



Mr Simon Israel, Chairman of SingPost
Speech at the 26th SingPost Annual General Meeting, 11 July 2018

Good afternoon ladies and gentlemen,

On behalf of the Board, I welcome you all our shareholders to today's meeting and thank you for taking the time to attend.

My remarks today will be relatively brief as I am sure you will be more interested to hear Paul speak to you about the business. However, there are a few points I would like to share with you.

Firstly, a couple of brief comments on the business:

Since his appointment as Group CEO in June last year, Paul and the management team have been working with the Board to reshape the business into one which is more focused, more integrated and more cost-efficient.

We have been making good progress and you will have seen the uplift in the profit of the last two quarters of the financial year. As we execute on the transformation, we recognise that we need to balance investing for the future with driving improved performance, so that we are able to grow earnings over time.

I would also like to take this opportunity to highlight that our relationship with Alibaba continues to deliver real benefits, with cross-border eCommerce deliveries from Alibaba hitting new highs.

Our Quantum Solutions joint venture with Alibaba is also being reshaped in terms of its scope, the business model and its capabilities. This will ensure it better serves both Alibaba's and SingPost's eCommerce ambitions for the future.

Alibaba is obviously a very important relationship and is one we are working together to expand on.

You will have noted in the year's results the significant reduction in eCommerce losses with the turnaround of TradeGlobal being on track. Jagged Peak continues to perform well and we are now looking at integrating all of our eCommerce businesses across various markets. This will allow us to create scale, derive synergies and be able to go to market with a much stronger proposition for our clients.

Turning to governance, you will recall the Board commissioned an independent review of our corporate governance and publicly released the findings and the recommendations back in 2016.



All of the recommendations to improve governance have been implemented. SingPost today has in place a robust corporate governance framework, with the necessary supporting policies and practices. I want to share this because I think it is important for you, our shareholders, to have the assurance of the governance of SingPost.

I would also particularly like to highlight that over the last two years the Board has been renewed and the Board is now focused very much on supporting our Chief Executive and Management through the transformation.

In this coming year, we expect to appoint two new Independent Directors, and this will further strengthen the Board's independence and skills.

I will comment on the TradeGlobal Review.

Prior to last year's AGM, we released the Summary Report of the TradeGlobal Review issued by Wong Partnership. The report included observations on shortcomings in areas of corporate governance, due diligence, valuation and the consideration of mitigation measures to address risks.

This was the subject of discussion at last year's AGM and the Board noted shareholders' concerns.

Subsequent to the AGM, the full report was filed with the regulatory authorities, and the Company has not received any notice of follow up from the authorities to date.

Your Board has taken legal advice on whether action can be taken against any individual or entities involved in the acquisition. After careful consideration, your Board has concluded that based on legal advice and the information currently known to SingPost, legal action is not in the best interests of shareholders at this time.

In reaching this conclusion, your Board has considered the uncertainty, based on the legal advice, on the outcome of litigation and the significant costs involved.

During this meeting, we are not in a position to go into the detail of the legal position, as we need to protect our legal privilege and reserve our rights for the future.

In concluding, I just want to say in the coming year, we are looking to improve our profitability as we continue to transform and better position our business for the future.

As we start to see progress from SingPost's transformation – I'll leave it to Paul to share more details about this with you – we need to be reminded that transformation is a journey and will take time for us to realise the full benefits.

After two very challenging years, I think I can stand before you and say that I have a sense of optimism about our future.