

Placements:::(1) Joint Venture Agreement (2) Issue of Shares (3) Joint Strategic Business Development

Issuer & Securities

Issuer/ Manager	SINGAPORE POST LIMITED
Securities	SINGAPORE POST LIMITED - SG1N89910219 - S08
Stapled Security	No

Announcement Details

Announcement Title	Placements
Date & Time of Broadcast	08-Jul-2015 08:09:59
Status	New
Announcement Sub Title	(1) Joint Venture Agreement (2) Issue of Shares (3) Joint Strategic Business Development
Announcement Reference	SG150708OTHRUC62
Submitted By (Co./ Ind. Name)	Woo Mei Lin Jacqueline
Designation	Group Company Secretary
Description (Please provide a detailed description of the event in the box below)	<p>Please refer to the attached.</p> <p>1. The calculation of the "Capital Amount-Old" and "Capital Amount-New" exclude the value of 2,527,478 treasury shares held by the Company as of 7 July 2015.</p> <p>2. The "No. of Existing Outstanding Shares" excludes 2,527,478 treasury shares held by the Company as of 7 July 2015.</p>

Additional Details

Capital Amount-Old	SGD 420,742,548.09
Capital Amount-New	SGD 607,886,346.27
No. of Existing Outstanding Shares	2,151,078,140
New Shares Issued	107,553,907
Offer Price	SGD 1.74
Attachments	<p>SGXAnn.pdf</p> <p>PressRelease.pdf</p> <p>Total size =216K</p>

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

STRENGTHENING OF ECOMMERCE PARTNERSHIP WITH ALIBABA GROUP HOLDING LIMITED

- **JOINT VENTURE AGREEMENT WITH ALIBABA INVESTMENT LIMITED IN RELATION TO QUANTUM SOLUTIONS INTERNATIONAL PTE. LTD. WHICH WILL ACT AS THE PLATFORM FOR COLLABORATION**
- **ISSUANCE OF 107,553,907 NEW ORDINARY SHARES IN THE CAPITAL OF SINGAPORE POST LIMITED TO ALIBABA INVESTMENT LIMITED**
- **ESTABLISHMENT OF JOINT STRATEGIC BUSINESS DEVELOPMENT FRAMEWORK**

Unless otherwise defined all capitalised terms shall bear the same meanings as in Singapore Post Limited's (the "Company") announcements dated 28 May 2014 and 31 July 2014 (the "Announcements").

1. INTRODUCTION

Further to the Announcements, the Board of Directors ("**Board**") of the Company wishes to announce that the Company and its wholly-owned subsidiary Quantum Solutions International Pte. Ltd. ("**QSI**") have on 8 July 2015 entered into a conditional joint venture agreement (the "**Joint Venture Agreement**") with Alibaba Investment Limited (the "**Investor**"), a wholly-owned subsidiary of Alibaba Group Holding Limited ("**Alibaba Group**"), to further develop the business collaboration that began last year. Pursuant to the Joint Venture Agreement, QSI will become a joint venture company which will act as the platform for collaboration between the Company and the Alibaba Group (the "**Joint Venture**").

In addition, the Company has on 8 July 2015 entered into a second investment agreement (the "**Second Investment Agreement**") with the Investor. Subject to and upon the terms of the Second Investment Agreement, the Company proposes to raise capital of approximately S\$187.1 million by issuing to the Investor an aggregate of 107,553,907 new ordinary shares in the Company ("**New Shares**"), representing approximately 4.76% of the enlarged issued and paid-up share capital of the Company (excluding treasury shares), at a price of S\$1.74 (the "**Subscription Price**") per New Share (the "**Proposed Issuance**").

The Company and the Investor have established a joint strategic business development framework to further improve efficiency and integration in the ecommerce logistics industry by leveraging on each other's strengths and scale across the whole value chain of ecommerce logistics.

1.1 Information on the Investor

The Investor is an investment holding company of Alibaba Group. Alibaba Group, with a mission statement "To make it easy to do business anywhere", together with its related companies, operates an ecosystem where online and mobile commerce participants can leverage the power of the Internet to establish and grow their business as well as meet consumer demand efficiently. Since its inception, Alibaba Group and its related companies have developed and expanded to operate a range of online and mobile platforms, including its China retail marketplace, its China wholesale marketplace, its global consumer marketplace, its global wholesale marketplace, as well as cloud computing.

As at the date of this announcement, the Investor's direct shareholding interest represents approximately 10.23% of the existing issued and paid-up share capital (excluding treasury shares) of the Company. Pursuant to Section 81 of the Companies Act, Chapter 50 of Singapore, the Investor is a substantial shareholder of the Company. Each of Alibaba Group and Softbank Corp. are deemed to be interested in the aforesaid 10.23% shareholding interest by virtue of Section 4 of the Securities and Futures Act, Chapter 289 of Singapore.

Upon completion of the Proposed Issuance, the Investor's direct shareholding interest will represent approximately 14.51% of the enlarged issued and paid-up share capital (excluding treasury shares) of the Company.

1.2 Rationale for the Joint Venture, the Proposed Issuance and the Joint Strategic Business Development Framework

The initiatives will allow QSI to accelerate the build-up of ecommerce logistics infrastructure and services. In addition to that, this will also provide a platform for both parties to strengthen the collaboration and realise synergies. This will include ecommerce warehousing, last mile delivery and other end-to-end ecommerce solutions. To further improve efficiency and integration of ecommerce logistics across both groups, a joint steering committee will be created, drawn from their respective executives.

2. THE JOINT VENTURE AGREEMENT

Pursuant to the Joint Venture Agreement, the Investor will subscribe for a 34% stake in QSI for a cash amount of approximately S\$91.7 million, subject to certain adjustments. The remaining 66% of QSI will be held by the Company. The subscription price was arrived at on an arm's length and willing-buyer and willing-seller basis, taking into account, amongst others, financial performance of the Company and the multiples of comparable trading companies. The completion of the Investor's investment is subject to several conditions including a reorganisation of certain of the QSI group's current investments and business.

Based on the consolidated financial position of the Company as at 31 March 2015, giving effect to the reorganisation contemplated in the Joint Venture Agreement, the pro forma net tangible asset value of QSI is approximately S\$43.3 million.

A copy of the Joint Venture Agreement is available for inspection during normal business hours at the Company's registered office at 10 Eunos Road 8, Singapore 408600 for a period of three months from the date of this announcement.

3. **THE PROPOSED ISSUANCE**

The New Shares represent 5.00% of the existing issued and paid-up share capital (excluding treasury shares) of the Company as at the date of this announcement and approximately 4.76% of the enlarged issued and paid-up share capital of the Company (excluding treasury shares) after completion of the Proposed Issuance.

The New Shares, when issued and delivered, shall rank *pari passu* in all respects with the existing ordinary shares in the Company ("**Shares**").

The Subscription Price was arrived at following negotiations and represents a discount of approximately 7.89% to the volume weighted average price of S\$1.889 for trades done on the Shares on the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") on 7 July 2015 (being the preceding full market day up to the time the Second Investment Agreement was signed).

The Company will be making an application to the SGX-ST for the listing and quotation of the New Shares on the Official List of the SGX-ST.

Rule 812 of the SGX-ST Listing Manual provides that an issue of securities must not be placed to, amongst others, substantial shareholders of the issuer unless specific shareholder approval for such placement has been obtained. As the Investor is currently a substantial shareholder of the Company, the allotment and issue of the New Shares is subject to the approval of shareholders of the Company ("**Shareholders**") at an extraordinary general meeting to be convened (the "**EGM**"). A circular to Shareholders containing details of the Proposed Issuance and the notice of EGM, will be despatched in due course. The Investor and its associates will abstain from voting on the ordinary resolution in relation to the Proposed Issuance, in respect of their respective shareholdings in the Company. The Investor and its associates will also not accept nominations to act as proxies or corporate representatives to vote in respect of the said resolution.

3.1 **Conditions Precedent to the Proposed Issuance**

The Proposed Issuance is subject to certain conditions precedent set out in the Second Investment Agreement, including without limitation, there being no breach of the representations, warranties and undertakings set out in the Second Investment Agreement, the in-principle approval being obtained from the SGX-ST for the listing and quotation of the New Shares on the Main Board of the SGX-ST, the receipt of the approval of Shareholders at the EGM and the approval of the Info-communications Development Authority of Singapore ("**IDA**") for the Investor to become a holder of 12% or more of the total number of voting shares of the Company pursuant to Section 26B of the Postal Services Act, Chapter 237A of Singapore. The Company and the Investor have agreed that the conditions precedent set out in the Second Investment Agreement shall be satisfied no later than 30 November 2015 (the "**Long Stop Date**") and if certain agreed conditions precedent are not fulfilled by the Long Stop Date, the Long Stop Date would be automatically extended to 31 December 2015.

The completion of the Proposed Issuance is not conditional upon the completion of the transactions contemplated by the Joint Venture Agreement and vice versa.

3.2 Use of Proceeds from the Proposed Issuance

The net proceeds of the Proposed Issuance of approximately S\$183.6 million, after deducting estimated expenses of approximately S\$3.5 million (the "Net Proceeds") will be used for the following purposes:

	Use of Net Proceeds	Estimated Percentage Allocation (%)
(a)	the SingPost Group's business of ecommerce logistics for purposes such as investments, mergers and acquisitions and the upgrade of the SingPost Group's operations and information technology systems relating to the ecommerce logistics business; and	75
(b)	the general working capital of the SingPost Group.	25

The actual apportionment of Net Proceeds for the aforementioned purposes would be subject to the availability and size of investment and acquisition opportunities, the relative timing of various requirements for funds, and the Company's overall objective of achieving an optimal cost of capital to fund its growth initiatives. Pending deployment, the Net Proceeds may be placed in deposits with banks and/or financial institutions as the Board may deem fit in their absolute discretion. The Company will make periodic announcements on the utilisation of proceeds from the Proposed Issuance as and when such proceeds are materially disbursed.

3.3 Financial Effects of the Proposed Issuance

For illustration purposes only and based on the audited consolidated financial statements of the SingPost Group for the financial year ended 31 March 2015, the financial effects of the Proposed Issuance are set out below. The analysis below has been prepared solely for illustrative purposes and does not purport to be indicative or a projection of the results and financial position of the SingPost Group immediately after the completion of the Proposed Issuance.

Based on the assumptions above and assuming that the Proposed Issuance had been effected at the beginning of that financial year, the basic earnings per Share after adjusting for the issuance of the New Shares will decrease from 6.849 cents to 6.513 cents. In addition, based on the assumptions above and assuming that the Proposed Issuance had been effected at the end of that financial year, the consolidated net asset value per Share after adjusting for the issuance of the New Shares will increase from 68.4 cents to 73.3 cents.

4. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Mr Chen Jun, who is as at the date of this announcement, a Non-Executive and Non-Independent Director of the Company, is a Vice President at Alibaba Group.

As at the date of this announcement, the Investor is a substantial Shareholder.

Save as disclosed above, none of the Directors or substantial Shareholders has any interest, direct or indirect, in the Proposed Issuance or the Joint Venture Agreement (other than through their respective shareholdings in the Company) and/or the Investor.

The Company will make the necessary announcements once the in-principle approval for the listing and quotation of the New Shares has been obtained from the SGX-ST.

5. ADVISERS

Credit Suisse (Singapore) Limited and DBS Bank Ltd. are the financial advisers to the Company for the Proposed Issuance. In addition, the Company has appointed WongPartnership LLP as its legal adviser for the Proposed Issuance and the Joint Venture Agreement.

BY ORDER OF THE BOARD

Woo Mei Lin Jacqueline
Group Company Secretary

8 July 2015



For immediate release

SingPost and Alibaba Group to Expand E-Commerce Logistics Cooperation

- **SingPost and Alibaba Group taking next step to establish end-to-end e-commerce logistics platform - Alibaba investing in Quantum Solutions International, a SingPost subsidiary**
- **Alibaba Group to increase equity stake in SingPost to 14.51 percent subject to regulatory approval**
- **SingPost and Alibaba Group to enter into a joint strategic business development framework to improve efficiency and integration in e-commerce logistics**

SINGAPORE, 8 July 2015 – Singapore Post Limited (“SingPost”) (STI: S08) and Alibaba Group Holding Limited (“Alibaba”) (NYSE: BABA) announced today a series of new initiatives for collaboration and growth following the signing of a joint venture agreement. The three initiatives signal the deepening of a business relationship that started last year and a commitment from both parties to increase e-commerce logistics collaboration in the future to build a leading e-commerce logistics platform to service the rapidly growing e-commerce businesses across Asia Pacific and beyond.

Initiative One: Alibaba will invest up to approximately S\$92 million (US\$67.85 million) in QSI for a 34 percent stake in Quantum Solutions International (“QSI”), SingPost will hold the remaining 66 percent of the equity of QSI. QSI is currently a wholly owned subsidiary of SingPost providing leading end-to-end e-commerce logistics and fulfilment services across the Asia Pacific region. Its network spans more than 10 countries and the company offers customers e-commerce logistics solutions and warehousing across Asia Pacific.

QSI will reorganize its business and become the joint venture vehicle of SingPost and Alibaba Group. This will allow QSI to ramp up its development of e-commerce logistics infrastructure and services. In addition, QSI will also become a platform for both parties to strengthen their collaboration and realize synergies across their businesses. QSI will encompass e-commerce warehousing, last mile delivery and other end-to-end e-commerce solutions.

Initiative Two: Alibaba Group will purchase 107,553,907 new ordinary shares amounting to 5 percent of the existing share capital of SingPost for S\$187.1 million (US\$138.6 million). Upon completion, Alibaba’s deemed interest on a fully diluted basis in SingPost will rise from 10.23 percent to 14.51 percent. Alibaba Group’s acquisition of additional equity in SingPost is subject to Info-Communications Development Authority of Singapore (IDA) and SingPost’s shareholder approvals. Alibaba Group acquired its initial stake in SingPost in 2014.

Initiative Three: SingPost and Alibaba have also entered into a joint strategic business development framework to further improve efficiency and integration of e-commerce logistics solutions. SingPost and Alibaba will share their respective knowledge and leverage each other’s strengths to scale across the e-commerce logistics value chain. A joint Steering Committee will be created and drawn from their respective executives.



Mr. Lim Ho Kee, Chairman of SingPost, said: "The pace of transformation at SingPost has been accelerating steadily. As a postal service provider, we are on a burning platform, facing a global decline in mail revenue with trends like e-substitution and lifestyle changes. It is a win-win situation for both of us because we share similar goals and have a natural fit between our operations across Asia. On behalf of my fellow directors, I welcome Alibaba as one of our partners on the next phase of the journey."

Mr. Daniel Zhang, Chief Executive Officer of Alibaba Group, said, "Over the past year, Alibaba and SingPost have worked closely to explore cross border e-commerce opportunities and created a series of customized logistics solutions in various markets. This additional investment into SingPost and establishment of a joint venture signify our commitment in expanding our global logistics footprint, which in turn will help Chinese businesses sell, and global brands deliver more easily around the world."

Dr. Wolfgang Baier, Group Chief Executive Officer of SingPost, said, "We are now taking the next step by building a regional e-commerce logistics platform and infrastructure for e-commerce players across Asia Pacific based on Quantum Solutions – our e-commerce logistics subsidiary. Alibaba started as our customer and then last year became our shareholder and business partner. Today with the significant growth in e-commerce ahead, both of us are convinced of the long term value of working together in a win-win partnership for e-commerce businesses in Asia Pacific."

End

Full Details and Disclosure

This news release is to be read and understood in context with the detailed disclosures made today by SingPost to the SGX-ST.

About Singapore Post Limited

Singapore Post (SingPost) is the leading provider of mail, logistics and ecommerce solutions in Singapore and the Asia Pacific region, with operations in more than 10 countries.

As Singapore's national postal service provider, SingPost offers trusted communications through domestic and international postal services as well as end-to-end integrated mail solutions covering letter shopping, delivery and mailroom management, among others. For over 150 years, SingPost has been delivering a trusted and reliable service to customers and businesses in Singapore.

As part of its transformation, SingPost has been steadily expanding beyond Singapore, leveraging its regional platform Quantum Solutions and other subsidiaries and partners. With its regional network and infrastructure, SingPost offers fully integrated ecommerce logistics solutions covering the four areas of freight, customs & regulations management, warehousing & fulfilment, last mile delivery & returns, as well as ecommerce web services, to its customers.



SingPost was listed on the Main Board of the Singapore Exchange in 2003 and is a constituent stock of various main global benchmark indices - FTSE All-World Index Series, FTSE All-World Minimum Variance Index, FTSE All-World High Dividend Yield Index, FTSE RAFI Index Series, FTSE Global Infrastructure Index Series and FTSE ST Index Series. It has a strong credit rating of 'A/Stable/NR' by Standard & Poor's.

SingPost won the World Mail Award for Retail Customer Access in 2015, ecommerce, 2014 and People Management, 2013. SingPost also gained international acclaim when it was bestowed the Service Provider of the Year award by Postal Technology International in 2014 and 2012. SingPost is the only company to win to the Universal Postal Union's EMS Cooperative award for its Speedpost courier service every year since 2001.

SingPost's subsidiaries and businesses include:

- SP eCommerce (<http://www.specommerce.com/>), an ecommerce enabler that provides brands and retailers with integrated end-to-end ecommerce solutions
- Quantum Solutions (<http://www.quantiumsolutions.com/>) which specialises in logistics and fulfilment services to businesses in the Asia Pacific region
- CouriersPlease (<http://www.couriersplease.com.au/>), a leading metropolitan express parcel delivery service in Australia
- Famous Holdings (<http://www.famous.com.sg/>), an established freight consolidator and freight-forwarder with a regional presence in 7 countries
- Lock+Store (<http://www.lockandstore.com/>), a self-storage operator in Singapore, Hong Kong and Malaysia
- DataPost (<http://www.datapost.com.sg/>), the biggest data print bureau in the Southeast Asia region
- Speedpost (<http://www.speedpost.com.sg/>), a leading provider for courier service in Singapore and international shipping to more than 200 destinations across the globe
- vPOST (<http://www.vpost.com.sg/>), one of the largest online shopping and shipping services providers in Southeast Asia
- Omigo Marketplace (<http://www.omigo.com.sg/>), Singapore's online marketplace for consumers to shop and for SMEs and international brands to sell online
- SAM (<https://www.mysam.sg/>), a digital mailbox with bill payment services which can be accessed anywhere, anytime

For more information, please visit: www.singpost.com

About Alibaba Group

Alibaba Group's mission is to make it easy to do business anywhere. The company is the largest online and mobile commerce company in the world in terms of gross merchandise volume. Founded in 1999, the company provides the fundamental technology infrastructure and marketing reach to help businesses leverage the power of the Internet to establish an online presence and conduct commerce with hundreds of millions of consumers and other businesses.

Alibaba Group's major businesses include:

- Taobao Marketplace (www.taobao.com), China's largest online shopping destination
- Tmall.com (www.tmall.com), China's largest third-party platform for brands and retailers
- Juhuasuan (www.juhuasuan.com), China's most popular online group buying marketplace



- Alitrip (www.alitrip.com), a leading online travel booking platform
- AliExpress (www.aliexpress.com), a global online marketplace for consumers to buy directly from China
- Alibaba.com (www.alibaba.com), China's largest global online wholesale platform for small businesses
- 1688.com (www.1688.com), a leading online wholesale marketplace in China
- Aliyun (www.aliyun.com), a provider of cloud computing services to businesses and entrepreneurs

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