of any personal gain by Directors.
- 7.22 Mr Sunny Tan Keng Sooi inquired about the ownership and access to residential letterboxes and informed that he did not wish to receive flyers. CEO, Postal Services explained that SingPost did not own the letterboxes and that SingPost will look into his request not to receive flyers.
- 7.23 Mr Henry Ho observed that Alibaba has set up a logistic hub in Malaysia and inquired on the risk and impact of this development on SingPost. Mr Chen Jun informed that the past two to three years have been challenging. Notwithstanding, Alibaba had increased its shareholding in SingPost as scheduled. He explained that this is because as a strategic investor, Alibaba seeks long-term commercial synergy with SingPost. Alibaba remains confident that the partnership with SingPost will be a success.
- 7.24 As there were no further questions, the Chairperson proceeded to put Resolution 1 to the vote by poll.
- 7.25 The poll results for Resolution 1 were as follows:

For		Against	
No. of Shares	%	No. of Shares	%
976,408,708	99.98%	211,407	0.02%

- 7.26 Based on the results of the poll, the Chairperson declared Resolution No. 1 carried and proceeded to the next item on the Agenda.
- 8. Ordinary Resolution No. 2 – To declare a final tax exempt one-tier dividend of 0.50 cents per ordinary share**
- 8.1 The Chairperson proposed the following motion:
- “THAT a final tax exempt one-tier dividend of 0.50 cents per ordinary share in respect of the financial year ended 31 March 2017, to be paid on 10 August 2017 as recommended by the Directors, be and are hereby approved.”
- 8.2 The Chairperson invited questions from shareholders. As there were no questions, the Chairperson proceeded to put Resolution 2 to the vote by poll.

8.3 The poll results for Resolution 2 were as follows:

For		Against	
No. of Shares	%	No. of Shares	%
980,146,628	99.84%	1,536,216	0.16%

8.4 Based on the results of the poll, the Chairperson declared Resolution No. 2 carried and proceeded to the next item on the Agenda.

8.5 As the next resolution related to the Chairperson's re-election, the Chairperson proposed that Chairman of the Nominations and Corporate Governance Committee, Mr Zulkifli Bin Baharudin takes over the chair of the proceedings for the next resolution.

8.6 Mr Zulkifli Bin Baharudin took over the proceedings in respect of Ordinary Resolution No. 3.

**9. Ordinary Resolution No. 3 – To re-elect Mrs Fang Ai Lian as Director**

9.1 Mr Zulkifli Bin Baharudin proposed the following motion:

“THAT Mrs Fang Ai Lian, who retires in accordance with Article 97 of the Company's Constitution and, being eligible for re-election, be and is hereby re-elected as a Director of the Company.”

9.2 Mr Zulkifli Bin Baharudin invited questions from shareholders. As there were no questions, Mr Zulkifli Bin Baharudin proceeded to put Resolution 3 to the vote by poll.

9.3 The poll results for Resolution 3 were as follows:

For		Against	
No. of Shares	%	No. of Shares	%
981,992,705	99.95%	517,059	0.05%

9.4 Based on the results of the poll, Mr Zulkifli Bin Baharudin declared Resolution No. 3 carried.

9.5 Mr Zulkifli Bin Baharudin handed the proceedings back to the Chairperson.



**10. Ordinary Resolution No. 4 – To re-elect Ms Elizabeth Kong Sau Wai as Director**

10.1 The Chairperson proposed the following motion:

“THAT Ms Elizabeth Kong Sau Wai, who retires by rotation under Article 97 of the Company’s Constitution and, being eligible for re-election, be and is hereby re-elected as a Director of the Company.”

10.2 The Chairperson invited questions from shareholders. As there were no questions, the Chairperson proceeded to put Resolution 4 to the vote by poll.

10.3 The poll results for Resolution 4 were as follows:

For		Against	
No. of Shares	%	No. of Shares	%
981,052,883	99.94%	566,419	0.06%

10.4 Based on the results of the poll, the Chairperson declared Resolution No. 4 carried and proceeded to the next item on the Agenda.

**11. Ordinary Resolution No. 5 – To re-elect Mr Bob Tan Beng Hai as Director**

11.1 The Chairperson proposed the following motion:

“THAT Mr Bob Tan Beng Hai, who retires by rotation under Article 97 of the Company’s Constitution and, being eligible for re-election, be and is hereby re-elected as a Director of the Company.”

11.2 The Chairperson invited questions from shareholders. As there were no questions, the Chairperson proceeded to put Resolution 5 to the vote by poll.

11.3 The poll results for Resolution 5 were as follows:

For		Against	
No. of Shares	%	No. of Shares	%
977,026,241	99.73%	2,682,226	0.27%

11.4 Based on the results of the poll, the Chairperson declared Resolution No. 5 carried and proceeded to the next item on the Agenda.

**12. Ordinary Resolution No. 6 – To re-elect Ms Lim Cheng Cheng as Director**

12.1 The Chairperson proposed the following motion:

“THAT Ms Lim Cheng Cheng, who retires by rotation under Article 97 of the Company’s Constitution and, being eligible for re-election, be and is hereby re-elected as a Director of the Company.”

12.2 The Chairperson invited questions from shareholders. As there were no questions, the Chairperson proceeded to put Resolution 6 to the vote by poll.

12.3 The poll results for Resolution 6 were as follows:

For		Against	
No. of Shares	%	No. of Shares	%
979,867,449	99.86%	1,414,826	0.14%

12.4 Based on the results of the poll, the Chairperson declared Resolution No. 6 carried and proceeded to the next item on the Agenda.

**13. Ordinary Resolution No. 7 – To re-elect Mr Paul William Coutts as Director**

13.1 The Chairperson proposed the following motion:

“THAT Mr Paul William Coutts, who retires by rotation under Article 97 of the Company’s Constitution and, being eligible for re-election, be and is hereby re-elected as a Director of the Company.”

13.2 The Chairperson invited questions from shareholders. As there were no questions, the Chairperson proceeded to put Resolution 7 to the vote by poll.

13.3 The poll results for Resolution 7 were as follows:

For		Against	
No. of Shares	%	No. of Shares	%
978,347,330	99.62%	3,747,067	0.38%

13.4 Based on the results of the poll, the Chairperson declared Resolution No. 7 carried and proceeded to the next item on the Agenda.

**14. Ordinary Resolution No. 8 – To re-elect Mr Steven Robert Leonard as Director**

14.1 The Chairperson proposed the following motion:

“THAT Mr Steven Robert Leonard, who retires by rotation under Article 97 of the Company’s Constitution and, being eligible for re-election, be and is hereby re-elected as a Director of the Company.”

14.2 The Chairperson invited questions from shareholders. As there were no questions, the Chairperson proceeded to put Resolution 8 to the vote by poll.

14.3 The poll results for Resolution 8 were as follows:

For		Against	
No. of Shares	%	No. of Shares	%
979,314,478	99.97%	285,959	0.03%

14.4 Based on the results of the poll, the Chairperson declared Resolution No. 8 carried and proceeded to the next item on the Agenda.

**15. Ordinary Resolution No. 9 – To re-elect Mr Chen Jun as Director**

15.1 The Chairperson proposed the following motion:

“THAT Mr Chen Jun, who retires by rotation under Article 91 of the Company’s Constitution and, being eligible for re-election, be and is hereby re-elected as a Director of the Company.”

15.2 The Chairperson invited questions from shareholders. As there were no questions, the Chairperson proceeded to put Resolution 9 to the vote by poll.

15.3 The poll results for Resolution 9 were as follows:

For		Against	
No. of Shares	%	No. of Shares	%
978,184,361	99.87%	1,244,096	0.13%

15.4 Based on the results of the poll, the Chairperson declared Resolution No. 9 carried and proceeded to the next item on the Agenda.

**16. Ordinary Resolution No. 10 – To approve directors' fees payable by the Company of S\$1,320,520 for the financial year ended 31 March 2017 (2016: S\$1,572,900)**

16.1 The Chairperson requested for a proposer for the following motion:

“THAT a sum of S\$1,320,520 be paid by the Company by way of fees to the Directors for the financial year ended 31 March 2017.”

16.2 Mr Lee Eng Kwang proposed the motion.

16.3 The Chairperson invited questions from shareholders. As there were no questions, the Chairperson proceeded to put Resolution 10 to the vote by poll.

16.4 The poll results for Resolution 10 were as follows:

For		Against	
No. of Shares	%	No. of Shares	%
978,787,008	99.70%	2,916,161	0.30%

16.5 Based on the results of the poll, the Chairperson declared Resolution No. 10 carried and proceeded to the next item on the Agenda.

**AS SPECIAL BUSINESS**

**17. Ordinary Resolution No. 11 – Authority to Issue Shares and to Make or Grant Convertible Instruments**

17.1 The Chairperson proposed Resolution No. 11 as set out in item 6 of the Notice of AGM.

17.2 The Chairperson invited questions from shareholders. As there were no questions, the Chairperson proceeded to put Resolution 11 to the vote by poll.

17.3 The poll results for Resolution 11 were as follows:

For		Against	
No. of Shares	%	No. of Shares	%
973,902,354	99.69%	3,050,609	0.31%

17.4 Based on the results of the poll, the Chairperson declared Resolution No. 11 carried and proceeded to the next item on the Agenda.

**18. Ordinary Resolution No. 12 – Authority to Offer/Grant Options, Grant Share Awards and Allot/Issue Shares**

18.1 The Chairperson requested for a proposer for Resolution No. 12 as set out in item 7 of the Notice of AGM.

18.2 Mr Toh Kim Eng proposed the motion.

18.3 The Chairperson requested members who were employees or Directors of the SingPost Group and who were eligible to participate in the Singapore Post Share Option Scheme 2012 and/or Singapore Post Restricted Share Plan 2013 to abstain from voting on the resolution. They may, however, vote as the appointed proxies of a member who has given specific instructions on how their votes were to be cast in respect of this resolution. The Chairperson invited questions from shareholders.

18.4 As there were no questions, the Chairperson proceeded to put Resolution 12 to the vote by poll.

18.5 The poll results for Resolution 12 were as follows:

For		Against	
No. of Shares	%	No. of Shares	%
957,877,506	98.60%	13,596,238	1.40%

18.6 Based on the results of the poll, the Chairperson declared Resolution No. 12 carried and proceeded to the next item on the Agenda.

**19. Ordinary Resolution No. 13 – Proposed Change of Auditor**

19.1 The Chairperson proposed the following motion:

“THAT Deloitte & Touche LLP be and is hereby appointed as Auditor of the Company, in place of the retiring Auditor, PricewaterhouseCoopers LLP to hold office until the next Annual General Meeting, and that the Directors of the Company be authorised to fix their remuneration.”

19.2 The Chairperson invited questions from shareholders. As there were no further questions, the Chairperson proceeded to put Resolution 13 to the vote by poll.

19.3 The poll results for Resolution 13 were as follows:

For		Against	
No. of Shares	%	No. of Shares	%
975,809,572	99.92%	766,400	0.08%

19.4 Based on the results of the poll, the Chairperson declared Resolution No. 13 carried. The Chairperson recorded a note of appreciation to PricewaterhouseCoopers LLP for the past services rendered and welcomed Deloitte & Touche LLP as the new Auditor before proceeding to the next item on the Agenda.

**20. Ordinary Resolution No. 14 – Proposed Renewal of the Shareholders Mandate for Interested Person Transactions**

20.1 The Chairperson requested for a proposer for Resolution No. 14 as set out in item 9 of the Notice of AGM.

20.2 Mr Lim Teck Kwang proposed the motion.

20.3 The Chairperson announced that Temasek Holdings (Private) Limited and Singapore Telecommunications Limited and their respective associates, deemed Interested Persons for the mandate, were to abstain from voting. All Directors who were Interested Persons would also abstain from voting. They were permitted, however, to vote as the appointed proxies of a member who had given specific instructions on how their votes were to be cast in respect of the resolution.

20.4 The Chairperson invited questions from shareholders. As there were no questions, the Chairperson proceeded to put Resolution 14 to the vote by poll.

20.5 The poll results for Resolution 14 were as follows:

For		Against	
No. of Shares	%	No. of Shares	%
482,137,533	99.76%	1,180,334	0.24%

20.6 Based on the results of the poll, the Chairperson declared Resolution No. 14 carried and proceeded to the next item on the Agenda.

**21. Ordinary Resolution No. 15 – Proposed Renewal of the Share Purchase Mandate**

21.1 The Chairperson proposed Resolution No. 15 as set out in item 10 of the Notice of AGM.

21.2 The Chairperson invited questions from shareholders.

21.3 In response to Mr Stephen Chen’s inquiry over the intent of the share buyback, Group CFO informed that the shares are likely to be used for the purpose of the employee share option scheme and restricted share plan.

21.4 As there were no further questions, the Chairperson proceeded to put Resolution 15 to the vote by poll.

21.5 The poll results for Resolution 15 were as follows:

For		Against	
No. of Shares	%	No. of Shares	%
975,951,445	99.99%	85,902	0.01%

21.6 Based on the results of the poll, the Chairperson declared Resolution No. 15 carried and proceeded to the next item on the Agenda.

**22. Ordinary Resolution No. 16 – Proposed Alterations to the Singapore Post Restricted Share Plan 2013**

22.1 The Chairperson proposed Resolution No. 16 as set out in item 11 of the Notice of AGM.

22.2 The Chairperson invited questions from shareholders.

22.3 As there were no questions, the Chairperson proceeded to put Resolution 16 to the vote by poll.

22.4 The poll results for Resolution 16 were as follows:

For		Against	
No. of Shares	%	No. of Shares	%
970,069,380	99.74%	2,558,067	0.26%

22.5 Based on the results of the poll, the Chairperson declared Resolution No. 16 carried and proceeded to the next item on the Agenda.

**23. Special Resolution No. 17 – Proposed Adoption of New Constitution**

- 23.1 The Chairperson proposed Special Resolution No. 17 as set out in item 12 of the Notice of AGM.
- 23.2 The Chairperson invited questions from shareholders.
- 23.3 As there were no questions, the Chairperson proceeded to put Special Resolution 17 to the vote by poll.
- 23.4 The poll results for Special Resolution 17 were as follows:

For		Against	
No. of Shares	%	No. of Shares	%
976,648,343	99.88%	1,136,191	0.12%

- 23.5 Based on the results of the poll, the Chairperson declared Special Resolution No. 17 carried.

**24. Closure of Meeting**

- 24.1 There being no further items of ordinary or special business arising, and as no notice had been received by the Company to this effect, the Chairperson declared the AGM closed at 5.33 p.m. and thanked all persons present for their attendance and support.

Confirmed as true record of the proceedings,



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Mrs Fang Ai Lian  
Chairperson of the AGM  
Singapore Post Limited





**Mr Simon Israel, Chairman of SingPost**  
**Speech at the 25th SingPost Annual General Meeting, 20 July 2017**  
(Delivered by Mrs Fang Ai Lian, Lead Independent Director of SingPost)

Good afternoon,

On behalf of the Board I would like to welcome all our shareholders to today's meeting.

This has been a very challenging year for SingPost. While we made significant progress in the transformation of our business, issues in the US with TradeGlobal were a major setback.

I expect you to have come here today with a number of concerns in respect of:

- The governance at SingPost;
- The impairment of assets;
- The plunge in profit for the last financial year;
- The drop in the dividend; and
- The drop in our share price.

All of these are inter-related.

You will also be asking: What does the future hold?

I am going to address all these points but before doing so, I want to assure you that your Board shares your concerns and fully appreciates how difficult this is for shareholders.

Over the last year, your Board has been dealing with a number of important issues, setting things right and ensuring that we have a strong foundation on which to grow our business.

### **Governance**

As you are aware, the Board conducted a major review last year of our corporate governance with the support of external advisers. This identified a number of governance weaknesses, some of which were systemic in nature.

Based on the recommendations of the review, we put in place a new corporate governance framework based on best practices, established appropriate governance policies and improved Board and Management processes. We now have a Code of Ethics and Conduct for Directors, policies on matters such as conflict of interests, Board renewal and Director tenure, as well as clear policies and procedures for M&A.

Since May last year, seven new Directors were appointed to the Board. They bring needed skill sets based on the recommendations of the Corporate Governance Review. The Board profiles are featured on Pages 18 to 23 of the annual report. We will continue with renewal and add additional skill sets.



Today, we have a strong governance foundation in place, a renewed Board and we look forward to working with Paul Coutts, our new Group CEO, to take SingPost forwards.

### **Impairment and TradeGlobal**

A company is required to test for impairment of assets every year. There are defined processes around this and accounting standards which we have to comply with. Management makes recommendations to the Board on impairment where necessary, based on the value derived from future business plans. The auditors have to sign off on the impairment which requires the approval of the Board.

Of the \$208.6 million impairment charge last year, \$185 million related to the impairment of TradeGlobal, a US eCommerce business SingPost acquired in October of 2015. The Board had announced the risk of significant impairment at our Q3 results, following a disappointing critical peak season. The peak season is when TradeGlobal is expected to make most of its money for the year. For the full year, TradeGlobal made a loss of \$25.8 million versus an expected profit of \$9.4 million.

These results were very far removed from the business case that justified the investment.

Given our concerns, the Board formed an Independent Committee comprising Directors who were not on the Board at the time of the transaction to conduct a thorough review of the circumstances surrounding SingPost's consideration and approval of the TradeGlobal acquisition.

The review by our legal advisers is at an advanced stage of completion. A full report is being finalised and, based on legal advice, will be provided to the relevant regulatory authorities for their review. In order to update shareholders in time for the AGM, the Board has released a summary report that sets out observations and recommendations from the review via SGXNet. This has been reported on by the media.

The review has made nine observations concerning the TradeGlobal acquisition process, in the areas of corporate governance; due diligence; valuation; and the consideration of mitigation measures to address risks identified in the due diligence and valuation process. I am not going to take you through the details of the executive summary as it would take too long, but if you have not read it, it can be found on SingPost's website.

I appreciate that, as shareholders, you may have many questions in relation to the summary report. As we have stated, we will be handing the full report to the regulators for their review. They are the best people to follow through with it.

While I will try to answer your questions, please understand we cannot comment beyond what is disclosed in the summary report as we need to respect due process and be fair to all parties involved.



You should also take into account the broader context around the transaction and post acquisition integration. The acquisition was in line with strategy and there were a number of post acquisition issues. Most of these have been reported on, including the Group CEO resigning soon after the transaction closed, the resignation of other key managers, the loss of one of the two key founders of TradeGlobal for medical reasons, the escalation of labour costs, the loss of two key customers accounting for 30 per cent to 40 per cent of revenue, all contributed to the challenges.

The task before us now is to turn around the business of TradeGlobal and recover as much value as possible for you, our shareholders. Our Management is committed to this.

I want to assure you that the corporate governance framework we have since put in place will avoid potential shortcomings in the future. We are very clear on the respective roles and responsibilities of the Board and Management and those of the Chairman and Group CEO. We have strengthened Board and Management processes and have in place what would be regarded as best practice. There is always room to improve and we will continue to do so.

### **Profit, dividend and share price**

Mervyn will be making a presentation of the Group's results so you will have the full picture after my speech. I would suggest that you focus on underlying net profit, which excludes impairment and best reflects the performance of the underlying business and its cash generating capacity.

You will see that underlying net profit dropped by \$38.0 million to \$115.6 million last year. There were three drivers for this:

- Headwinds our postal business is facing on declining domestic mail, partly offset by the growth of international mail;
- Planned operational losses we are incurring from our investments in building out our eCommerce logistics platform; and
- Performance issues, notably with TradeGlobal, where we had a large unplanned loss.

As you know, the Board last year put in place a new dividend policy to ensure that future dividend payments are sustainable. Our dividend policy is to pay out 60 per cent to 80 per cent of underlying net profit. This means impairment does not affect your dividend.

Your Board fully appreciates that this policy has resulted in paying a significantly lower dividend, but this also reflects the reality that the past dividend policy was not sustainable and dividends were being paid partly out of reserves, for example in FY 2014/15. The past dividend policy is also no longer appropriate when raising new capital for growth.

To grow our future dividends, we need to grow our underlying profit. While we are committed to this, our shareholders need to be mindful of the challenges our postal business faces and that it will take a number of years before our investments in eCommerce logistics contribute to profitability.



A number of negative factors have affected our share price: governance issues, impairment, lower earnings, reduced dividend, lower growth expectations, the absence of a Group CEO, questions on the ability to execute our strategy and so on.

With a new governance framework in place, renewal of the Board and the appointment of Paul Coutts as our Group CEO, we can put a number of these issues behind us. The focus is now on the review and execution of our strategy, improving the performance of the Group and rebuilding the confidence of investors in the Company. I have every confidence in Paul's ability to do this and he will have the full support of the Board.

Paul brings seniority and experience from an extensive career in the logistics and postal industries. He has served in several global leadership roles and his experience will be critical to the acceleration of SingPost's transformation and improvement of the Group's performance.

Please join me in welcoming Paul to SingPost. The Board would like to thank Mervyn for covering the GCEO role since December 2015.

### **What does the future hold?**

The transformation imperative remains. Our postal business, our historical source of profit and cash flow, is in a structural decline in the face of digital disruption. It is vital we advance our transformation into an eCommerce logistics enabler, leveraging on our strategic location and core assets to serve the region's growing eCommerce markets.

While we have had several major setbacks, we should not lose sight of the good progress that we made on our transformation last year.

Our Alibaba partnership was further strengthened as our joint venture with Alibaba in Quantum Solutions was completed, and as Alibaba increased its shareholding in SingPost to 14.4 per cent. Through Quantum, both Alibaba and SingPost will establish an innovative and class-leading platform to serve the region's rising eCommerce logistics needs. Alibaba's partnership is important to our transformation and will help fund the building out of our eCommerce logistics business.

We made good progress in building out our eCommerce logistics network. Our Regional eCommerce Logistics Hub, the centrepiece of our Asia-Pacific network, was officially opened. It is fully automated and integrates warehousing and parcel sorting operations, enabling faster and more efficient order fulfilment. It has all the advantages of Singapore's regional connectivity and has been designed to be scalable for our future needs. Already, it has secured several important customers, including Lazada, which has moved all of its Singapore warehousing operations to our Log Hub.

In eCommerce, we gained technologies, customers and market knowhow that position us well to pioneer omni-channel retail solutions that will drive volumes on to our logistics



network. Jagged Peak performed outstandingly. It posted robust revenue and earnings growth that far surpassed the business plan, winning several major customers that are among the world's most recognisable brands in the fast moving consumer goods sector.

On the postal front, we have been relatively successful in actively managing the decline of the business. We are harnessing technology to improve operational efficiency and ensure our services meet the evolving needs and expectations of our customers. We are developing digital versions of the mail and the post office, and rolling out SmartPost – which harnesses wireless and digital technologies to increase productivity and service quality. Some of these innovations have gained international recognition, with our omni-channel SAM platform winning a prestigious World Post and Parcel Award last month.

As part of Singapore's Smart City drive, we are exploring how drone technology may be used in a commercially viable way. We are working with Airbus on their Skyways initiative to develop solutions that meet the demand for faster and more flexible deliveries amid resource constraints.

The new retail mall at SingPost Centre will be opening in October and this will give us new revenue streams. CapitaLand will be managing the mall for us to help us realise the full potential of the property. The new mall will also be a test bed for new retail concepts that combine the best of online and offline shopping.

Transformation is a journey and it will take years and further investment before our eCommerce logistics business achieves scale and grows our profits. Your Board and Management are committed to seeing through this journey to build new and alternative sources of growth and profit. This is key to growing our dividend and vital in creating value for you, our shareholders, in the long term.



# 25<sup>th</sup> Annual General Meeting

20 July 2017



## FY2016/17 Financials

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TradeGlobal

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# FY2016/17 Performance

FY2016/17 P&L, \$M

	FY16/17	FY15/16 <sup>1</sup>	YoY % change
<b>Revenue</b>	<b>1,348.5</b>	1,151.5	+17.1%
<b>Other income and gains / (losses)</b>			
Rental and property-related income	36.6	39.4	(7.1%)
Miscellaneous	9.8	12.0	(18.5%)
<b>Total expenses</b>	<b>1,250.1</b>	1,020.1	+22.5%
Exceptional items	(88.7)	95.3	N.M.
<b>Operating profit</b>	<b>58.4</b>	284.3	(79.5%)
Share of associated companies & JVs	(1.2)	9.1	N.M.
<b>Net profit attributable to equity holders</b>	<b>33.4</b>	248.9	(86.6%)
<b>Underlying net profit</b>	<b>115.6</b>	153.6	(24.7%)

– Inclusion of US acquisitions

Impairment charges mainly for TradeGlobal, partially offset by revaluation gain on SingPost Centre. Last year, there were exceptional divestment gains.

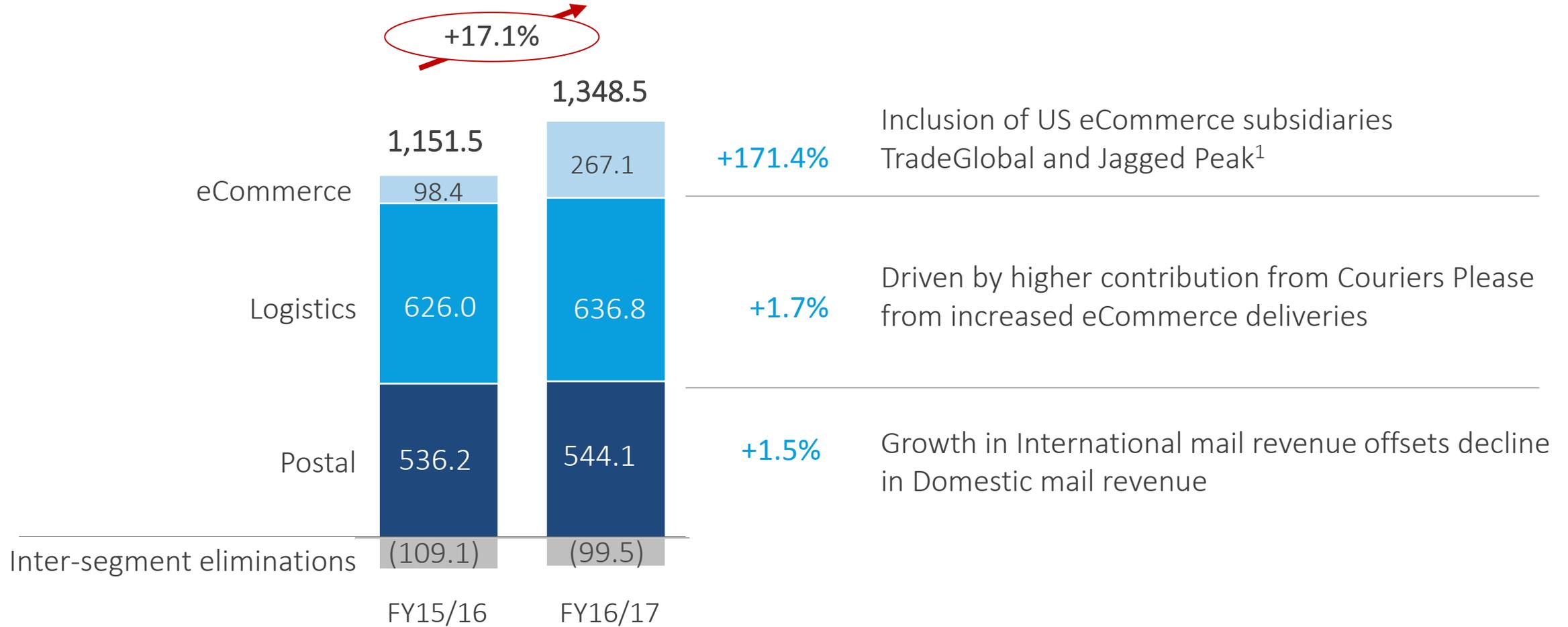
Due to the impact of planned investments in building out our eCommerce Logistics platform such as the Regional eCommerce Logistics Hub and associates which are investing for growth; higher losses in the US eCommerce business; and a decline in Postal operating profit.

1. Figures in the comparative period last year have been adjusted to be consistent with the current classification



# Revenue movement

FY2015/16 vs. FY2016/17 Revenue performance, \$M



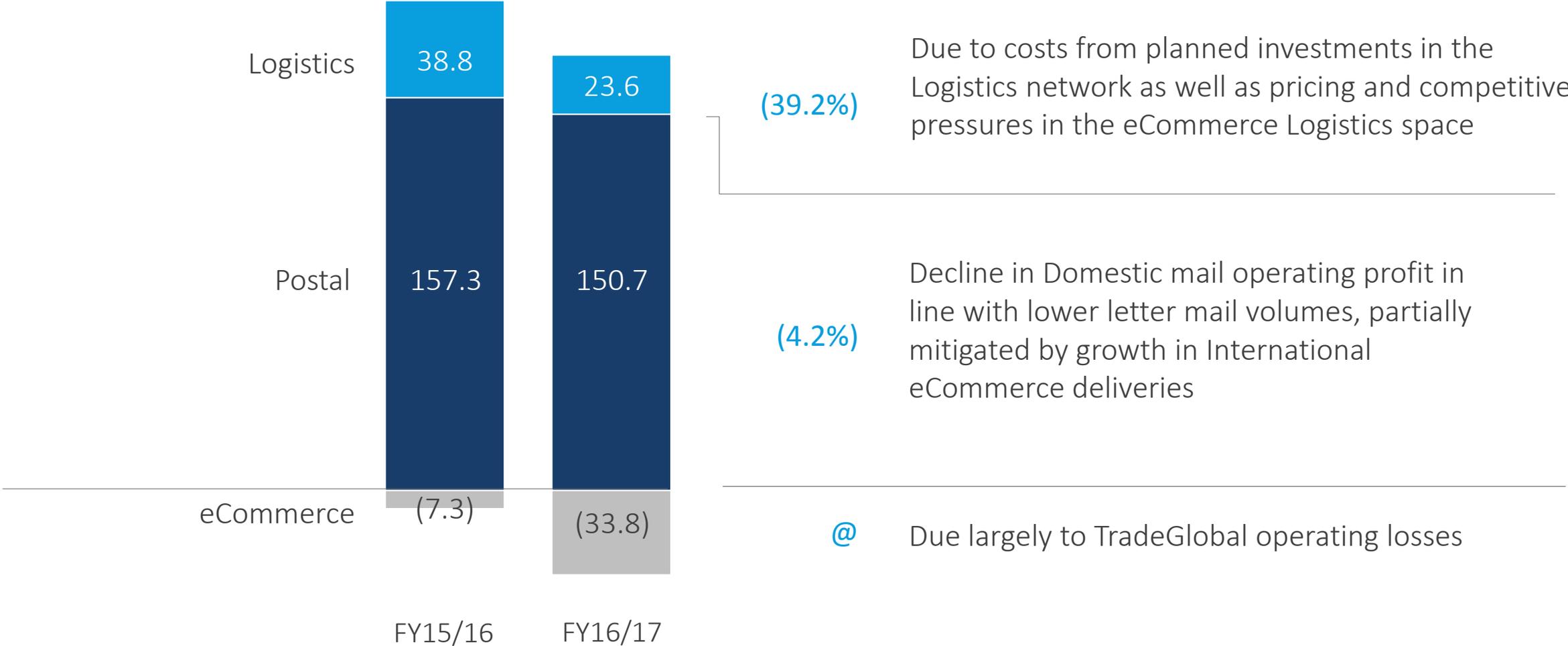
Differences in total due to rounding

1. The acquisitions of TradeGlobal and Jagged Peak were completed in November 2015 and March 2016 respectively.

# Operating Profit for the Postal, Logistics and eCommerce segments



FY2015/16 vs. FY2016/17 Operating Profit performance, \$M



@ denotes variance exceeding 300%  
Differences in total due to rounding

# FY2016/17 Underlying Net Profit movement



Underlying Net Profit performance, \$M

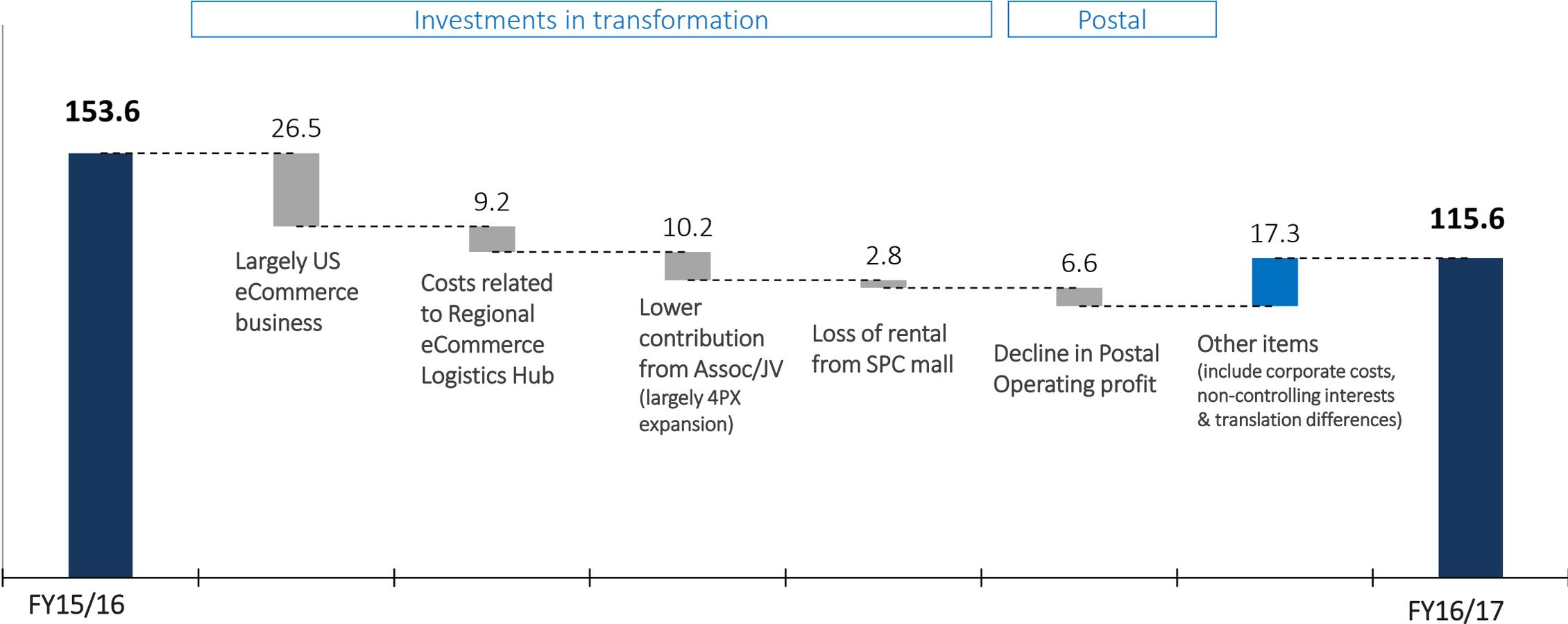


Chart not shown to scale  
Differences in total due to rounding

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## Cash Flow movement

\$M, unless otherwise stated

	FY16/17	FY15/16
Net cash provided by operating activities	200.1	131.4
Cash flow used in investing activities	(89.6)	(457.1)
Cash flow (used in) / provided by financing activities	129.5	(131.8)
<b>Net increase / (decrease) in cash &amp; cash equivalents</b>	<b>240.0</b>	<b>(457.5)</b>

Increase in cash & cash equivalents due to higher cash provided by operating activities, as well as proceeds received from the sale of a 34% stake in QSI and issuance of new SingPost shares to Alibaba

	FY16/17	FY15/16
Net cash provided by operating activities	200.1	131.4
Capital expenditure	(199.8)	(279.7)
<b>Free cash flow</b>	<b>0.3</b>	<b>(148.3)</b>

Returned to positive free cash flow for FY16/17 after two years of high capital expenditure, largely for construction of the Regional eCommerce Logistics Hub and SPC retail mall

# Balance Sheet and financial indicators

\$M, unless otherwise stated

Financial indicators	As at Mar 2017	As at Mar 2016	
Cash & cash equivalents at end of financial period	366.6	126.6	Includes cash proceeds from Alibaba to be used in accordance with the investment agreements
Borrowings	364.0	280.3	Increased borrowings with cash and short-term funds utilised for committed capital expenditure
Net cash / (net debt) position <sup>1</sup>	2.6	(153.6)	
Net debt to ordinary shareholders equity (%)	Net cash	12.8%	Net cash position due to higher cash balance
EBITDA to interest expense (times) <sup>2</sup>	21.6x	29.8x	Interest coverage ratio remains strong

1. Differences in total due to rounding

2. Excludes one-off gains or losses. Including one-off gains or losses, the ratios in Mar 2017 and 2016 were 13.3x and 42.1x respectively

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## Impairment on TradeGlobal

- Under the Financial Reporting Standards, the Group is required to test the carrying value of its assets against the recoverable amount for impairment annually, or whenever there is any objective evidence or indication that these assets may be impaired. The recoverable amount is defined as the higher of the asset's fair value less costs of disposal and its value in use.
- For the financial year ended 31 March 2017, SingPost has recorded an impairment charge of \$185.0 million on the carrying value of its investment in TradeGlobal.
- The valuation process involved a review of TradeGlobal's FY2016/17 performance and a detailed evaluation of the underlying assumptions of the future business plan.
- Management had proposed the impairment charge based on the turnaround business plan prepared by Paul Demirdjian, interim CEO for SingPost's US Businesses, based on a bottom-up approach.
- Given the extent of the impairment to SingPost's investment in TradeGlobal, the Board had also appointed FTI Consulting, an independent global business advisory firm, which has verified that the impairment charge was properly calculated following an appropriate review process and that the assumptions adopted were reasonable.
- The impairment charge was agreed by SingPost's external auditors and approved by the Board.
- There are key structural challenges which will impact TradeGlobal moving forward, which are detailed in the next slide.



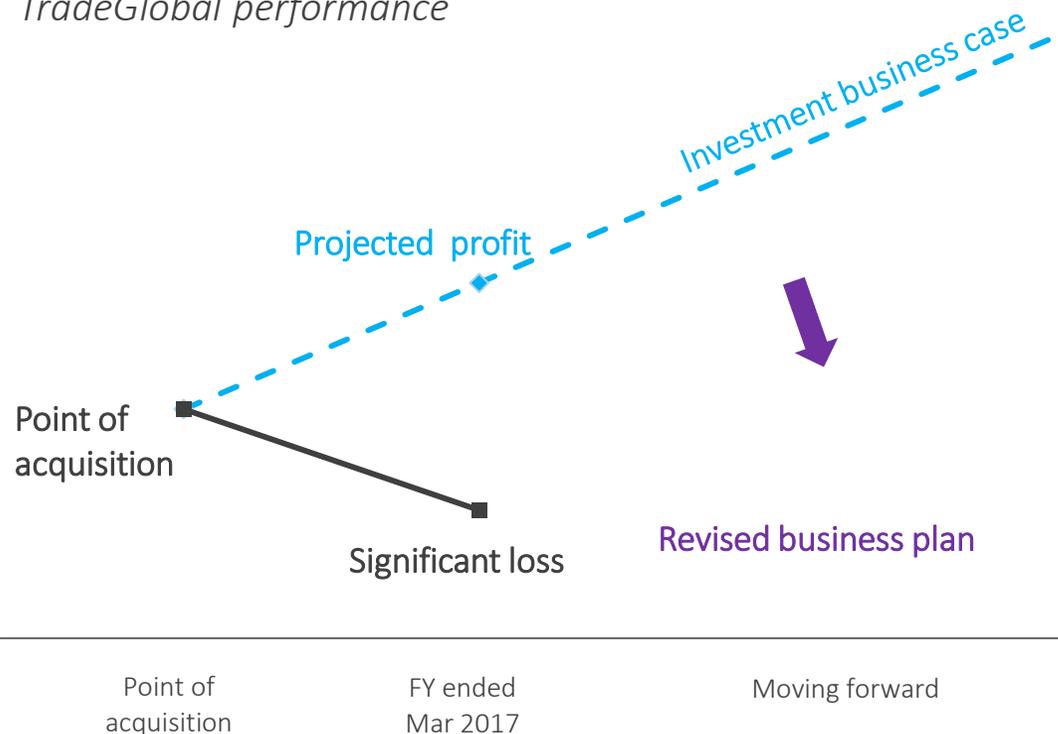
# Impairment on TradeGlobal

## Operational and structural challenges

- TradeGlobal has significantly underperformed the business case which supported the investment. Instead of a projected profit of \$9.4 million for FY16/17, TradeGlobal incurred a significant loss of \$25.8 million.
- Operational difficulties included a surge in labour costs during the recent peak season, delays in warehouse automation which impacted productivity, as well as management changes.
- Key structural challenges which will impact the business moving forward include:
  - Disruption in the US fashion retail industry which is adversely affecting key customers;
  - Loss of two large key customers which accounted for 30% to 40% of revenue; and
  - Sustained cost pressures arising from labour shortage in Cincinnati, USA.

The future cash flows that the Group expects to derive from TradeGlobal's performance has been lowered.

TradeGlobal performance



Graph is for illustrative purposes only, and not drawn to scale nor based on actual figures or projections.

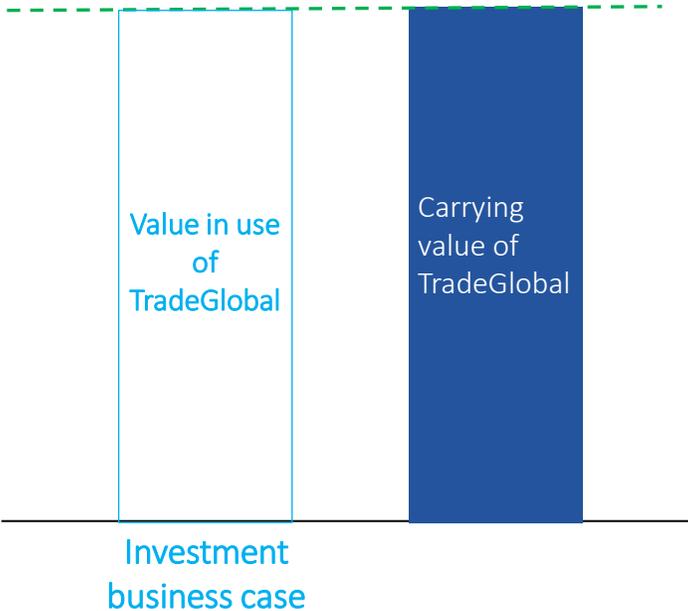
# Impairment on TradeGlobal

When SingPost acquired TradeGlobal, a carrying value<sup>1</sup> was recorded on the balance sheet, which was supported by the investment business case.

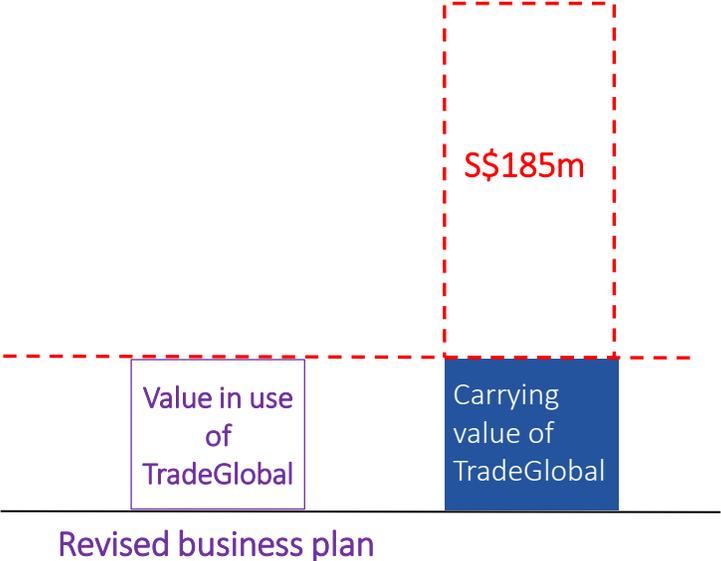
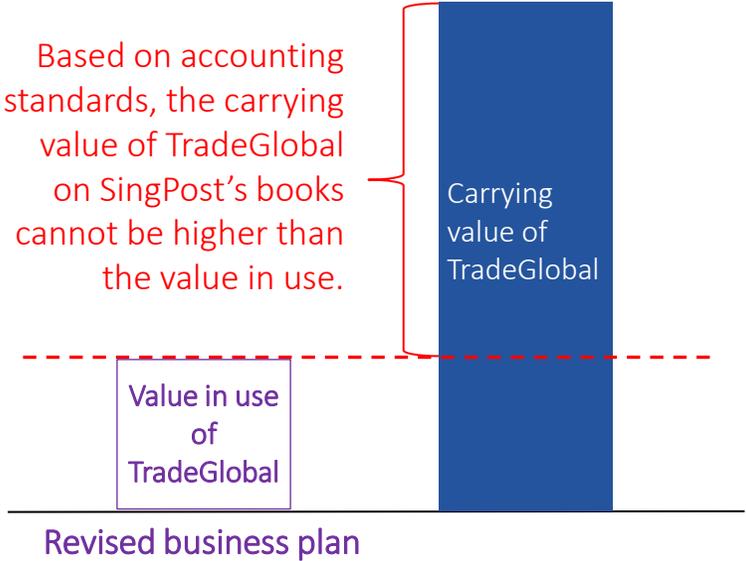
With lower future cashflows, the value in use of TradeGlobal has been reduced.

An impairment charge is taken against the carrying value of TradeGlobal to bring it down to the value in use.

At acquisition



**Impairment is required**



1. Comprising tangible assets and intangible assets such as goodwill and customer relationships, amounting to S\$236 million

## Where is the impairment recognised? What is the impact of the impairment charge?

- The impairment charge is recognised in the FY16/17 income statement.
- The balance sheet will reflect the lower carrying value of the impaired asset.
- The impairment charge is treated as an exceptional item and does not affect underlying net profit, and therefore it did not affect what was available for dividend payout in FY16/17.

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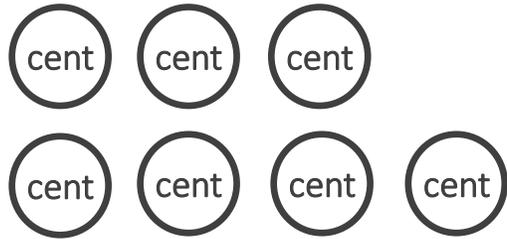
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# Revised dividend policy to ensure sustainability

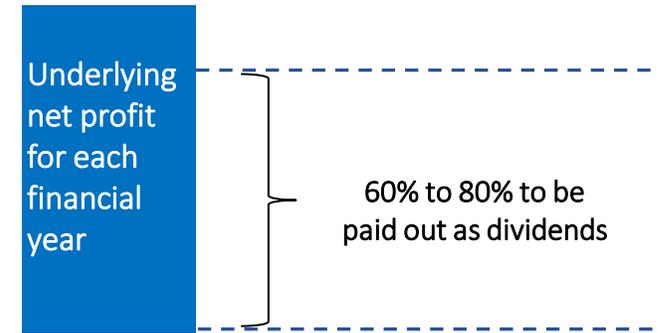
## Previous dividend policy



### Absolute amount each financial year

- SingPost's dividends were previously supported largely by the domestic mail business which continues to see declining volumes.
- To provide future sources of earnings, we have made significant transformational investments in eCommerce and eCommerce logistics, as well as in the redevelopment of the SingPost Centre retail mall.
- These investments will impact earnings in the short term, and the revised dividend policy should be understood in this context.

## Revised dividend policy



### Based on 60% to 80% of underlying net profit for each financial year

- To ensure that the dividends are sustainable, the dividend policy has been changed from an absolute amount to one based on a payout ratio ranging from 60% to 80% of underlying net profit for each financial year.
- For FY16/17, the interim dividends and proposed final dividend amount to **3.5 cents**, which represents **66%** of underlying net profit for the year.

## Key developments in FY2016/17

### Enhanced capabilities with opening of Regional eCommerce Logistics Hub



Officially opened on 1 Nov 2016



- Sorting capacity of 100,000 parcels a day
- Fully automated parcel sorting system and automated warehouse
- End-to-end sorting, shipping and returns management capabilities

### Strengthening eCommerce Logistics network & partnerships



Alibaba Group took a 34% stake in Quantum Solutions International in October 2016, and raised its stake in SingPost to 14.4% in January 2017

### Maximising yields and returns



- Retail mall at SingPost Centre expected to open in second half of 2017, with a net lettable area of about 175,000 sq ft
- CapitaLand appointed as retail mall manager, which will help optimise returns from the mall

### Renewal of Postal license



Renewed for a period of 20 years with effect from 1 April 2017

### New policies implemented to strengthen Corporate Governance

- Code of Business Conduct and Ethics
- Policy on Directors' Conflict of Interest
- Board Renewal and Tenure Policy
- Market Disclosure Policy which sets out the principles, guidelines and procedures governing market disclosure

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In FY2016/17, revenue rose with the inclusion of US eCommerce acquisitions.

Underlying net profit declined largely due to:

- the impact of planned investments in building out our eCommerce Logistics platform such as the Regional eCommerce Logistics Hub and associates which are investing for growth;
- higher losses in the US eCommerce business; and
- a decline in Postal operating profit due to lower domestic letter mail volumes.

SingPost recorded strong cash flow and balance sheet position for the financial year ended 31 March 2017.

Proposed final dividend of 0.5 cent per share brings total dividends for FY2016/17 to 3.5 cents per share, which represents 66% of underlying net profit.

In FY2017/18, the Group plans to grow revenue and volumes through new business opportunities, integrating past acquisitions and extracting synergies, as well as leveraging the strategic partnership with Alibaba and its subsidiaries.

SingPost continues to build its capabilities to transform from a Singapore postal company into a leading eCommerce Logistics provider. This will lay a foundation for long term sustainable growth. However, it will take time for the investments to contribute materially to earnings.



Thank you





**Mr Paul Coutts, Group CEO of SingPost**  
**Speech at the 25th SingPost Annual General Meeting, 20 July 2017**

Thank you Mrs Fang for delivering Simon's words of support and welcome.

As a Management team, we certainly wish Simon a full and healthy recovery.

And thanks Mervyn for running through the numbers.

Good afternoon shareholders.

It is a great honour for me to be part of SingPost and help lead your company on the next chapter of its transformation.

I have been with SingPost since June 1, which means I have been here for exactly seven weeks today.

Logistics is in my bloodstream having been in the industry for about 40 years. While I may be new to SingPost, I am certainly no stranger to Singapore having first worked here in 1993 and have spent a total of 14 years living and working in Singapore.

It is a privilege to speak to you, our shareholders for the first time and to have this early opportunity to provide you with some initial impressions of SingPost and my plans for the immediate future.

They say first impressions run the deepest. So, whilst certainly acknowledging and empathising with our shareholders and what you have endured in the recent past, I hope it is assuring for you to know that, as someone new to the Company, the first impression I have of SingPost is good!

At its core, SingPost is a good company with good people. And it has all the right ingredients for future success and growth in profitability.

Let me just talk about our people for a moment.

Before I started diving into business strategies and financial analyses, I spent my first days at SingPost meeting our people – the folks “at the sharp end of things” – who get the work at SingPost done every single day.

The people I am talking about are our postmen, our drivers, our parcel couriers, our customer service people. These are the people our customers see or speak to every day. I believe they are the heartbeat of any service organisation.

We have many good men and women who are loyal to SingPost, who are committed to doing their jobs well and are enthusiastic about what they do.



We should never take this commitment for granted.

What this tells me is that SingPost has the right foundation to clearly excel in the mail and eCommerce logistics industry.

I would also like to take this opportunity to clear any doubt about whether we will continue with our strategic intent, particularly in the area of eCommerce, our strategic vision of being a leader in mail and eCommerce logistics is even more valid today, given the rapid expansion of the global eCommerce market.

But it is important to recognise, that the landscape of mail and logistics is changing. There is a new world facing us and challenging us:

- There are new competitors disrupting the way things are done by using technology;
- The future of logistics will be driven by big data, artificial intelligence and robotics;
- Innovation will be the key to unlocking the future.

These developments will offer us great opportunities and we are also uniquely positioned to leverage off the strength of Alibaba, one of our key partners, who is very advanced in big data, and artificial intelligence. And, of course, they are our key partner in the development of eCommerce logistics and products.

In fact, one of my first trips was to meet with Alibaba in Hangzhou a few weeks ago.

Not only is Alibaba a very important and fast-growing customer, partner and shareholder today – but there are larger opportunities for us to align our strategic collaboration with them even more closely in the future. Our collaboration and mutual commitment holds enormous potential. So we will be very firmly focused on releasing that power.

From a planning perspective, over the course of the next few weeks and months, our leadership team and I will be working with the Board to update our strategy and deliver a roadmap for SingPost to achieve our goals in the coming years.

This strategic roadmap will provide us a solid operating platform for today's business but demand that we will be nimble and agile enough to move with an increasingly fast-moving, dynamic market.

Let me next touch on innovation. First of all, I want to say that the application of technology to our business is also a top priority – and again the level of innovation I have seen at SingPost is impressive.



For example, the rolling out of SmartPost, a transformational initiative which harnesses wireless and digital technologies to raise postal service quality and improve operational efficiency.

SmartPost has been designed to help our postal team work better and smarter, enhancing their capabilities and efficiency for the digital age. We are starting at the last mile as this is the most vital and demanding part of our business. At the end of the day, we are only as good as our last mile delivery and this will improve our customers' overall experience.

Our Logistics Hub, drone technology, our POPStations, and our award-winning omni-channel SAM machines are focussed on taking the disruptive step forward to meet evolving expectations for faster and more flexible deliveries, especially for eCommerce.

Earlier, in the speech our Chairman has written, he referenced TradeGlobal and Jagged Peak.

I visited TradeGlobal and Jagged Peak in the US two weeks ago and had in-depth talks with Paul Demirdjian who is CEO of Jagged Peak and Paul is implementing the turnaround plan for TradeGlobal with the Management team.

Jagged Peak is doing well in terms of revenue and profitability and has some very exciting leading-edge technology which we can transfer to other parts of our business.

For TradeGlobal, there is work to be done.

We are implementing a turnaround plan for TradeGlobal and this involves using warehouse automation to address labour issues in the Cincinnati area, tackling broader structural issues facing the business and adopting best practices from Jagged Peak's asset-light and technology-driven business model.

There is a lot to be done and I am under no illusion that it will take time to turn things around at TradeGlobal.

On the other hand it is also important to remember that eCommerce logistics is borderless and global in nature. It cannot be overemphasised that the US is an important market. Both TradeGlobal and Jagged Peak have a solid portfolio of both US and global customers and brands which brings with it opportunities for synergy benefit and growth.

Your Management is therefore committed and focussed on the turnaround plan and recovering as much value for shareholders as we possibly can. We should not let the TradeGlobal impairment overshadow the progress we are making in other parts of our eCommerce logistics business. Indeed, we are focussed on building out our eCommerce platform and capabilities in the Southeast Asia region and other key markets as drivers of our future growth strategy.

Finally, let me talk about my priorities.



There are three of them:

1. Integrating the investments we have made
2. Updating our business strategy
3. Good stewardship

The first priority is integrating our investments – the business operating units that we have acquired – to create a true network across markets, products and geographies. We will focus on driving the synergy benefits from the integration of all our assets.

According to a recent Euromonitor study, the total value of eCommerce as a percentage of global trade was seven per cent in 2016 and that is estimated to grow to 17 per cent by 2021. This is a clear indicator of how cross-border eCommerce value is expected to grow and Southeast Asia will be a key driver of that growth.

Our portfolio of businesses makes us well-placed to capitalise on this growth curve.

eCommerce fulfilment requires an end-to-end network and we have been investing in building the components of that capability in the last few years. What we need to do now is to integrate them as One SingPost.

Integration and synergy are easy to talk about but much more difficult to achieve and deliver in practice. When we claim we can offer end-to-end solutions combining mail and eCommerce logistics, we must ensure that no matter where a SingPost customer may be, which combination of our operating units they are interfacing with – the service quality and efficiency must be the same.

I have been part of a major post-merger integration effort earlier in my career. This was the bringing together of a postal organisation with origins in the mid-19th century and a logistics and freight forwarding company.

We had to prepare the new company and its workforce for integration and postal deregulation; and to move everyone towards a more entrepreneurial DNA and prepare for high performance in the face of increasing global competition.

This is something I will be focussing on at SingPost – and it will be connected with our second priority – which is to update our business strategy and galvanise our people behind it.

I touched earlier on our strategy review process and some of the dynamics we have to consider over the course of the next few weeks. We will further define and determine the strategy for the coming years.



At the same time, one of the principles I gained from my earlier experience in integration and change management is how critical people are to the success of any strategy and transformation.

So once we update SingPost's business strategy, we must bring everyone on board and ensure all our employees are totally engaged and committed to delivering our immediate and long-term goals.

All of this must be done without losing sight that SingPost has a 150-year history and, as Singapore's Public Postal Licensee, we have a responsibility to the people and community of Singapore. This is something we take seriously and is something we will continue to honour and deliver.

My third priority is good stewardship.

As our shareholders, you have invested in SingPost. You have placed your hard-earned money and capital in our hands. And I fully appreciate what you have experienced recently with SingPost's performance.

We will work for you so that what we are doing today and tomorrow will bear results for you and for SingPost in the years ahead.

In summary, I am excited about what the future holds and I am convinced that SingPost has the right people, the right infrastructure and the right technology to be successful in the future world of mail and eCommerce logistics.

Again, I am very honoured to be part of SingPost's transformation journey.

Thank you.