



# Board Statement



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## DEAR SHAREHOLDERS,

Despite the challenges of geopolitical uncertainty, supply chain disruptions and currency fluctuations, SingPost remained focused on the execution of the strategy and this is reflected in our improved results. The Group achieved a net profit of S\$81.5 million for the full year, an increase from S\$38.8 million last year. Operating fundamentals of core businesses have improved, offset by the decline in operating profit from Famous Holdings.

Notably, our investments in Australia have been a major contributor to these results. During the year, we moved to 100% ownership of Freight Management Holdings and completed the acquisition of Border Express, the benefits of which will flow through into the next financial year.

Progress has been made in addressing the structural decline in domestic mail. An uplift of postal rates and growth in eCommerce deliveries has seen the domestic postal business return to a profit in the second half of the year. We are working with the Government towards a sustainable commercial model to meet our return criteria and expect to begin implementing this in stages in the coming year.

For the first half of FY2023/24, we declared an interim dividend of 0.18 cents per share. For the final dividend, the Board is recommending a final exempt (one-tier) dividend of 0.56 cents per ordinary share for your approval at the Annual General Meeting (AGM). This would bring the annual dividend for FY2023/24 to 0.74 cents per share.

## BOARD STATEMENT

**“ With 2023 recorded as the warmest year on record, SingPost recognises the urgent need for sustainability, and our commitment extends beyond environmental stewardship to encompass broader responsibilities. Through collaborative partnerships and innovative strategies, we are resetting for sustainable growth, aligning our operations with the goal of net-zero emissions by 2030 in Singapore and globally by 2050. ”**

### Unlocking Value

Over the last three years, SingPost has been transformed and the Board’s priority is to see the value created, recognised, and unlocked.

In the course of the financial year, the Board completed a Strategic Review with the support of external advisors and management. The review was intended to address the significant gap between market value and the intrinsic value of SingPost.

Following consultation with our financial advisors, BofA Securities, the Board is of the view that the current share price does not appropriately reflect the intrinsic value of the Company. This is particularly apparent considering the value of the SingPost Centre, our Australia business and the Group’s growth potential.

The Group will be reorganised into three business units of Singapore, Australia, and International, with each focused on their individual markets. The Group’s vision is to position each business unit for growth in its respective market segment. The business units will each have the agility and empowerment to operate in their own markets, to develop market leadership and build on their core capabilities according to their individual strategies. This provides clarity on the valuation of the individual businesses against comparable market and sector ratings. The revised corporate structure creates flexibility and facilitates future optionalities.

A list of assets and businesses that are non-core to our strategy have been identified. These can be monetised to recycle the capital. This includes selected properties as well as various assets in our international footprint. Potential proceeds will be appropriately allocated by the Board to reduce debt, support growth investments, and return value to shareholders. The timing of any potential divestitures will be subject to market conditions, achieving appropriate valuations as well as necessary approvals from the authorities and shareholders. The intent of these efforts is to unlock value for shareholders.

The Group will continue to strengthen our balance sheet, review credit ratings and actively manage capital deployed in our portfolio of businesses with regular reviews of the financial performance and returns against set targets.

The dividend policy was also reviewed as part of the Strategic Review. From FY2024/25, the Board will adopt a dividend policy of paying out between 30% and 50% of underlying net profit. The Board believes this is a balanced policy taking into consideration the capital needs of the enterprise and sustainable returns to shareholders.

## Sustainability

With 2023 recorded as the warmest year on record, SingPost recognises the urgent need for sustainability, and our commitment extends beyond environmental stewardship to encompass broader responsibilities. Through collaborative partnerships and innovative strategies, we are resetting for sustainable growth, aligning our operations with the goal of net-zero emissions by 2030 in Singapore and globally by 2050<sup>2</sup>. The Board through the Board Sustainability Committee (BSC) and the Board Risk and Technology Committee (BRTC), works closely with the Sustainability and leadership teams, to actively oversee the management and monitoring of environmental, social, and governance (ESG) factors, aligning to our goals and targets.

The practical applications of ESG efforts across the Group have already seen a 26% reduction of total Scope 1 and 2 emissions in Singapore from FY2018/19 baseline level<sup>3</sup>, showcasing our progress in mitigating environmental impact. SingPost's dedication to sustainability was recognised with the Best Innovation Strategy and Commitment to Sustainability award at the World Post and Parcel Awards 2023.

## Governance

The Board remains committed to upholding and improving the highest standards of governance. Throughout the financial year, SingPost remains steadfast in our dedication to transparency, accountability and ethical conduct in all aspects of our business practices.

SingPost's continued recognition and 8th place ranking in the Singapore Governance and Transparency Index in 2023 underscores our commitment to governance excellence. This accolade reflects our ongoing efforts to maintain robust governance structures and processes that ensure the integrity and reliability of our operations.

<sup>2</sup> This applies to Singapore and International operations. For Australia operations, this target is currently under review, in consideration of recent business acquisition.

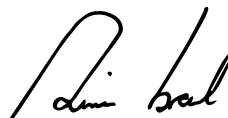
<sup>3</sup> Scope 1 and 2 GHG emissions in Singapore in FY2018/19 (baseline year) has been restated due to a recalculation of tenant electricity consumption data at owned properties, electricity consumption at leased properties and fuel consumption for our operations. This results in an overall reduction in the Scope 1 and 2 GHG emissions for the baseline year; and SingPost's FY2022/23 reduction for Scope 1 and 2 is restated as 22% from FY2018/19 (baseline year).

## Board Renewal

During FY2023/24, SingPost welcomed Mr Gan Chee Yen, effective 31 October 2023, and Ms Yasmin Binti Aladad Khan, effective 1 January 2024, as Non-Executive, Independent Directors. We look forward to their valuable insights and contributions to further strengthen our Board as we move forward on the Group's next phase of growth. Please join me in extending a warm welcome to Chee Yen and Yasmin.

## Appreciation

I want to thank my fellow Directors, the Group's management and staff, and our union for their hard work and support. They have demonstrated dedication, determination, and resilience through this transformation journey. Their unwavering commitment has been the cornerstone of our progress, and I am truly grateful for their invaluable contributions. On behalf of the Board, I also want to thank all shareholders for your continued support. We look forward to meeting you at this year's annual general meeting.



**SIMON ISRAEL**  
Chairman