

Asset Acquisitions and Disposals::Acquisition of the Entire Issued and Paid-Up Share Capital of F.S. Mackenzie Limited

Issuer & Securities

Issuer/ Manager	SINGAPORE POST LIMITED
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Announcement Details

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Designation	Joint Company Secretary
Description (Please provide a detailed description of the event in the box below)	Please refer to the attachment.
Attachments	<p> SGXNET_Ann.pdf</p> <p>Total size =18K</p>

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SINGAPORE POST LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration Number: 199201623M)

**ACQUISITION OF THE ENTIRE ISSUED AND PAID-UP SHARE CAPITAL OF
F.S. MACKENZIE LIMITED**

1. INTRODUCTION

The Board of Directors of Singapore Post Limited (the “**Company**”) wishes to announce that its subsidiary, Famous Holdings Pte Ltd (the “**Purchaser**”), has on 18 July 2014 entered into a sale and purchase agreement (the “**Agreement**”) with Alfred Stienen (the “**Vendor**”), pursuant to which the Purchaser has agreed to purchase from the Vendor the entire issued and paid-up share capital of F.S. Mackenzie Limited (“**FSML**”), comprising 83,524 issued and paid-up ordinary shares in total, which are wholly-owned by the Vendor (the “**Acquisition**”). The completion of the Acquisition (the “**Completion**”) is subject to the fulfillment of certain conditions precedent within three (3) months of the date of the Agreement, failing which the Agreement shall cease and determine. Upon the Completion, FSML will become a subsidiary of the Company.

2. RATIONALE

Established in 1999, FSML is a United Kingdom-based freight forwarder / Non Vessel Operating Common Carrier focusing primarily on sea, air and road freight forwarding together with customs clearance for inbound and outbound shipments from the United Kingdom.

This Acquisition will allow the Company and the Purchaser to broaden the freight network and establish an entry point into the Western European freight market. It also strengthens the Company’s capability to provide customers with an integrated ecommerce logistics solution and complements the existing postal and parcel networks.

3. CONSIDERATION

Under the Agreement, the aggregate consideration for the Acquisition is up to GBP7.0million¹ (equivalent to approximately S\$14.8 million), comprising (a) an initial consideration of GBP4.1 million (equivalent to approximately S\$8.7 million) to be paid on Completion; (b) an escrowed consideration of up to GBP0.8 million (equivalent to approximately S\$1.7 million) to be dealt with and be subject to certain indemnity and set-off provisions under the Agreement; and (c) a potential earn-out consideration of up to a maximum amount of GBP2.1 million (equivalent to approximately S\$4.4 million), subject to certain adjustments to be made, after Completion, to the actual net profit after tax of FSML in accordance with the terms of the Agreement (“**Earn-out Consideration**”). The Earn-Out Consideration (if any) will be paid approximately three (3) years after Completion.

¹ In this announcement, all references to S\$ are based on an exchange rate of GBP 1.00 to S\$2.113 [Based on the average historical GBP:SGD bid rate over 3 months (18 Apr – 17 Jul 2014). Source: OANDA].

The consideration for the Acquisition was arrived at on a “willing buyer-willing seller” basis, taking into account, amongst others, the future performance of FSML and its existing assets and operations.

The consideration for the Acquisition will be satisfied wholly in cash and will be funded from the Company’s internal resources.

4. VALUE OF ASSETS BEING ACQUIRED

The net asset value of FSML based on the latest unaudited financial statements for the financial year ended 31 December 2013 is GBP2.5 million (equivalent to approximately S\$5.4 million).

5. FINANCIAL EFFECTS

The Acquisition is not expected to have a material effect on the net tangible assets per share or earnings per share of the Company for the financial year ending 31 March 2015.

6. DIRECTORS’ AND CONTROLLING SHAREHOLDERS’ INTERESTS

None of the directors or controlling shareholders of the Company has any interest, direct or indirect, in the Acquisition.

BY ORDER OF THE BOARD

Winston Paul Wong Chi Huang
Joint Company Secretary

18 July 2014