

**CIRCULAR DATED 6 JUNE 2013**

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

If you are in any doubt as to the course of action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

If you have sold your ordinary shares in the capital of Singapore Post Limited (the “**Company**”), you should immediately forward this Circular and the Proxy Form attached to this Circular to the purchaser or to the stockbroker or other agent through whom the sale was effected for onward transmission to the purchaser.

The Singapore Exchange Securities Trading Limited assumes no responsibility for the correctness of any statements made or opinions expressed in this Circular.



**SINGAPORE POST LIMITED**

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

**CIRCULAR TO SHAREHOLDERS**

**IN RELATION TO**

- (1) THE PROPOSED RENEWAL OF THE SHAREHOLDERS MANDATE FOR INTERESTED PERSON TRANSACTIONS;**
- (2) THE PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE; AND**
- (3) THE PROPOSED ADOPTION OF THE SINGAPORE POST RESTRICTED SHARE PLAN 2013.**

**IMPORTANT DATES AND TIMES:**

Last date and time for lodgement of Proxy Form : 26 June 2013 at 10.45 a.m.

Date and time of Extraordinary General Meeting : 28 June 2013 at 10.45 a.m. (or so soon thereafter following the conclusion or adjournment of the 21st Annual General Meeting of the Company to be held at 10.30 a.m. on the same day and at the same place)

Place of Extraordinary General Meeting : 10 Eunos Road 8  
Singapore Post Centre  
SingPost Pavilion (Theatrette) #05-30  
Singapore 408600

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## DEFINITIONS

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In this Circular, the following definitions apply throughout unless otherwise stated:

“ <b>CDP</b> ”	: The Central Depository (Pte) Limited.
“ <b>2012 Circular</b> ”	: The Company’s Circular to Shareholders dated 7 June 2012.
“ <b>Companies Act</b> ”	: The Companies Act, Chapter 50 of Singapore.
“ <b>Company</b> ”	: Singapore Post Limited.
“ <b>Directors</b> ”	: The directors of the Company for the time being.
“ <b>EGM</b> ”	: The extraordinary general meeting of the Company, notice of which is given on pages 41 to 44 of this Circular.
“ <b>2012 EGM</b> ”	: The extraordinary general meeting of the Company held on 29 June 2012.
“ <b>Group</b> ”	: The Company and its subsidiaries.
“ <b>IDA</b> ”	: Info-communications Development Authority of Singapore.
“ <b>Latest Practicable Date</b> ”	: The latest practicable date prior to the printing of this Circular, being 10 May 2013.
“ <b>Listing Manual</b> ”	: The listing manual of the SGX-ST, including any amendments made thereto up to the Latest Practicable Date.
“ <b>Market Day</b> ”	: A day on which the SGX-ST is open for trading in securities.
“ <b>Market Purchase</b> ”	: An on-market purchase of Shares by the Company effected on the SGX-ST, or on any other stock exchange on which the Shares may for the time being be listed and quoted, through one or more duly licensed dealers appointed by the Company for the purpose.
“ <b>Maximum Price</b> ”	: The maximum price to be paid for the Shares as determined by the Directors under paragraph 3.3.4 of the Letter to Shareholders contained in this Circular.
“ <b>New Plan</b> ”	: The proposed Singapore Post Restricted Share Plan 2013.
“ <b>Off-Market Purchase</b> ”	: An off-market purchase of Shares by the Company effected otherwise than on a stock exchange, in accordance with an equal access scheme.
“ <b>Postal Competition Code</b> ”	: The Postal Competition Code 2008 issued by the IDA on 2 May 2008.
“ <b>Postal Services Act</b> ”	: The Postal Services Act, Chapter 237A of Singapore.
“ <b>SGX-ST</b> ”	: Singapore Exchange Securities Trading Limited.
“ <b>Share Purchase Mandate</b> ”	: The mandate to enable the Company to purchase or otherwise acquire its issued Shares.
“ <b>Shareholders</b> ”	: Registered holders of Shares except that where the registered holder is CDP, the term “ <b>Shareholders</b> ” shall, in relation to such Shares and where the context admits, mean the Depositors whose securities accounts are credited with Shares.

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## DEFINITIONS

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“Shareholders Mandate”	:	The mandate to enable the Company, its subsidiaries and associated companies that are entities at risk (as that term is used in Chapter 9 of the Listing Manual) to enter into certain interested person transactions.
“Shares”	:	Ordinary shares in the capital of the Company.
“SingTel”	:	Singapore Telecommunications Limited.
“Take-over Code”	:	The Singapore Code on Take-overs and Mergers.
“Temasek”	:	Temasek Holdings (Private) Limited.
“S\$”, “\$” and “cents”	:	Singapore dollars and cents, respectively.
“%” or “per cent.”	:	Per centum or percentage.

The terms “**Depositor**”, “**Depository**” and “**Depository Register**” shall have the meanings ascribed to them respectively in Section 130A of the Companies Act.

Words importing the singular shall, where applicable, include the plural and *vice versa*. Words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall include corporations.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act or any statutory modification thereof and not otherwise defined in this Circular shall have the same meaning assigned to it under the Companies Act or any statutory modification thereof, as the case may be.

The headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.

Any reference to a time of day in this Circular is made by reference to Singapore time unless otherwise stated.

Any discrepancies in the tables in this Circular between the listed amounts and the totals thereof are due to rounding.

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## LETTER TO SHAREHOLDERS

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### SINGAPORE POST LIMITED

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

**Directors:**

Lim Ho Kee (Chairman and Independent Director)  
Dr Wolfgang Baier (Executive Non-Independent Director)  
Keith Tay Ah Kee (Non-Executive Lead Independent Director)  
Kenneth Michael Tan Wee Kheng (Non-Executive Independent Director)  
Tan Yam Pin (Non-Executive Independent Director)  
Zulkifli Bin Baharudin (Non-Executive Independent Director)  
Professor Low Teck Seng (Non-Executive Independent Director)  
Michael James Murphy (Non-Executive Non-Independent Director)  
Bill Chang York Chye (Non-Executive Non-Independent Director)

**Registered Office:**

10 Eunos Road 8  
Singapore Post Centre  
Singapore 408600

6 June 2013

To: The Shareholders of Singapore Post Limited

Dear Sir/Madam

**1. INTRODUCTION**

1.1 **EGM.** The Directors are convening an EGM to be held on 28 June 2013 to seek Shareholders' approval for the following proposals:

- (a) the proposed renewal of the Shareholders Mandate;
- (b) the proposed renewal of the Share Purchase Mandate; and
- (c) the proposed adoption of the New Plan,

(together, the "**Proposals**").

1.2 **Circular.** The purpose of this Circular is to provide Shareholders with information relating to the Proposals.

1.3 **Listing of New Shares.** The SGX-ST has granted in-principle approval for the listing and quotation of the new Shares to be issued pursuant to the New Plan, subject to Shareholders' approval for the New Plan and the Company's compliance with the SGX-ST's listing requirements and guidelines. The SGX-ST's in-principle approval is not to be taken as an indication of the merits of the New Plan, the new Shares, the Company and/or its subsidiaries.

**2. THE PROPOSED RENEWAL OF THE SHAREHOLDERS MANDATE**

2.1 **Shareholders Mandate.** At the 2012 EGM, approval of the Shareholders was obtained for the renewal of the Shareholders Mandate to enable the Company, its subsidiaries and associated companies that are entities at risk (as that term is used in Chapter 9 of the Listing Manual) to enter into certain interested person transactions with the classes of interested persons as set out in the Shareholders Mandate. Particulars of the Shareholders Mandate are set out in the Appendix to the 2012 Circular.

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## LETTER TO SHAREHOLDERS

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- 2.2 **Proposed Renewal of the Shareholders Mandate.** At the 2012 EGM, the Shareholders Mandate was expressed to take effect until the conclusion of the next Annual General Meeting of the Company, being the 21st Annual General Meeting which is scheduled to be held on 28 June 2013. Accordingly, the Directors propose that the Shareholders Mandate be renewed at the EGM, to take effect until the 22nd Annual General Meeting of the Company.

The particulars of the interested person transactions in respect of which the Shareholders Mandate is sought to be renewed remain unchanged.

- 2.3 **Appendix.** The Shareholders Mandate, including the rationale for, and the benefits to, the Company, the review procedures for determining transaction prices and other general information relating to Chapter 9 of the Listing Manual, are set out in the Appendix to this Circular.

- 2.4 **Audit Committee's Statement.** The Audit Committee (currently comprising Keith Tay Ah Kee, Kenneth Michael Tan Wee Kheng and Tan Yam Pin) confirms that:

- (a) the methods or procedures for determining transaction prices under the Shareholders Mandate have not changed since the 2012 EGM; and
- (b) the methods or procedures referred to in sub-paragraph (a) above are sufficient to ensure that the transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

- 2.5 **Abstention from Voting.** Temasek, SingTel and their respective associates, being interested persons (as described in paragraph 4.1 of the Appendix to this Circular), will abstain from voting their Shares, if any, in respect of Resolution 1, being the Ordinary Resolution relating to the proposed renewal of the Shareholders Mandate to be proposed at the EGM.

The Directors, being interested persons (as described in paragraph 4.1 of the Appendix to this Circular), will abstain, and will procure their associates to abstain, from voting their Shares, if any, in respect of Resolution 1, being the Ordinary Resolution relating to the proposed renewal of the Shareholders Mandate to be proposed at the EGM. Each of the Directors and their respective associates will also decline to accept appointment as proxy for any Shareholder to vote in respect of Resolution 1, unless the Shareholder concerned shall have given instructions in his Proxy Form as to the manner in which his votes are to be cast in respect of Resolution 1.

### 3. THE PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE

- 3.1 **Background.** Shareholders had approved the renewal of the Share Purchase Mandate at the 2012 EGM. The authority and limitations on the Share Purchase Mandate were set out in the 2012 Circular and Ordinary Resolution 2 set out in the Notice of the 2012 EGM.

The Share Purchase Mandate was expressed to take effect on the date of the passing of Ordinary Resolution 2 at the 2012 EGM and will expire on the date of the forthcoming 21st Annual General Meeting to be held on 28 June 2013. Accordingly, Shareholders' approval is being sought for the renewal of the Share Purchase Mandate at the EGM, immediately following the 21st Annual General Meeting of the Company convened to be held on the same date.

The Company has not undertaken any purchase or acquisition of its Shares pursuant to the Share Purchase Mandate approved by Shareholders at the 2012 EGM.

As at the Latest Practicable Date, 39,947,000 Shares purchased or acquired by the Company are held as treasury shares.

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## LETTER TO SHAREHOLDERS

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3.2 **Rationale for the Share Purchase Mandate.** The rationale for the Company to undertake the purchase or acquisition of its Shares, as previously stated in the 2012 Circular, is as follows:

- (a) In managing the business of the Group, management strives to increase Shareholders' value by improving, *inter alia*, the return on equity of the Group. Share purchases are one of the ways through which the return on equity of the Group may be enhanced.
- (b) The Share Purchase Mandate is an expedient, effective and cost-efficient way for the Company to return surplus cash which is in excess of the financial and possible investment needs of the Group to Shareholders. In addition, the Share Purchase Mandate will allow the Company to have greater flexibility over, *inter alia*, the Company's share capital structure and its dividend policy.
- (c) Share repurchase programmes help buffer short-term share price volatility and off-set the effects of short-term speculators and investors and, in turn, bolster shareholder confidence and employee morale.

The approval of the renewal of the Share Purchase Mandate authorising the Company to purchase or acquire its Shares would give the Company the flexibility to undertake share purchases or acquisitions at any time, subject to market conditions, during the period when the Share Purchase Mandate is in force.

While the Share Purchase Mandate would authorise a purchase or acquisition of Shares up to the 10% limit described in paragraph 3.3.1 below, it should be noted that purchases or acquisitions of Shares pursuant to the Share Purchase Mandate may not be carried out to the full 10% limit as authorised, and no purchases or acquisitions of Shares would be made in circumstances which would have or may have a material adverse effect on the financial position of the Company.

3.3 **Authority and Limits of the Share Purchase Mandate.** The authority and limitations placed on the Share Purchase Mandate, if renewed at the EGM, are substantially the same as were previously approved by Shareholders at the 2012 EGM, and are summarised below:

### 3.3.1 **Maximum Number of Shares**

The total number of Shares which may be purchased or acquired by the Company pursuant to the Share Purchase Mandate is limited to that number of Shares representing not more than 10% of the total number of issued Shares of the Company as at the date of the EGM. Any of the Shares which are held as treasury shares will be disregarded for purposes of computing the 10% limit.

Purely for illustrative purposes, on the basis of 1,933,468,618 Shares in issue as at the Latest Practicable Date and disregarding the 39,947,000 Shares held in treasury as at the Latest Practicable Date, and assuming no further Shares are issued and no Shares are purchased or acquired by the Company, or held as treasury shares, on or prior to the EGM, not more than 189,352,161 Shares (representing 10% of the Shares in issue as at that date and disregarding the 39,947,000 Shares held in treasury) may be purchased or acquired by the Company pursuant to the proposed Share Purchase Mandate.

### 3.3.2 **Duration of Authority**

Purchases or acquisitions of Shares may be made, at any time and from time to time, on and from the date of the EGM at which the renewal of the Share Purchase Mandate is approved, up to:

- (a) the date on which the next Annual General Meeting of the Company is held or required by law to be held;
- (b) the date on which the authority conferred by the Share Purchase Mandate is revoked or varied; or

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## LETTER TO SHAREHOLDERS

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- (c) the date on which purchases and acquisitions of Shares pursuant to the Share Purchase Mandate are carried out to the full extent mandated,

whichever is the earliest.

### 3.3.3 ***Manner of Purchases or Acquisitions of Shares***

Purchases or acquisitions of Shares may be made by way of:

- (a) Market Purchases; and/or
- (b) Off-Market Purchases.

The Directors may impose such terms and conditions which are not inconsistent with the Share Purchase Mandate, the Listing Manual and the Companies Act as they consider fit in the interests of the Company in connection with or in relation to any equal access scheme or schemes. An Off-Market Purchase must, however, satisfy all the following conditions:

- (i) offers for the purchase or acquisition of Shares shall be made to every person who holds Shares to purchase or acquire the same percentage of their Shares;
- (ii) all of those persons shall be given a reasonable opportunity to accept the offers made; and
- (iii) the terms of all the offers shall be the same, except that there shall be disregarded (1) differences in consideration attributable to the fact that offers may relate to Shares with different accrued dividend entitlements, and (2) differences in the offers introduced solely to ensure that each person is left with a whole number of Shares.

If the Company wishes to make an Off-Market Purchase in accordance with an equal access scheme, it will issue an offer document containing at least the following information:

- (1) terms and conditions of the offer;
- (2) period and procedures for acceptances; and
- (3) information required under Rule 883(2), (3), (4), (5) and (6) of the Listing Manual.

### 3.3.4 ***Purchase Price***

The purchase price (excluding brokerage, commission, applicable goods and services tax and other related expenses) to be paid for a Share will be determined by the Directors. The Maximum Price to be paid for the Shares as determined by the Directors must not exceed:

- (a) in the case of a Market Purchase, 105% of the Average Closing Price of the Shares; and
- (b) in the case of an Off-Market Purchase, 110% of the Average Closing Price of the Shares,

in either case, excluding related expenses of the purchase or acquisition.



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## LETTER TO SHAREHOLDERS

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For the above purposes:

**“Average Closing Price”** means the average of the last dealt prices of a Share for the five consecutive Market Days on which the Shares are transacted on the SGX-ST or, as the case may be, such stock exchange on which the Shares are listed or quoted, immediately preceding the date of the Market Purchase by the Company or, as the case may be, the date of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted in accordance with the listing rules of the SGX-ST for any corporate action which occurs after the relevant five-day period; and

**“date of the making of the offer”** means the date on which the Company announces its intention to make an offer for an Off-Market Purchase, stating therein the purchase price (which shall not be more than the Maximum Price for an Off-Market Purchase calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase.

- 3.4 **Source of Funds.** Under the Companies Act, the Company may purchase or acquire its Shares out of its profits and/or capital so long as the Company is solvent.

The Company intends to use internal and external sources of funds to finance its purchase or acquisition of Shares. The Directors do not propose to exercise the Share Purchase Mandate in a manner and to such extent that the Group’s working capital requirements, current dividend policy for the financial year ending 31 March 2014 and ability to service its debts would be adversely affected.

- 3.5 **Status of Purchased Shares.** Shares purchased or acquired by the Company are deemed cancelled immediately on purchase or acquisition (and all rights and privileges attached to those Shares will expire on such cancellation) unless such Shares are held by the Company as treasury shares. The total number of issued Shares will be diminished by the number of Shares purchased or acquired by the Company and which are not held as treasury shares.

- 3.6 **Treasury Shares.** Under the Companies Act, Shares purchased or acquired by the Company may be held or dealt with as treasury shares. Some of the provisions on treasury shares under the Companies Act are summarised below:

3.6.1 ***Maximum Holdings***

The number of Shares held as treasury shares cannot at any time exceed 10% of the total number of issued Shares.

3.6.2 ***Voting and Other Rights***

The Company cannot exercise any right in respect of treasury shares. In particular, the Company cannot exercise any right to attend or vote at meetings and for the purposes of the Companies Act, the Company shall be treated as having no right to vote and the treasury shares shall be treated as having no voting rights.

In addition, no dividend may be paid, and no other distribution of the Company’s assets may be made to the Company in respect of treasury shares. However, the allotment of shares as fully paid bonus shares in respect of treasury shares is allowed. A subdivision or consolidation of any treasury share into treasury shares of a smaller amount is also allowed so long as the total value of the treasury shares after the subdivision or consolidation is the same as before.

3.6.3 ***Disposal and Cancellation***

Where Shares are held as treasury shares, the Company may at any time (but subject always to the Take-over Code):

- (a) sell the treasury shares for cash;

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## LETTER TO SHAREHOLDERS

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- (b) transfer the treasury shares for the purposes of or pursuant to an employees' share scheme;
- (c) transfer the treasury shares as consideration for the acquisition of shares in or assets of another company or assets of a person;
- (d) cancel the treasury shares; or
- (e) sell, transfer or otherwise use the treasury shares for such other purposes as may be prescribed by the Minister for Finance.

In addition, under the Listing Manual, an immediate announcement must be made of any sale, transfer, cancellation and/or use of treasury shares. Such announcement must include details such as the date of the sale, transfer, cancellation and/or use of such treasury shares, the purpose of such sale, transfer, cancellation and/or use of such treasury shares, the number of treasury shares which have been sold, transferred, cancelled and/or used, the number of treasury shares before and after such sale, transfer, cancellation and/or use, the percentage of the number of treasury shares against the total number of issued shares (of the same class as the treasury shares) which are listed before and after such sale, transfer, cancellation and/or use and the value of the treasury shares if they are used for a sale or transfer, or cancelled.

3.7 **Financial Effects.** The financial effects on the Company and the Group arising from purchases or acquisitions of Shares which may be made pursuant to the Share Purchase Mandate will depend on, *inter alia*, whether the Shares are purchased or acquired out of profits and/or capital of the Company, the number of Shares purchased or acquired, the price paid for such Shares and whether the Shares purchased or acquired are held in treasury or cancelled.

Under the Companies Act, purchases or acquisitions of Shares by the Company may be made out of the Company's profits and/or capital so long as the Company is solvent.

Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of profits, such consideration (excluding brokerage, commission, goods and services tax and other related expenses) will correspondingly reduce the amount available for the distribution of cash dividends by the Company.

Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of capital, the amount available for the distribution of cash dividends by the Company will not be reduced.

The financial effects on the Company and the Group, based on the audited financial statements of the Company and the Group for the financial year ended 31 March 2013, are based on the assumptions set out below:

### 3.7.1 **Number of Shares Acquired or Purchased**

Purely for illustrative purposes, on the basis of 1,933,468,618 Shares in issue as at the Latest Practicable Date and disregarding the 39,947,000 Shares held in treasury as at the Latest Practicable Date, and assuming no further Shares are issued and no Shares are purchased or acquired by the Company, or held as treasury shares, on or prior to the EGM, not more than 189,352,161 Shares (representing 10% of the Shares in issue as at that date and disregarding the 39,947,000 Shares held in treasury) may be purchased or acquired by the Company pursuant to the proposed Share Purchase Mandate.

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## LETTER TO SHAREHOLDERS

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### 3.7.2 *Maximum Price Paid for Shares Acquired or Purchased*

In the case of Market Purchases by the Company and assuming that the Company purchases or acquires 189,352,161 Shares at the maximum price of S\$1.3933 for one Share (being the price equivalent to 5% above the Average Closing Price of the Shares for the five consecutive Market Days on which the Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of 189,352,161 Shares is S\$263,824,366.

In the case of Off-Market Purchases by the Company and assuming that the Company purchases or acquires 189,352,161 Shares at the maximum price of S\$1.4597 for one Share (being the price equivalent to 10% above the Average Closing Price of the Shares for the five consecutive Market Days on which the Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of 189,352,161 Shares is S\$276,397,349.

### 3.7.3 *Illustrative Financial Effects*

For illustrative purposes only and on the basis of the assumptions set out in paragraphs 3.7.1 and 3.7.2 above, the financial effects of the purchase or acquisition of Shares by the Company pursuant to the Share Purchase Mandate on the audited financial statements of the Group and the Company for the financial year ended 31 March 2013 are set out below and assuming the following:

- (a) the purchase or acquisition of 10% of the Shares by the Company pursuant to the Share Purchase Mandate by way of Market Purchases, made as to 6% out of profits and as to 4% out of capital and cancelled or held in treasury; and
- (b) the purchase or acquisition of 10% of the Shares by the Company pursuant to the Share Purchase Mandate by way of Off-Market Purchases, made as to 6% out of profits and as to 4% out of capital and cancelled or held in treasury.

## LETTER TO SHAREHOLDERS

### **Market Purchases**

The financial effects set out below are for illustrative purposes only. The illustrations are based on historical numbers for the financial year ended 31 March 2013 and are not necessarily representative of future financial performance.

Although the Share Purchase Mandate would authorise the Company to purchase or acquire up to 10% of the issued Shares, the Company may not necessarily purchase or acquire part of or the entire 10% of the issued Shares. In addition, the Company may cancel all or part of the Shares repurchased or hold all or part of the Shares repurchased in treasury.

Even if the Share Purchase Mandate is approved, the Directors will not exercise the Share Purchase Mandate if the Group's working capital requirements, current dividend policy for the financial year ending 31 March 2014 and ability to service its debts would be adversely affected.

### **Scenario 1(A)**

*Market Purchases of up to 10% made as to 6% out of profits and as to 4% out of capital and cancelled*

	Group		Company	
	Before share purchase S\$'000	After share purchase S\$'000	Before share purchase S\$'000	After share purchase S\$'000
<u>As at 31 March 2013</u>				
Share capital	121,109	15,579	121,109	15,579
Capital reserves	7	7	–	–
Other reserves	1,823	1,823	4,965	4,965
Revenue reserves	241,285	82,990	207,005	48,710
	364,224	100,399	333,079	69,254
Treasury shares	(43,562)	(43,562)	(43,562)	(43,562)
Ordinary equity	320,662	56,837	289,517	25,692
Perpetual securities	346,826	346,826	346,826	346,826
	667,488	403,663	636,343	372,518
Net tangible assets (NTA)	473,858	210,034	625,266	361,442
Current assets	790,831	527,007	750,491	486,667
Current liabilities	620,116	620,116	587,084	587,084
Total borrowings	536,550	536,550	506,591	536,550
Cash and cash equivalents	628,307	364,483	592,553	328,729
Number of shares ('000)	1,893,522	1,704,170	1,893,522	1,704,170
<u>Financial ratios</u>				
Basic earnings per share (cents)	6.44	6.35	6.43	6.34
NTA per share (cents)	25.0	12.3	33.0	21.2
Gross gearing (%)	167.3	944.0	175.0	2,088.3
Net (cash) / debt gearing (%)	(28.6)	302.7	(29.7)	808.9
Current ratio (%)	127.5	85.0	127.8	82.9

## LETTER TO SHAREHOLDERS

### ***Scenario 1(B)***

*Market Purchases of up to 10% made as to 6% out of profits and as to 4% out of capital and held in treasury*

	Group		Company	
	Before share purchase S\$'000	After share purchase S\$'000	Before share purchase S\$'000	After share purchase S\$'000
<u>As at 31 March 2013</u>				
Share capital	121,109	121,109	121,109	121,109
Capital reserves	7	7	–	–
Other reserves	1,823	1,823	4,965	4,965
Revenue reserves	241,285	241,285	207,005	207,005
	364,224	364,224	333,079	333,079
Treasury shares	(43,562)	(257,294)	(43,562)	(257,294)
Ordinary equity	320,662	106,930	289,517	75,785
Perpetual securities	346,826	346,826	346,826	346,826
	667,488	453,756	636,343	422,611
Net tangible assets (NTA)	473,858	260,126	625,266	411,534
Current assets	790,831	577,099	750,491	536,759
Current liabilities	620,116	620,116	587,084	587,084
Total borrowings	536,550	536,550	506,591	536,550
Cash and cash equivalents	628,307	414,575	592,553	378,821
Number of shares ('000)	1,893,522	1,740,121	1,893,522	1,740,121
<u>Financial ratios</u>				
Basic earnings per share (cents)	6.43	6.34	6.43	6.33
NTA per share (cents)	25.0	14.9	33.0	23.6
Gross gearing (%)	167.3	501.8	175.0	708.0
Net (cash) / debt gearing (%)	(28.6)	114.1	(29.7)	208.1
Current ratio (%)	127.5	93.1	127.8	91.4

## LETTER TO SHAREHOLDERS

### *Off-Market Purchases*

The financial effects set out below are for illustrative purposes only. The illustrations are based on historical numbers for the financial year ended 31 March 2013 and are not necessarily representative of future financial performance.

Although the Share Purchase Mandate would authorise the Company to purchase or acquire up to 10% of the issued Shares, the Company may not necessarily purchase or acquire part of or the entire 10% of the issued Shares. In addition, the Company may cancel all or part of the Shares repurchased or hold all or part of the Shares repurchased in treasury.

Even if the Share Purchase Mandate is approved, the Directors will not exercise the Share Purchase Mandate if the Group's working capital requirements, current dividend policy for the financial year ending 31 March 2014 and ability to service its debts would be adversely affected.

### *Scenario 2(A)*

*Off-Market Purchases of up to 10% made as to 6% out of profits and as to 4% out of capital and cancelled*

	Group		Company	
	Before share purchase S\$'000	After share purchase S\$'000	Before share purchase S\$'000	After share purchase S\$'000
<u>As at 31 March 2013</u>				
Share capital	121,109	10,550	121,109	10,550
Capital reserves	7	7	–	–
Other reserves	1,823	1,823	4,965	4,965
Revenue reserves	241,285	75,447	207,005	41,167
	364,224	87,827	333,079	56,682
Treasury shares	(43,562)	(43,562)	(43,562)	(43,562)
Ordinary equity	320,662	44,265	289,517	13,120
Perpetual securities	346,826	346,826	346,826	346,826
	667,488	391,091	636,343	359,946
Net tangible assets (NTA)	473,858	197,461	625,266	348,869
Current assets	790,831	514,434	750,491	474,094
Current liabilities	620,116	620,116	587,084	587,084
Total borrowings	536,550	536,550	506,591	536,550
Cash and cash equivalents	628,307	351,910	592,553	316,156
Number of shares ('000)	1,893,522	1,704,170	1,893,522	1,704,170
<u>Financial ratios</u>				
Basic earnings per share (cents)	6.43	6.35	6.43	6.34
NTA per share (cents)	25.0	11.6	33.0	20.5
Gross gearing (%)	167.3	1,212.1	175.0	4,089.7
Net (cash) / debt gearing (%)	(28.6)	417.1	(29.7)	1,679.9
Current ratio (%)	127.5	83.0	127.8	80.8

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### **Scenario 2(B)**

*Off-Market Purchases of up to 10% made as to 6% out of profits and as to 4% out of capital and held in treasury*

	Group		Company	
	Before share purchase S\$'000	After share purchase S\$'000	Before share purchase S\$'000	After share purchase S\$'000
<u>As at 31 March 2013</u>				
Share capital	121,109	121,109	121,109	121,109
Capital reserves	7	7	–	–
Other reserves	1,823	1,823	4,965	4,965
Revenue reserves	241,285	241,285	207,005	207,005
	364,224	364,224	333,079	333,079
Treasury shares	(43,562)	(267,480)	(43,562)	(267,480)
Ordinary equity	320,662	96,744	289,517	65,599
Perpetual securities	346,826	346,826	346,826	346,826
	667,488	443,570	636,343	412,425
Net tangible assets (NTA)	473,858	249,940	625,266	401,348
Current assets	790,831	566,913	750,491	526,573
Current liabilities	620,116	620,116	587,084	587,084
Total borrowings	536,550	536,550	506,591	536,550
Cash and cash equivalents	628,307	404,389	592,553	368,635
Number of shares ('000)	1,893,522	1,740,121	1,893,522	1,740,121
<u>Financial ratios</u>				
Basic earnings per share (cents)	6.43	6.34	6.43	6.33
NTA per share (cents)	25.0	14.4	33.0	23.1
Gross gearing (%)	167.3	554.6	175.0	817.9
Net (cash) / debt gearing (%)	(28.6)	136.6	(29.7)	256.0
Current ratio (%)	127.5	91.4	127.8	89.7

**Note:**

The number of Shares which may be held as treasury shares cannot at any time exceed 10% of the total number of issued Shares. As 39,947,000 Shares have been bought back and held as treasury shares as at the Latest Practicable Date, the maximum number of Shares which may be further purchased and held as treasury shares will be reduced from 189,352,161 Shares to 153,399,861 Shares. The financial effects under Scenarios 1(A) and 2(A) are computed based on 189,352,161 Shares purchased and cancelled. The financial effects under Scenarios 1(B) and 2(B) are computed based on 153,399,861 Shares purchased and held as treasury shares.

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3.8 **Listing Status of the Shares.** The Listing Manual requires a listed company to ensure that at least 10% of equity securities (excluding treasury shares, preference shares and convertible equity securities) in a class that is listed is at all times held by the public. As at the Latest Practicable Date, SingTel has a direct interest in 494,000,000 Shares representing approximately 26.09% of the issued Shares (excluding the Shares held in treasury) as at that date, and Temasek has a deemed interest in 498,977,497 Shares (including the Shares held by SingTel) representing approximately 26.35% of the issued Shares (excluding the Shares held in treasury) as at that date. Approximately 73.31% of the issued Shares (excluding the Shares held in treasury) were held by public Shareholders as at that date. If the Company had purchased or acquired Shares from the public up to the full 10% limit pursuant to the proposed Share Purchase Mandate on the Latest Practicable Date, approximately 70.96% of the issued Shares (excluding the Shares held in treasury) would have been held by public Shareholders as at that date.

The Company will ensure that there is a sufficient number of Shares in issue held by public Shareholders which would permit the Company to undertake purchases or acquisitions of its Shares through Market Purchases up to the full 10% limit pursuant to the proposed Share Purchase Mandate without affecting the listing status of the Shares on the SGX-ST, causing market illiquidity or affecting orderly trading.

3.9 **Shareholding Limits.** The Postal Services Act currently provides, *inter alia*, that:

- (a) no person shall, whether through a series of transactions over a period of time or otherwise, become a 12% controller or a 30% controller of a designated postal licensee (the “**Prescribed Limits**”); and
- (b) no person shall enter into any other transaction that constitutes a consolidation with a designated postal licensee,

without obtaining the prior approval of the IDA.

For the purposes of the Postal Services Act:

“**designated postal licensee**” means a postal licensee (i) which has been declared by the IDA, by notification published in the *Gazette*, to be a designated postal licensee; or (ii) which is within a class of postal licensees which has been declared by the IDA, by notification published in the *Gazette*, to be a designated class of postal licensees. The Company has been gazetted as a designated postal licensee;

“**12% controller**” means a person, not being a 30% controller, who alone or together with his associates, (i) holds 12% or more of the total number of voting shares in the designated postal licensee; or (ii) is in a position to control 12% or more of the voting power in the designated postal licensee; and

“**30% controller**” means a person who alone or together with his associates, (i) holds 30% or more of the total number of voting shares in the designated postal licensee; or (ii) is in a position to control 30% or more of the voting power in the designated postal licensee.

Pursuant to the Postal Services Act, if the IDA is satisfied that a Shareholder and/or his associates have, *inter alia*, acquired voting Shares or control of voting power in the Company which reaches or exceeds the Prescribed Limits in contravention of the Postal Services Act or that the existing holding, control or acquisition is likely to substantially lessen competition or is against the public interest, or in other specified circumstances, the IDA may make certain directions, including but not limited to requiring such Shareholder and/or his associate to divest all or part of the voting Shares which it may have acquired in the Company, or require the Company to restrict the voting rights or dividend rights that the Shareholder has obtained through the acquisition of such voting Shares.



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As a result of a purchase or acquisition of Shares by the Company, the shareholding percentage of a holder of voting Shares (whose voting Shares were not the subject of a share purchase or acquisition by the Company) in the voting Shares in the capital of the Company immediately following any purchase or acquisition of Shares by the Company will increase correspondingly.

The Company wishes to draw the attention of Shareholders to the following consequences of a purchase or acquisition of Shares by the Company pursuant to the Share Purchase Mandate, if the renewal of the Share Purchase Mandate is approved by Shareholders:

**A purchase or acquisition of Shares by the Company may inadvertently cause the interest in the Shares of any person to reach or exceed the Prescribed Limits (in particular, a person whose interest in Shares is currently close to any of the Prescribed Limits). Shareholders whose current shareholdings are close to any of the Prescribed Limits and whose shareholdings may exceed any such limits by reason of a purchase or acquisition of Shares by the Company are advised to inform the Company and seek the prior approval of the IDA to continue to hold, on such terms as may be imposed by the IDA, the Shares which they may hold in excess of any of the Prescribed Limits as a consequence of any purchase or acquisition of Shares by the Company. Shareholders who are in any doubt as to the action that they should take should consult their professional advisers.**

In addition to the above, Section 8 of the Postal Competition Code also sets out certain requirements in relation to a purchase or acquisition of Shares by the Company pursuant to the Share Purchase Mandate. Section 8 provides that before entering into any such transaction, the Company must calculate the percentage of voting Shares held by each Shareholder following such purchase or acquisition. If, as a result of such purchase or acquisition:

- (i) any Shareholder who previously held less than 5% of the total number of voting Shares in the Company would, after the transaction, hold 5% or more, but less than 12% of the voting Shares in the Company, the Company may proceed with such purchase or acquisition and shall file the appropriate notification pursuant to the Postal Competition Code; and
- (ii) any Shareholder will become a 12% Controller (as defined in the Postal Competition Code), a 30% Controller (as defined in the Postal Competition Code), will acquire the Company's business (or any part thereof) as a going concern, or will obtain Effective Control over the Company, the Company and that Shareholder must seek the approval of the IDA before the Company proceeds with such purchase or acquisition.

For the purposes of the Postal Competition Code, "**Effective Control**" means the ability to cause the Company to take, or prevent the Company from taking, a decision regarding the management and major operating decisions of the Company.

**3.10 Take-over Implications.** Appendix 2 of the Take-over Code contains the Share Buy-Back Guidance Note. The take-over implications arising from any purchase or acquisition by the Company of its Shares are set out below:

### **3.10.1 Obligation to make a Take-over Offer**

If, as a result of any purchase or acquisition by the Company of its Shares, the proportionate interest in the voting capital of the Company of a Shareholder and persons acting in concert with him increases, such increase will be treated as an acquisition for the purposes of Rule 14 of the Take-over Code. Consequently, a Shareholder or a group of Shareholders acting in concert with a Director could obtain or consolidate effective control of the Company and become obliged to make an offer under Rule 14 of the Take-over Code.

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### 3.10.2 *Persons Acting in Concert*

Under the Take-over Code, persons acting in concert comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal), co-operate, through the acquisition by any of them of shares in a company to obtain or consolidate effective control of that company.

Unless the contrary is established, the Take-over Code presumes, *inter alia*, the following individuals and companies to be persons acting in concert with each other:

- (a) the following companies:
  - (i) a company;
  - (ii) the parent company of (i);
  - (iii) the subsidiaries of (i);
  - (iv) the fellow subsidiaries of (i);
  - (v) the associated companies of any of (i), (ii), (iii) or (iv);
  - (vi) companies whose associated companies include any of (i), (ii), (iii), (iv) or (v); and
  - (vii) any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the above for the purchase of voting rights;
- (b) a company with any of its directors (together with their close relatives, related trusts as well as companies controlled by any of the directors, their close relatives and related trusts);
- (c) a company with any of its pension funds and employee share schemes;
- (d) a person with any investment company, unit trust or other fund whose investment such person manages on a discretionary basis, but only in respect of the investment account which such person manages;
- (e) a financial or other professional adviser, including a stockbroker, with its client in respect of the shareholdings of:
  - (i) the adviser and persons controlling, controlled by or under the same control as the adviser; and
  - (ii) all the funds which the adviser manages on a discretionary basis, where the shareholdings of the adviser and any of those funds in the client total 10% or more of the client's equity share capital;
- (f) directors of a company (together with their close relatives, related trusts and companies controlled by any of such directors, their close relatives and related trusts) which is subject to an offer or where the directors have reason to believe a *bona fide* offer for their company may be imminent;
- (g) partners; and

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- (h) the following persons and entities:
  - (i) an individual;
  - (ii) the close relatives of (i);
  - (iii) the related trusts of (i);
  - (iv) any person who is accustomed to act in accordance with the instructions of (i);
  - (v) companies controlled by any of (i), (ii), (iii) or (iv); and
  - (vi) any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the above for the purchase of voting rights.

The circumstances under which Shareholders, including Directors and persons acting in concert with them respectively, will incur an obligation to make a take-over offer under Rule 14 of the Take-over Code after a purchase or acquisition of Shares by the Company are set out in Appendix 2 of the Take-over Code.

### 3.10.3 *Effect of Rule 14 and Appendix 2*

In general terms, the effect of Rule 14 and Appendix 2 of the Take-over Code is that, unless exempted, Directors and persons acting in concert with them will incur an obligation to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring Shares, the voting rights of such Directors and their concert parties would increase to 30% or more, or in the event that such Directors and their concert parties hold between 30% and 50% of the Company's voting rights, if the voting rights of such Directors and their concert parties would increase by more than 1% in any period of six months. In calculating the percentages of voting rights of such Directors and their concert parties, treasury shares shall be excluded.

Under Appendix 2 of the Take-over Code, a Shareholder not acting in concert with the Directors will not be required to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Shareholder would increase to 30% or more, or, if such Shareholder holds between 30% and 50% of the Company's voting rights, the voting rights of such Shareholder would increase by more than 1% in any period of six months. Such Shareholder need not abstain from voting in respect of the resolution authorising the Share Purchase Mandate.

Based on the interests of substantial Shareholders as recorded in the Register of Substantial Shareholders as at the Latest Practicable Date as set out in paragraph 5.2 below, none of the substantial Shareholders would become obliged to make a take-over offer for the Company under Rule 14 of the Take-over Code as a result of the purchase by the Company of the maximum limit of 10% of its issued Shares as at the Latest Practicable Date.

**Shareholders who are in doubt as to their obligations, if any, to make a mandatory take-over offer under the Take-over Code as a result of any purchase or acquisition of Shares by the Company should consult the Securities Industry Council and/or their professional advisers at the earliest opportunity.**

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- 3.11 **Reporting Requirements.** The Listing Manual specifies that a listed company shall report all purchases or acquisitions of its shares to the SGX-ST not later than 9.00 a.m. (i) in the case of a Market Purchase, on the market day following the day of purchase or acquisition of any of its shares, and (ii) in the case of an Off-Market Purchase under an equal access scheme, on the second market day after the close of acceptances of the offer. Such announcement (which must be in the form of Appendix 8.3.1 to the Listing Manual) must include, *inter alia*, details of the date of the purchase, the total number of shares purchased, the number of shares cancelled, the number of shares held as treasury shares, the purchase price per share or the highest and lowest prices paid for such shares, as applicable, the total consideration (including stamp duties and clearing charges) paid or payable for the shares, the number of shares purchased as at the date of announcement (on a cumulative basis), the number of issued shares excluding treasury shares and the number of treasury shares held after the purchase.
- 3.12 **No Purchases During Price Sensitive Developments.** While the Listing Manual does not expressly prohibit any purchase of shares by a listed company during any particular time or times, because the listed company would be regarded as an “insider” in relation to any proposed purchase or acquisition of its issued shares, the Company will not undertake any purchase or acquisition of Shares pursuant to the proposed Share Purchase Mandate at any time after a price sensitive development has occurred or has been the subject of a decision until the price sensitive information has been publicly announced. In particular, the Company will not purchase or acquire any Shares through Market Purchases or Off-Market Purchases during the period of two weeks immediately preceding the announcement of the Company’s results for each of the first three quarters of the financial year, and during the period of one month immediately preceding the announcement of the Company’s annual results.

#### 4. THE PROPOSED ADOPTION OF THE NEW PLAN

- 4.1 **Existing Scheme.** The Company currently has in place an existing share option scheme known as the “Singapore Post Share Option Scheme 2012” (the “**Existing Scheme**”), which was adopted on 29 June 2012 to replace the previous share option scheme known as the “Singapore Post Share Option Scheme” (the “**Previous Scheme**”). The Previous Scheme was terminated upon the adoption of the Existing Scheme. The duration of the Existing Scheme is 10 years commencing on the date of adoption, that is, 10 years commencing on 29 June 2012. The Company does not have in place any other share plan or share scheme.

The Company is proposing to adopt the New Plan, to be known as the “Singapore Post Restricted Share Plan 2013”, to supplement the Existing Scheme. Information relating to the New Plan is set out in paragraph 4.5 below.

- 4.2 **Existing Options.** As at the Latest Practicable Date:

- (a) there are outstanding and unexercised options granted under the Existing Scheme to subscribe for up to an aggregate of 14,526,000 Shares, representing approximately 0.8% of the issued Shares as at the Latest Practicable Date;
- (b) there are outstanding and unexercised options granted under the Previous Scheme to subscribe for up to an aggregate of 38,842,977 Shares, representing approximately 2.0% of the issued Shares as at the Latest Practicable Date;
- (c) no Shares have been delivered upon exercise of options granted since the commencement of the Existing Scheme; and
- (d) an aggregate of 36,345,618 Shares, representing approximately 1.9% of the issued Shares as at the Latest Practicable Date, have been delivered upon exercise of options granted since the commencement of the Previous Scheme.

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Details of existing options outstanding and unexercised under the Existing Scheme and the Previous Scheme as at the Latest Practicable Date are as follows:

### *Existing Scheme*

Date of Grant	Exercise Period	Acquisition Price (S\$)	Number of Shares comprised in Unexercised Options	Number of Participants
11 July 2012	12 July 2013 to 11 July 2017	1.050	1,071,000	1
10 August 2012	11 August 2013 to 10 August 2022	1.070	12,005,000	74
3 September 2012	4 September 2013 to 3 September 2022	1.080	100,000	1
15 November 2012	16 November 2013 to 15 November 2022	1.140	200,000	1
15 March 2013	16 March 2014 to 15 March 2023	1.220	1,000,000	1
7 May 2013	8 May 2014 to 7 May 2023	1.290	150,000	1
			<u>14,526,000</u>	

### *Previous Scheme*

Date of Grant	Exercise Period	Acquisition Price (S\$)	Number of Shares comprised in Unexercised Options	Number of Participants
13 May 2003	14 May 2004 to 13 May 2013	0.547	977	4
1 July 2005	2 July 2006 to 1 July 2015	0.923	431,000	13
3 January 2006	4 January 2007 to 3 January 2016	1.194	600,000	1
26 June 2006	27 June 2007 to 26 June 2016	1.048	873,000	27
26 June 2007	27 June 2008 to 26 June 2017	1.278	2,242,000	57
24 October 2007	25 October 2010 to 24 October 2013	1.216	1,695,000	15
30 June 2008	1 July 2009 to 30 June 2018	1.100	2,107,000	27
29 June 2009	30 June 2010 to 29 June 2019	0.890	2,038,000	44
13 January 2010	14 January 2013 to 13 January 2016	1.020	540,000	3
29 June 2010	30 June 2011 to 29 June 2020	1.140	5,085,000	53
11 August 2010	12 August 2011 to 11 August 2020	1.140	100,000	1
25 February 2011	26 February 2012 to 25 February 2015	1.150	2,000,000	1
1 April 2011	2 April 2012 to 1 April 2021	1.160	100,000	1
11 April 2011	12 April 2012 to 11 April 2021	1.160	150,000	1
26 July 2011	27 July 2012 to 26 July 2021	1.100	6,843,000	68
3 January 2012	4 January 2013 to 3 January 2022	0.940	438,000	2
19 March 2012	20 March 2013 to 19 March 2022	0.980	200,000	1
10 May 2012	11 May 2013 to 10 May 2022	1.030	200,000	1
11 May 2012	12 May 2013 to 31 May 2016	1.030	13,200,000	13
			<u>38,842,977</u>	

Save as disclosed in this Circular, existing options outstanding and unexercised under the Existing Scheme and the Previous Scheme as at the Latest Practicable Date are not subject to any material conditions.

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Details of options granted to Directors under the Existing Scheme and the Previous Scheme as at the Latest Practicable Date are as follows:

### *Existing Scheme*

Name of Director	Date of Grant	Number of Shares comprised in Options granted since commencement of Existing Scheme	Number of Shares allotted pursuant to Options granted since commencement of Existing Scheme
Lim Ho Kee	11 July 2012	1,071,000	0
Dr Wolfgang Baier	10 August 2012	1,500,000	0
Dr Wolfgang Baier	15 March 2013	1,000,000	0

### *Previous Scheme*

Name of Director	Date of Grant	Number of Shares comprised in Options granted since commencement of Previous Scheme	Number of Shares allotted pursuant to Options granted since commencement of Previous Scheme
Lim Ho Kee	13 May 2003	48,350	48,350
Lim Ho Kee	15 July 2011	817,000	817,000
Dr Wolfgang Baier	25 February 2011	2,000,000	0
Dr Wolfgang Baier	26 July 2011	200,000	50,000
Dr Wolfgang Baier	11 May 2012	2,000,000	0

No options have been granted to controlling shareholders of the Company or associates of such controlling shareholders under the Existing Scheme or the Previous Scheme.

4.3 **Definitions.** For purposes of paragraphs 4.4 to 4.7 below and in relation to the New Plan, the following expressions shall have the following meanings:

“**Associated Company**” means a company in which at least 20% but not more than 50% of its shares are held by the Company and/or its subsidiaries, or a subsidiary of such company, and over whose management the Company has control (as defined in the Listing Manual);

“**Associated Company Executive**” means any employee of an Associated Company (including any Associated Company Executive Director);

“**Associated Company Executive Director**” means a director of an Associated Company who performs an executive function;

“**Auditors**” means the auditors of the Company for the time being;

“**Award**” means an award of shares granted under the New Plan;

“**Award Date**” means, in relation to an Award, the date on which the Award is granted pursuant to the New Plan;

“**Award Letter**” means a letter in such form as the Committee shall approve confirming an Award granted to a Participant by the Committee;

“**Committee**” means a committee comprising Directors duly authorised and appointed by the Board of Directors of the Company to administer the New Plan;

“**Group**” means the Company and its subsidiaries;

“**Group Executive**” means any employee of the Group (including any Group Executive Director);



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“**Group Executive Director**” means a director of the Company and/or any of its subsidiaries, as the case may be, who performs an executive function;

“**Non-Executive Director**” means a director of:

- (a) the Company and/or its subsidiaries, other than a Group Executive Director; or
- (b) an Associated Company, other than an Associated Company Executive Director; and

“**Participant**” means the holder of an Award (including, where applicable, the executor or personal representative of such holder).

For the purposes of the New Plan, the Company shall be deemed to have control over another company if it has the capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of that company.

- 4.4 **Rationale.** The New Plan is being proposed primarily to supplement the Existing Scheme in order to increase the Company’s overall effectiveness in its continuing efforts to reward, retain and motivate employees whose contributions are essential to the well-being and prosperity of the Group. The adoption of the New Plan will enable the Company to provide further incentives to employees to continue to strive for long-term shareholder value, thereby strengthening the Company’s competitiveness in attracting and retaining key senior management and executives.

The total number of Shares which may be delivered pursuant to Awards granted under the New Plan on any date, when added to (a) the total number of new Shares allotted and issued and/or to be allotted and issued pursuant to Awards granted under the New Plan, and (b) the total number of new Shares allotted and issued and/or to be allotted and issued pursuant to options granted under the Existing Scheme, shall not exceed 10% of the total number of issued Shares (excluding Shares held by the Company as treasury shares) on the date preceding the date of the relevant Award.

One of the objectives of the New Plan is to serve as an additional motivational tool to recruit talented senior executives. The New Plan will act as an enhancement to the Group’s overall compensation packages, and will strengthen the Group’s ability to attract and retain high performing talent. Potential senior executive hires who decide on a career switch often have to forego substantial share options/share incentives when they join the Group. Through the New Plan, the Company would be able to compensate such new hires for share options or incentives that they may have to forego when they join the Group.

The New Plan differs from the Existing Scheme in that Awards granted under the New Plan represent the right of a Participant to receive fully paid Shares (or their equivalent cash value), free of charge, provided that certain conditions are met. For options granted under the Existing Scheme, however, the option-holder is required to pay the exercise price for the Shares arising upon the exercise of the option.

Awards granted under the New Plan will typically vest only after the satisfactory completion of time-based service conditions, that is, after the Participant has served for a specified number of years (time-based restricted Awards). No minimum vesting periods are prescribed under the New Plan, and the length of the vesting period(s) in respect of each Award will be determined on a case-by-case basis. A time-based restricted Award may be granted, for example, as a supplement to the cash component of the remuneration packages of senior executives. The New Plan does not require any performance conditions to be set for an Award.

In contrast with the Existing Scheme (which applies only in relation to employees and non-executive directors of the Group), the New Plan is intended to apply to a broader base of participants, including employees and non-executive directors of Associated Companies over which the Company has operational control. In this regard, it is recognised that employees and non-executive directors of such Associated Companies can make significant contributions to the Group through their close working relationship with the Group.

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The New Plan will also enable grants of fully paid Shares to be made to non-executive directors of the Group and Associated Companies (over which the Company has operational control) as part of their remuneration in respect of their office as such in lieu of cash or, where the Committee deems appropriate, to give recognition to the contributions made or to be made by such non-executive directors to the success of the Group.

Where Awards are to be made to such non-executive directors under the New Plan as part of their directors' remuneration in lieu of cash, the percentage of the aggregate directors' remuneration approved by shareholders for a particular financial year that will be paid out in the form of Shares comprised in such Awards will be determined by the Committee. The formula for converting the relevant amount from cash into Shares will be disclosed as and when such Awards are intended to be made. Although the New Plan will permit time-based vesting periods to be imposed on such Awards, the current intention is that these Awards will consist of the grant of fully paid Shares outright, with no vesting periods imposed. However, in order to encourage the alignment of the interests of such non-executive directors with the interests of Shareholders, it is currently intended that a retention period, during which the Shares awarded under the New Plan as part of the non-executive directors' remuneration may not be transferred or otherwise disposed of (except to the extent set out in the Award Letter or with the prior approval of the Committee), will be imposed in respect of such Shares.

4.5 **The New Plan.** The following is a summary of the principal terms of the New Plan and is qualified in its entirety by reference to the more detailed information of the New Plan as set out in the rules of the New Plan:

4.5.1 ***Eligibility***

The following persons, unless they are also controlling shareholders (as defined in the Listing Manual) of the Company or associates (as defined in the Listing Manual) of such controlling shareholders, shall be eligible to participate in the New Plan, at the absolute discretion of the Committee:

- (a) Group Executives who have attained the age of twenty-one years and hold such rank as may be designated by the Committee from time to time;
- (b) Associated Company Executives who have attained the age of twenty-one years and hold such rank as may be designated by the Committee from time to time and who, in the opinion of the Committee, have contributed or will contribute to the success of the Group; and
- (c) Non-Executive Directors.

4.5.2 ***Awards***

Awards represent the right of a Participant to receive fully paid Shares, (where applicable) their equivalent cash value and combinations thereof, free of charge, upon the expiry of the prescribed vesting periods (where applicable).

4.5.3 ***Selection of Participants***

The selection of a Participant, and the number of Shares which are the subject of each Award to be granted to a Participant in accordance with the New Plan shall be determined at the absolute discretion of the Committee, which shall take into account such criteria as it considers fit, including (but not limited to), in the case of a Group Executive or an Associated Company Executive, his rank, job performance, years of service, potential for future development, and his contribution to the success and development of the Group and, in the case of a Non-Executive Director, his board and committee appointments and attendance, and his contribution to the success and development of the Group.



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## LETTER TO SHAREHOLDERS

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### 4.5.4 **Details of Awards**

The Committee shall decide in relation to an Award:

- (a) the Participant;
- (b) the Award Date;
- (c) the number of Shares which are the subject of the Award;
- (d) the vesting period(s), if any;
- (e) the vesting date(s), if any;
- (f) the release schedule, if any;
- (g) the retention period in relation to any or all of the Shares comprised in the Award, if any; and
- (h) any other condition which the Committee may determine in relation to that Award.

### 4.5.5 **Timing**

The Committee may grant Awards to eligible Group Executives, Associated Company Executives and/or Non-Executive Directors, in each case, as the Committee may select, in its absolute discretion, at any time during the period when the New Plan is in force.

As soon as reasonably practicable after making an Award the Committee shall send to each Participant an Award Letter confirming the Award and specifying in relation to the Award:

- (a) the Award Date;
- (b) the number of Shares which are the subject of the Award;
- (c) the vesting period(s), if any;
- (d) the vesting date(s), if any;
- (e) the release schedule, if any;
- (f) the retention period in relation to any or all of the Shares comprised in the Award, if any; and
- (g) any other condition which the Committee may determine in relation to that Award.

### 4.5.6 **Special Events**

Special provisions for the vesting and lapsing of Awards apply in certain circumstances, including the following:

- (a) an order being made for the winding-up of the Company on the basis, or by reason, of its insolvency;
- (b) misconduct on the part of the Participant as determined by the Committee in its discretion;

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## LETTER TO SHAREHOLDERS

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- (c) where the Participant is a Group Executive or an Associated Company Executive, upon the Participant ceasing to be in the employment of the Group or the relevant Associated Company, as the case may be, (other than as provided in sub-paragraph (e) below);
- (d) the bankruptcy of the Participant or the happening of any other event which results in his being deprived of the legal or beneficial ownership of the Award;
- (e) the Participant, being a Group Executive or an Associated Company Executive, ceasing at any time to be in the employment of the Group or the relevant Associated Company, as the case may be, by reason of:
  - (i) ill health, injury or disability (in each case, evidenced to the satisfaction of the Committee);
  - (ii) redundancy;
  - (iii) retirement at or after the legal retirement age;
  - (iv) retirement before the legal retirement age with the consent of the Committee;
  - (v) the company by which he is employed or to which he is seconded, as the case may be, ceasing to be a company within the Group or an Associated Company, as the case may be, or the undertaking or part of the undertaking of such company being transferred otherwise than to another company within the Group or to an Associated Company, as the case may be;
  - (vi) his transfer to any Ministry, governmental or statutory body or corporation at the direction of the Company or, as the case may be, the relevant Associated Company;
  - (vii) (where applicable) his transfer of employment from the Group to an Associated Company or *vice versa*; or
  - (viii) any other event approved by the Committee;
- (f) where the Participant is a Non-Executive Director, upon the Participant ceasing to be a Director of the Company, the relevant subsidiary of the Company, the relevant Associated Company or, as the case may be, the relevant subsidiary of an Associated Company, for any reason whatsoever;
- (g) the death of the Participant;
- (h) any other event approved by the Committee; or
- (i) a take-over, reconstruction or amalgamation of the Company or an order made or a resolution passed for the winding-up of the Company (other than as provided in sub-paragraph (a) above).

Upon the occurrence of any of the events specified in sub-paragraphs (a), (b) and (c) above, an Award then held by a Participant will, to the extent not yet released, immediately lapse without any claim against the Company.

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Upon the occurrence of any of the events specified in sub-paragraphs (d), (e), (f), (g) and (h) above, the Committee may, in its absolute discretion, determine whether an Award then held by such Participant, to the extent not yet released, shall lapse or that all or any part of such Award shall be preserved. If the Committee determines that an Award shall lapse, then such Award shall lapse without any claim whatsoever against the Company. If the Committee determines that all or any part of an Award shall be preserved, the Committee shall decide as soon as reasonably practicable following such event either to vest some or all of the Shares which are the subject of the Award or to preserve all or part of any Award until the end of each vesting period (if any) and subject to the provisions of the New Plan. In exercising its discretion, the Committee will have regard to all circumstances on a case-by-case basis, including (but not limited to) the contributions made by that Participant.

Upon the occurrence of any of the events specified in sub-paragraph (i) above, the Committee will consider, at its discretion, whether or not to release any Award, and will take into account all circumstances on a case-by-case basis, including (but not limited to) the contributions made by that Participant. If the Committee decides to release any Award, then in determining the number of Shares to be vested in respect of such Award, the Committee will (if applicable) have regard to the proportion of the vesting period(s) which has (have) elapsed. Where Awards are released, the Committee will, as soon as practicable after the Awards have been released, procure the allotment or transfer to each Participant of the number of Shares. If the Committee so determines, the release of Awards may be satisfied in cash.

### 4.5.7 ***Size and Duration***

The total number of Shares which may be delivered pursuant to Awards granted under the New Plan on any date, when added to:

- (a) the total number of new Shares allotted and issued and/or to be allotted and issued pursuant to Awards granted under the New Plan; and
- (b) the total number of new Shares allotted and issued and/or to be allotted and issued pursuant to options granted under the Existing Scheme,

shall not exceed 10% of the total number of issued Shares (excluding Shares held by the Company as treasury shares) on the date preceding the date of the relevant Award.

The maximum limit of 10% will provide for sufficient Shares to support the use of Awards in the Company's overall long-term incentive and compensation strategy. In addition, it will provide the Company with the means and flexibility to apply Awards as incentive tools in a meaningful and effective manner to encourage staff retention and to align Participants' interests more closely with those of Shareholders.

Although the rules of the New Plan provide that the maximum number of new Shares which may be issued under the New Plan and the Existing Scheme is limited to 10% of the total number of issued Shares (excluding treasury shares), the Company will be seeking Shareholders' approval for a lower limit of 5% at the EGM, as the Company does not anticipate that it will require a higher limit before the next Annual General Meeting.

In determining the number of new Shares available on any date for the grant of Awards under the New Plan, Shares which are the subject of Awards which have lapsed for any reason whatsoever may be the subject of further Awards granted by the Committee under the New Plan.

The number of existing Shares (including Shares held in treasury) which may be delivered pursuant to Awards granted under the New Plan will not be subject to any limit as such methods of delivery do not involve the issuance of any new Shares.

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The New Plan shall continue to be in force at the discretion of the Committee, subject to a maximum period of 10 years commencing on the date on which the New Plan is adopted by the Company in general meeting, provided always that the New Plan may continue beyond the above stipulated period with the approval of Shareholders by ordinary resolution in general meeting and of any relevant authorities which may then be required.

The expiry or termination of the New Plan shall not affect Awards which have been granted prior to such expiry or termination, whether such Awards have been released (whether fully or partially) or not.

### 4.5.8 **Operation of the New Plan**

Subject to the prevailing legislation and the rules of the Listing Manual, the Company will have the flexibility to deliver Shares to Participants upon vesting of their Awards by way of:

- (a) an issue of new Shares; and/or
- (b) the delivery of existing Shares (including, to the extent permitted by law, treasury shares).

In determining whether to issue new Shares or to deliver existing Shares to Participants upon vesting of their Awards, the Company will take into account factors such as (but not limited to) the number of Shares to be delivered, the prevailing market price of the Shares and the cost to the Company of either issuing new Shares or delivering existing Shares (including treasury shares).

The financial effects of the above methods are discussed in paragraph 4.7 below.

The Company has the flexibility, and if circumstances require, to approve the release of an Award (other than an Award granted to a Non-Executive Director as part of his directors' remuneration in lieu of cash), wholly or partly, in the form of cash rather than Shares.

New Shares allotted and issued, and existing Shares procured by the Company for transfer, on the release of an Award shall rank in full for all entitlements, including dividends or other distributions declared or recommended in respect of the then existing Shares, the record date for which is on or after the relevant vesting date, and shall in all other respects rank *pari passu* with other existing Shares then in issue.

### 4.5.9 **Adjustment Events**

If a variation in the issued ordinary share capital of the Company (whether by way of a capitalisation of profits or reserves or rights issue, reduction, subdivision, consolidation or distribution or otherwise) shall take place or if the Company shall make a capital distribution or a declaration of a special dividend (whether in cash or *in specie*), then:

- (a) the class and/or number of Shares which are the subject of an Award to the extent not yet vested; and/or
- (b) the class and/or number of Shares in respect of which future Awards may be granted under the New Plan,

shall be adjusted in such manner as the Committee may, in its sole discretion deem fit, unless the Committee determines that an adjustment is not appropriate. Any adjustment must be made in a way that a Participant will not receive a benefit that a Shareholder does not receive.

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## LETTER TO SHAREHOLDERS

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Unless the Committee considers an adjustment to be appropriate:

- (a) the issue of securities as consideration for an acquisition or a private placement of securities;
- (b) the exercise of any options or conversion of any loan stock or any other securities convertible into Shares or subscription rights of any warrants; or
- (c) the cancellation of issued Shares purchased or acquired by the Company by way of a market purchase of such Shares undertaken by the Company on the SGX-ST or any other stock exchange on which the Shares are quoted or listed during the period when a share purchase mandate granted by Shareholders (including any renewal of such mandate) is in force,

shall not normally be regarded as a circumstance requiring adjustment.

Any adjustment (except in relation to a capitalisation issue) must be confirmed in writing by the Auditors (acting only as experts and not as arbitrators) to be in their opinion, fair and reasonable.

### 4.5.10 **Modifications**

The New Plan may be modified and/or altered at any time and from time to time by a resolution of the Committee subject to the prior approval of the SGX-ST and such other regulatory authorities as may be necessary. However:

- (a) no modification or alteration shall alter adversely the rights attached to any Award granted prior to such modification or alteration except with the consent in writing of such number of Participants who have been granted Awards and who, if such Awards were released to them on the applicable vesting dates relating to such Awards, would become entitled to not less than three-quarters in number of all the Shares which would fall to be vested upon release of all such outstanding Awards on the relevant vesting dates applicable to all such outstanding Awards; and
- (b) no alteration shall be made to rules of the New Plan which relate to matters contained in Rules 844 to 849 and Rules 853 to 854 of the Listing Manual to the advantage of Participants, except with the prior approval of Shareholders in general meeting.

### 4.5.11 **Disclosures in Annual Report**

For so long as the New Plan continues in operation, the Company will make such disclosures (or include the appropriate negative statements) in its annual report as from time to time required by the Listing Manual including the following (where applicable):

- (a) the names of the members of the Committee administering the New Plan;
- (b) in respect of the following Participants of the New Plan:
  - (i) Directors; and
  - (ii) Participants (other than those in paragraph (i) above) who have received Shares pursuant to the release of Awards granted under the New Plan and/or options available under the Existing Scheme which, in aggregate, represent 5% or more of the total number of Shares available under the New Plan and the Existing Scheme collectively,

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the following information:

- (aa) the name of the Participant;
  - (bb) the following particulars relating to Shares delivered pursuant to Awards released under the New Plan:
    - (1) the number of new Shares issued to such Participant during the financial year under review; and
    - (2) the number of existing Shares transferred to such Participant during the financial year under review; and
  - (cc) the following particulars relating to options granted under the Existing Scheme:
    - (1) options granted during the financial year under review (including terms);
    - (2) the aggregate number of Shares comprised in options granted since the commencement of the Existing Scheme to the end of the financial year under review;
    - (3) the aggregate number of Shares arising from options exercised since the commencement of the Existing Scheme to the end of the financial year under review;
    - (4) the aggregate number of Shares comprised in options outstanding as at the end of the financial year under review;
    - (5) the number of new Shares issued to such Participant during the financial year under review; and
    - (6) the number of existing Shares transferred to such Participant during the financial year under review; and
- (c) in relation to the New Plan, the following particulars:
- (i) the aggregate number of Shares comprised in Awards granted under the New Plan since the commencement of the New Plan to the end of the financial year under review;
  - (ii) the aggregate number of Shares comprised in Awards which have been released under the New Plan during the financial year under review and in respect thereof, the proportion of:
    - (1) new Shares issued; and
    - (2) existing Shares transferred and, where existing Shares were purchased for delivery, the range of prices at which such Shares have been purchased,upon the release of Awards granted under the New Plan; and
  - (iii) the aggregate number of Shares comprised in Awards granted under the New Plan which have not been released as at the end of the financial year under review.

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- 4.6 **Role and composition of the Committee.** The Compensation Committee, whose function includes assisting the Board in overseeing matters such as executive compensation and succession planning, will be designated as the Committee responsible for the administration of the New Plan. The Committee will consist of Directors, provided that no member of the Committee shall participate in any deliberation or decision in respect of Awards to be granted to him or held by him.
- 4.7 **Financial Effects.** Financial Reporting Standard 102, Share-based payment (“**FRS 102**”), is effective for the financial statements of the Company for the financial year beginning January 1, 2005. Participants may receive Shares or (where applicable) their equivalent cash value, or (where applicable) combinations thereof. In the event that the Participants receive Shares, the Awards would be accounted for as equity-settled share-based transactions, as described in the following paragraphs.

The fair value of employee services received in exchange for the grant of the Awards would be recognised as a charge to the profit and loss account over the period between the grant date and the vesting date of an Award. The total amount of the charge over the vesting period is determined by reference to the fair value of each Award granted at the grant date and the number of Shares vested at the vesting date, with a corresponding credit to reserve account. Before the end of the vesting period, at each balance sheet date, the estimate of the number of Awards that are expected to vest by the vesting date is revised, and the impact of the revised estimate is recognised in the profit and loss account with a corresponding adjustment to equity. After the vesting date, no adjustment to the charge to the profit and loss account is made.

The amount charged to the profit and loss account would be the same whether the Company settles the Awards using new Shares or existing Shares.

The following sets out the financial effects of the New Plan:

### 4.7.1 **Share Capital**

The New Plan will result in an increase in the Company’s issued ordinary share capital only if new Shares are issued to Participants. The number of new Shares arising will depend on, *inter alia*, the size of the Awards granted under the New Plan. In any case, the New Plan provides that the number of new Shares to be issued under the New Plan and the Existing Scheme will be subject to the maximum limit of 10% of the Company’s total number of issued Shares (excluding treasury shares). If, instead of issuing new Shares to Participants, existing Shares are purchased or Shares held in treasury are used for delivery to Participants, the New Plan will have no impact on the number of issued Shares.

### 4.7.2 **Net Tangible Assets (NTA)**

As described below in the paragraph on EPS, the New Plan is likely to result in a charge to the Company’s profit and loss account over the period from the grant date to the vesting date of the Awards. The amount of the charge will be computed in accordance with the accounting method as stated in paragraph 4.7 above. If new Shares are issued or existing Shares are delivered to Participants under the New Plan, there would be no effect on the NTA. If instead of issuing new Shares to Participants, the Company pays the equivalent cash value, the NTA would be impacted by the cash payment.

### 4.7.3 **Earnings per Share (EPS)**

The New Plan is likely to result in a charge to earnings over the period from the grant date to the vesting date, computed in accordance with FRS 102, as well as an increase in the number of issued Shares if new Shares are issued under the New Plan.



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### 4.7.4 *Dilutive Impact*

The New Plan provides that the aggregate number of new Shares to be issued under the New Plan and the Existing Scheme will be subject to the maximum limit of 10% of the Company's total number of issued Shares (excluding treasury shares) for the entire ten-year duration of the New Plan. It is therefore expected that the dilutive impact of the New Plan on the NTA per Share and EPS will not be significant.

- 4.8 **Abstention from Voting.** Shareholders who are eligible to participate in the New Plan (that is, employees and directors of the Group and Associated Companies) will abstain from voting their Shares in respect of Resolution 3, being the Ordinary Resolution relating to the proposed adoption of the New Plan to be proposed at the EGM. Such Shareholders will also decline to accept appointment as proxy for any Shareholder to vote in respect of Resolution 3, unless the Shareholder concerned shall have given instructions in his Proxy Form as to the manner in which his votes are to be cast in respect of Resolution 3.

## 5. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

- 5.1 **Directors' Interests.** The interests of the Directors in the Shares, as extracted from the Register of Directors' Shareholdings, as at the Latest Practicable Date, are set out below:

	Number of Shares			% of Issued Shares <sup>(1)</sup>
	Direct Interest	Deemed Interest	Total Interest	
Lim Ho Kee	2,245,350	300,000 <sup>(2)</sup>	2,545,350	0.13
Dr Wolfgang Baier	50,000	–	–	n.m. <sup>(4)</sup>
Keith Tay Ah Kee	128,350	–	128,350	0.01
Kenneth Michael Tan Wee Kheng	230,000	–	230,000	0.01
Tan Yam Pin	500,000	–	500,000	0.03
Zulkifli Bin Baharudin	–	–	–	–
Professor Low Teck Seng	–	60,000 <sup>(3)</sup>	60,000	n.m. <sup>(4)</sup>
Michael James Murphy	–	–	–	–
Bill Chang York Chye	–	–	–	–

**Notes:**

- (1) The percentage of issued Shares is calculated based on the number of issued Shares as at the Latest Practicable Date, excluding any Shares held in treasury as at that date.
- (2) Deemed interests through a trust arrangement where Mr Lim is a beneficiary of the trust.
- (3) Deemed interests through spouse.
- (4) "n.m." means "not meaningful".

- 5.2 **Substantial Shareholders' Interests.** The interests of the Substantial Shareholders in the Shares, as extracted from the Register of Substantial Shareholders, as at the Latest Practicable Date, are set out below:

	Number of Shares			% of Issued Shares <sup>(1)</sup>
	Direct Interest	Deemed Interest	Total Interest	
Temasek Holdings (Private) Limited	–	498,977,497 <sup>(2)</sup>	498,977,497	26.35
Singapore Telecommunications Limited	494,000,000	–	494,000,000	26.09

**Notes:**

- (1) The percentage of issued Shares is calculated based on the number of issued Shares as at the Latest Practicable Date, excluding any Shares held in treasury as at that date.
- (2) Deemed through its subsidiaries, Singapore Telecommunications Limited and Fullerton Fund Management Company Limited; and its associated company, DBS Group Holdings Ltd.



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## LETTER TO SHAREHOLDERS

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### 6. DIRECTORS' RECOMMENDATIONS

- 6.1 **The Proposed Renewal of the Shareholders Mandate.** All the Directors are interested persons (as described in paragraph 4.1 of the Appendix to this Circular). Accordingly, they have refrained from making any voting recommendation to Shareholders in respect of Resolution 1, being the Ordinary Resolution relating to the proposed renewal of the Shareholders Mandate to be proposed at the EGM.
- 6.2 **The Proposed Renewal of the Share Purchase Mandate.** The Directors are of the opinion that the proposed renewal of the Share Purchase Mandate is in the best interests of the Company. Accordingly, they recommend that Shareholders vote in favour of Resolution 2, being the Ordinary Resolution relating to the proposed renewal of the Share Purchase Mandate to be proposed at the EGM.
- 6.3 **The Proposed Adoption of the New Plan.** All the Directors will be potentially eligible to participate in the New Plan. Accordingly, they have refrained from making any voting recommendation to Shareholders in respect of Resolution 3, being the Ordinary Resolution relating to the proposed adoption of the New Plan to be proposed at the EGM.

### 7. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on pages 41 to 44 of this Circular, will be held at 10 Eunos Road 8, Singapore Post Centre, SingPost Pavilion (Theatrette) #05-30, Singapore 408600 on Friday, 28 June 2013 at 10.45 a.m. (or so soon thereafter following the conclusion or adjournment of the 21st Annual General Meeting of the Company to be held at 10.30 a.m. on the same day and at the same place) for the purpose of considering and, if thought fit, passing with or without modifications, the Ordinary Resolutions set out in the Notice of EGM.

### 8. ACTION TO BE TAKEN BY SHAREHOLDERS

- 8.1 **Appointment of Proxies.** Shareholders who are unable to attend the EGM and wish to appoint a proxy to attend and vote at the EGM on their behalf will find attached to this Circular a Proxy Form which they are requested to complete, sign and return in accordance with the instructions printed thereon as soon as possible and in any event so as to arrive at the registered office of the Company not less than 48 hours before the time fixed for the EGM. The sending of a Proxy Form by a Shareholder does not preclude him from attending and voting in person at the EGM if he finds that he is able to do so. In such event, the relevant Proxy Forms will be deemed to be revoked.
- 8.2 **When Depositor regarded as Shareholder.** A Depositor shall not be regarded as a Shareholder of the Company entitled to attend the EGM and to speak and vote thereat unless his name appears on the Depository Register at least 48 hours before the EGM.

### 9. INSPECTION OF DOCUMENTS

The following documents are available for inspection at the registered office of the Company at 10 Eunos Road 8, Singapore Post Centre, Singapore 408600, during normal business hours from the date of this Circular up to the date of the EGM:

- (a) the Memorandum and Articles of Association of the Company;
- (b) the Annual Report of the Company for the financial year ended 31 March 2013;
- (c) the 2012 Circular; and
- (d) the rules of the proposed Singapore Post Restricted Share Plan 2013.

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## LETTER TO SHAREHOLDERS

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### 10. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Proposals, and the Company and its subsidiaries which are relevant to the Proposals, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading.

Yours faithfully  
for and on behalf of  
the Board of Directors of  
**SINGAPORE POST LIMITED**

Lim Ho Kee  
Chairman

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## APPENDIX

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### THE SHAREHOLDERS MANDATE

#### 1. Chapter 9 of the Listing Manual

- 1.1 Chapter 9 of the listing manual (the “**Listing Manual**”) of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) governs transactions by a listed company, as well as transactions by its subsidiaries and associated companies that are considered to be at risk, with the listed company’s interested persons. When this Chapter applies to a transaction and the value of that transaction alone or on aggregation with other transactions conducted with the interested person during the financial year reaches, or exceeds, certain materiality thresholds, the listed company is required to make an immediate announcement, or to make an immediate announcement and seek its shareholders’ approval for that transaction.
- 1.2 Except for certain transactions which, by reason of the nature of such transactions, are not considered to put the listed company at risk to its interested person and hence are excluded from the ambit of Chapter 9, immediate announcement and shareholders’ approval would be required in respect of transactions with interested persons if certain financial thresholds (which are based on the value of the transaction as compared with the listed company’s latest audited consolidated net tangible assets (“**NTA**”)) are reached or exceeded. In particular, shareholders’ approval is required for an interested person transaction of a value equal to, or which exceeds:
- (a) 5% of the listed company’s latest audited consolidated NTA; or
  - (b) 5% of the listed company’s latest audited consolidated NTA, when aggregated with other transactions entered into with the same interested person (as such term is construed under Chapter 9 of the Listing Manual) during the same financial year.
- 1.3 Based on the latest audited consolidated accounts of Singapore Post Limited (“**SingPost**”) and its subsidiaries (the “**SingPost Group**”) for the financial year ended 31 March 2013, the consolidated NTA of the SingPost Group was S\$473,858,000. In relation to SingPost, for the purposes of Chapter 9, in the current financial year and until such time as the audited consolidated accounts of the SingPost Group for the financial year ending 31 March 2014 are published, 5% of the latest audited consolidated NTA of the SingPost Group would be S\$23,692,900.
- 1.4 Chapter 9 of the Listing Manual permits a listed company, however, to seek a mandate from its shareholders for recurrent transactions of a revenue or trading nature or those necessary for its day-to-day operations such as the purchase and sale of supplies and materials (but not in respect of the purchase or sale of assets, undertakings or businesses) that may be carried out with the listed company’s interested persons.
- 1.5 Under the Listing Manual:
- (a) an “**entity at risk**” means:
    - (i) the listed company;
    - (ii) a subsidiary of the listed company that is not listed on the SGX-ST or an approved exchange; or
    - (iii) an associated company of the listed company that is not listed on the SGX-ST or an approved exchange, provided that the listed company and/or its subsidiaries (the “**listed group**”), or the listed group and its interested person(s), has control over the associated company;
  - (b) (in the case of a company) an “**interested person**” means a director, chief executive officer or controlling shareholder of the listed company or an associate of such director, chief executive officer or controlling shareholder;

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- (c) (in the case of a company) an “**associate**” in relation to an interested person who is a director, chief executive officer or controlling shareholder means an immediate family member (that is, the spouse, child, adopted-child, step-child, sibling or parent) of such director, chief executive officer or controlling shareholder, the trustees of any trust of which the director/his immediate family, the chief executive officer/his immediate family or controlling shareholder/his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object, and any company in which the director/his immediate family, the chief executive officer/his immediate family or controlling shareholder/his immediate family has an aggregate interest (directly or indirectly) of 30% or more, and, where a controlling shareholder is a corporation, means its subsidiary or holding company or fellow subsidiary or a company in which it and/or they have (directly or indirectly) an interest of 30% or more;
- (d) an “**approved exchange**” means a stock exchange that has rules which safeguard the interests of shareholders against interested person transactions according to similar principles to Chapter 9; and
- (e) an “**interested person transaction**” means a transaction between an entity at risk and an interested person.

### 2. Rationale for the Shareholders Mandate and Benefits to Shareholders

2.1 It is envisaged that in the ordinary course of their businesses, transactions between companies in the EAR Group (as defined below) and SingPost’s interested persons are likely to occur from time to time. Such transactions would include, but are not limited to, the provision of goods and services in the ordinary course of business of the EAR Group to SingPost’s interested persons or the obtaining of goods and services from them.

2.2 In view of the time-sensitive nature of commercial transactions, the renewal of the Shareholders Mandate pursuant to Chapter 9 of the Listing Manual will enable:

- (a) SingPost;
- (b) subsidiaries of SingPost (other than a subsidiary that is listed on the SGX-ST or an approved exchange, if any); and
- (c) associated companies of SingPost (other than an associated company that is listed on the SGX-ST or an approved exchange, if any) over which the SingPost Group, or the SingPost Group and interested person(s) of SingPost has or have control,

(together, the “**EAR Group**”), or any of them, in the ordinary course of their businesses, to enter into the categories of transactions (“**Interested Person Transactions**”) set out in paragraph 5 below with the specified classes of SingPost’s interested persons (the “**Interested Persons**”) set out in paragraph 4.1 below, provided such Interested Person Transactions are made on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders.

2.3 The Shareholders Mandate, and its subsequent renewal thereafter on an annual basis, will enhance the ability of companies in the EAR Group to pursue business opportunities which are time-sensitive in nature, and will eliminate the need for SingPost to announce, or to announce and convene separate general meetings on each occasion to seek Shareholders’ prior approval for the entry by the relevant company in the EAR Group into such transactions. This will substantially reduce the expenses associated with the convening of general meetings on an *ad hoc* basis, improve administrative efficacy considerably, and allow manpower resources and time to be channelled towards attaining other corporate objectives.

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## APPENDIX

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- 2.4 The Shareholders Mandate is intended to facilitate transactions in the normal course of business of the EAR Group which are transacted from time to time with the specified classes of Interested Persons, provided that they are carried out on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders.
- 2.5 The EAR Group will benefit from having access to competitive quotes from the different companies in the different industries within the Temasek Group (as defined in paragraph 4.1(a) below) and the SingTel Group (as defined in paragraph 4.1(b) below) in addition to obtaining quotes from, or transacting with, non-Interested Persons.

### 3. The Shareholders Mandate and Validity Period

- 3.1 The Shareholders Mandate covers a wide range of activities undertaken by the SingPost Group. These activities are set out in detail in paragraph 5 below.
- 3.2 The Shareholders Mandate does not cover an Interested Person Transaction which has a value of below S\$100,000 as the threshold and aggregation requirements contained in Chapter 9 of the Listing Manual would not apply to such an Interested Person Transaction.
- 3.3 Transactions with interested persons (including the Interested Persons) that do not fall within the ambit of the Shareholders Mandate will be subject to the relevant provisions of Chapter 9 of the Listing Manual and/or other applicable provisions of the Listing Manual.
- 3.4 The renewal of the Shareholders Mandate will take effect from the date of the passing of the Ordinary Resolution relating thereto to be proposed at the Extraordinary General Meeting to be held on 28 June 2013 until the next Annual General Meeting of the Company. Thereafter, it is intended that approval from Shareholders for a subsequent renewal of the Shareholders Mandate will be sought at each subsequent Annual General Meeting of the Company.

### 4. Classes of Interested Persons

- 4.1 The Shareholders Mandate applies to Interested Person Transactions which are carried out with the following classes of Interested Persons:
- (a) Temasek Holdings (Private) Limited and its associates (excluding Singapore Telecommunications Limited (“**SingTel**”) and its associates) (the “**Temasek Group**”);
  - (b) SingTel and its associates (the “**SingTel Group**”); and
  - (c) Directors, Chief Executive Officer(s) and controlling shareholders of the Company (other than the controlling shareholders described in sub-paragraphs (a) and (b) above) and their respective associates.
- 4.2 Transactions with Interested Persons which do not fall within the ambit of the Shareholders Mandate shall be subject to the relevant provisions of Chapter 9 of the Listing Manual.

### 5. Interested Person Transactions

The Interested Person Transactions with the Interested Persons which are covered by the Shareholders Mandate, and the benefits to be derived therefrom, relate to general transactions (“**General Transactions**”) in connection with the provision to, or the obtaining from, Interested Persons of products and services in the normal course of business of the EAR Group or which are necessary for the day-to-day operations of the EAR Group (but not in respect of the purchase or sale of assets, undertakings or businesses) comprising the following:

- (a) provision of postal services;
- (b) provision of fulfilment, warehousing and logistics services;

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## APPENDIX

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- (c) provision of agency services;
- (d) provision and distribution of financial services;
- (e) provision of electronic printing and despatching services;
- (f) provision of data, document and mail management services;
- (g) leasing or rental of premises as lessor and/or lessee;
- (h) provision or procurement of software and licensing services, information services, engineering, repair, servicing and technical services;
- (i) selling of advertisement space;
- (j) provision or procurement of transportation, despatching and conveyance services (including air, sea and land) and freight services;
- (k) procurement of communication and all other forms of utility services and products;
- (l) procurement, lease or rental of vehicles, equipment, parts, components, repair and maintenance services;
- (m) procurement of services for the production of stamps, philatelic products and stationeries;
- (n) procurement of security services;
- (o) procurement of insurance;
- (p) procurement of management and consultancy services;
- (q) provision or obtaining of property management, property security, building maintenance services and consultancy services; and
- (r) provision or obtaining of such products and/or services which are incidental to or in connection with the provision or obtaining of products and/or services referred to in subparagraphs (a) to (q) above.

### **6. Review Procedures for Interested Person Transactions**

6.1 In general, there are procedures established by the EAR Group to ensure that transactions with Interested Persons are undertaken on normal commercial terms consistent with the EAR Group's usual business practices and policies, which are generally no more favourable to the Interested Persons than those extended to unrelated third parties.

In particular, the following review procedures have been implemented:

(a) *Provision of services or the sale of products*

The review procedures are:

- (i) all contracts entered into or transactions with Interested Persons are to be carried out at the prevailing market rates or prices of the service or product providers, on terms which are no more favourable to the Interested Person than the usual commercial terms extended to unrelated third parties (including, where applicable, preferential rates/prices/discounts accorded to corporate customers or for bulk purchases) or otherwise in accordance with applicable industry norms; and

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## APPENDIX

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(ii) where the prevailing market rates or prices are not available due to the nature of service to be provided or the product to be sold, the EAR Group's pricing for such services to be provided or products to be sold to Interested Persons is determined in accordance with the EAR Group's usual business practices and pricing policies, consistent with the usual margin to be obtained by the EAR Group for the same or substantially similar type of contract or transaction with unrelated third parties. In determining the transaction price payable by Interested Persons for such services or products, factors such as, but not limited to, quantity, volume, consumption, customer requirements, specifications, duration of contract and strategic purposes of the transaction will be taken into account.

(b) *Obtaining of services or the purchasing of products*

The review procedures are:

- (i) all contracts entered into or transactions with Interested Persons are to be carried out by obtaining quotations (wherever possible or available) from at least two other unrelated third party suppliers for similar quantities and/or quality of services or products, prior to the entry into of the contract or transaction with the Interested Person, as a basis for comparison to determine whether the prices and terms offered by the Interested Person are fair and reasonable and comparable to those offered by other unrelated third parties for the same or substantially similar type of services or products. In determining whether the prices and terms offered by the Interested Person are fair and reasonable, factors such as, but not limited to, delivery schedules, specification compliance, track record, experience and expertise, and where applicable, preferential rates, rebates or discounts accorded for bulk purchases, will also be taken into account; and
- (ii) in the event that such competitive quotations cannot be obtained (for instance, if there are no unrelated third party vendors of similar products or services, or if the product is a proprietary item), the senior management staff of the relevant company in the EAR Group (with no interest, direct or indirect in the transaction), will determine whether the prices and terms offered by the Interested Person are fair and reasonable.

(c) *Threshold limits*

In addition to the review procedures described above, the EAR Group will also ensure that the Interested Person Transactions are undertaken with Interested Persons on normal commercial terms and are not prejudicial to the Company and its minority Shareholders by categorising the transactions as follows:

- (i) a Category 1 General Transaction is one where the value thereof is equal to or more than 5% of the latest audited consolidated NTA of the SingPost Group; and
- (ii) a Category 2 General Transaction is one where the value is less than 5% of the latest audited consolidated NTA of the SingPost Group.

Category 1 General Transactions must be reviewed and endorsed by the Audit Committee and approved by the Board or the Executive Committee or other Board Committees, in accordance with the Company's approval limits, prior to their entry with an Interested Person.

Category 2 General Transactions need not be reviewed and endorsed by the Audit Committee prior to their entry with an Interested Person, but shall be reviewed on a quarterly basis by the Audit Committee.



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## APPENDIX

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- 6.2 SingPost will maintain and update the list of companies within the EAR Group and the list of Interested Persons and inform the heads of departments and/or companies within the EAR Group for the purposes of identification of Interested Persons and the recording of all Interested Person Transactions.
- 6.3 SingPost will review the procedures set out above from time to time to ensure that these remain adequate and appropriate.
- 6.4 A register will be maintained by SingPost to record all Interested Person Transactions (and the basis on which they are entered into) which are entered into pursuant to the Shareholders Mandate. The annual internal audit plan of SingPost shall incorporate a review of all Interested Person Transactions entered into in the relevant financial year pursuant to the Shareholders Mandate.
- 6.5 The internal auditors of SingPost shall, on a quarterly basis, report to the Audit Committee on Interested Person Transactions, and the basis of such transactions, entered into by the EAR Group.
- 6.6 The Audit Committee shall review the internal audit reports on Interested Person Transactions to ascertain that the Interested Person Transactions are entered into with Interested Persons on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders and that the established review procedures for the Interested Person Transactions have been complied with.
- 6.7 In the event that a member of the Audit Committee, Board, Executive Committee or other Board Committees (where applicable) is interested in any Interested Person Transaction, he will abstain from any decision-making in respect of that transaction and the review, endorsement and approval of that transaction will be undertaken by the remaining members of the Audit Committee, Board, Executive Committee and/or other Board Committees.

### **7. Audit Committee's Statements**

- 7.1 The Audit Committee (currently comprising Keith Tay Ah Kee, Kenneth Michael Tan Wee Kheng and Tan Yam Pin) has reviewed the terms of the Shareholders Mandate, as proposed to be renewed, and is satisfied that the review procedures for Interested Person Transactions, as well as the reviews to be made periodically by the Audit Committee (with internal audit assistance) in relation thereto, are sufficient to ensure that Interested Person Transactions will be made with the relevant class of Interested Persons on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.
- 7.2 If, during the periodic reviews by the Audit Committee, the Audit Committee is of the view that the established guidelines and procedures are not sufficient to ensure that the Interested Person Transactions will be on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders, SingPost will revert to Shareholders for a fresh mandate based on new procedures for transactions with Interested Persons.

### **8. Disclosure**

- 8.1 SingPost will announce the aggregate value of transactions conducted with Interested Persons pursuant to the Shareholders Mandate for the quarterly financial periods which SingPost is required to report on pursuant to the Listing Manual and within the time required for the announcement of such report.
- 8.2 Disclosure will also be made in the annual report of SingPost of the aggregate value of Interested Person Transactions conducted pursuant to the Shareholders Mandate during the current financial year, and in the annual reports for the subsequent financial years during which a shareholders mandate is in force, in accordance with the requirements of the Listing Manual.



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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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### SINGAPORE POST LIMITED

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

## NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of Singapore Post Limited (the “**Company**”) will be held at 10 Eunos Road 8, Singapore Post Centre, SingPost Pavilion (Theatrette) #05-30, Singapore 408600 on Friday, 28 June 2013 at 10.45 a.m. (or so soon thereafter following the conclusion or adjournment of the 21st Annual General Meeting of the Company to be held at 10.30 a.m. on the same day and at the same place) for the purpose of considering and, if thought fit, passing with or without modifications, the following Resolutions which will be proposed as Ordinary Resolutions:

#### **Resolution 1: Ordinary Resolution**

##### **The Proposed Renewal of the Shareholders Mandate for Interested Person Transactions**

THAT:

- (a) approval be and is hereby given, for the purposes of Chapter 9 of the Listing Manual (“**Chapter 9**”) of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”), for the Company, its subsidiaries and associated companies that are entities at risk (as that term is used in Chapter 9), or any of them, to enter into any of the transactions falling within the types of interested person transactions described in the Appendix to the Company’s Circular to Shareholders dated 6 June 2013 (the “**Circular**”) with any party who is of the class of interested persons described in the Appendix to the Circular, provided that such transactions are made on normal commercial terms and in accordance with the review procedures for such interested person transactions;
- (b) the approval given in paragraph (a) above (the “**Shareholders Mandate**”) shall, unless revoked or varied by the Company in general meeting, continue in force until the conclusion of the next Annual General Meeting of the Company; and
- (c) the Directors of the Company and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they and/or he may consider expedient or necessary or in the interests of the Company to give effect to the Shareholders Mandate and/or this Resolution.

#### **Resolution 2: Ordinary Resolution**

##### **The Proposed Renewal of the Share Purchase Mandate**

THAT:

- (a) for the purposes of Sections 76C and 76E of the Companies Act, Chapter 50 of Singapore (the “**Companies Act**”), the exercise by the Directors of the Company of all the powers of the Company to purchase or otherwise acquire issued ordinary shares in the capital of the Company (“**Shares**”) not exceeding in aggregate the Maximum Limit (as hereafter defined), at such price or prices as may be determined by the Directors from time to time up to the Maximum Price (as hereafter defined), whether by way of:
  - (i) market purchase(s) on the SGX-ST and/or any other stock exchange on which the Shares may for the time being be listed and quoted (“**Other Exchange**”); and/or
  - (ii) off-market purchase(s) (if effected otherwise than on the SGX-ST or, as the case may be, Other Exchange) in accordance with any equal access scheme(s) as may be determined or formulated by the Directors as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act,

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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and otherwise in accordance with all other laws and regulations and rules of the SGX-ST or, as the case may be, Other Exchange as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the “**Share Purchase Mandate**”);

(b) unless varied or revoked by the Company in general meeting, the authority conferred on the Directors of the Company pursuant to the Share Purchase Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earliest of:

- (i) the date on which the next Annual General Meeting of the Company is held;
- (ii) the date by which the next Annual General Meeting of the Company is required by law to be held; and
- (iii) the date on which purchases and acquisitions of Shares pursuant to the Share Purchase Mandate are carried out to the full extent mandated;

(c) in this Resolution:

“**Average Closing Price**” means the average of the last dealt prices of a Share for the five consecutive market days on which the Shares are transacted on the SGX-ST or, as the case may be, Other Exchange immediately preceding the date of market purchase by the Company or, as the case may be, the date of the making of the offer pursuant to the off-market purchase, and deemed to be adjusted in accordance with the listing rules of the SGX-ST for any corporate action which occurs after the relevant five-day period;

“**date of the making of the offer**” means the date on which the Company announces its intention to make an offer for the purchase or acquisition of Shares from holders of Shares, stating therein the purchase price (which shall not be more than the Maximum Price) for each Share and the relevant terms of the equal access scheme for effecting the off-market purchase;

“**Maximum Limit**” means that number of issued Shares representing 10% of the total number of issued Shares as at the date of the passing of this Resolution (excluding any Shares which are held as treasury shares as at that date); and

“**Maximum Price**” in relation to a Share to be purchased or acquired, means the purchase price (excluding brokerage, commission, applicable goods and services tax and other related expenses) which shall not exceed:

- (i) in the case of a market purchase of a Share, 105% of the Average Closing Price of the Shares; and
- (ii) in the case of an off-market purchase of a Share pursuant to an equal access scheme, 110% of the Average Closing Price of the Shares; and

(d) the Directors of the Company and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they and/or he may consider expedient or necessary or in the interests of the Company to give effect to the transactions contemplated and/or authorised by this Resolution.

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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### Resolution 3: Ordinary Resolution

#### The Proposed Adoption of the Singapore Post Restricted Share Plan 2013

THAT:

- (a) a new restricted share plan to be known as the “Singapore Post Restricted Share Plan 2013” (the “**New Plan**”), the rules of which, for the purpose of identification, have been subscribed to by the Chairman of the Meeting, under which awards (“**Awards**”) of fully paid-up Shares, their equivalent cash value (where applicable) or combinations thereof (where applicable) will be granted, free of payment, to selected employees (including executive directors) and non-executive directors of the Company, its subsidiaries and associated companies, details of which are set out in the Circular, be and is hereby approved and adopted; and
- (b) the Directors of the Company be and are hereby authorised:
  - (i) to establish and administer the New Plan; and
  - (ii) to modify and/or alter the New Plan at any time and from time to time, provided that such modifications and/or alterations are effected in accordance with the provisions of the New Plan, and to do all such acts and to enter into all such transactions and arrangements as may be necessary or expedient in order to give full effect to the New Plan; and
- (c) the Directors of the Company be and are hereby authorised to grant Awards in accordance with the provisions of the New Plan and to allot and issue from time to time such number of fully paid-up Shares as may be required to be delivered pursuant to the vesting of Awards under the New Plan, provided that the aggregate number of (i) new Shares allotted and issued and/or to be allotted and issued pursuant to Awards granted under the New Plan, and (ii) new Shares allotted and issued and/or to be allotted and issued pursuant to options granted under the Singapore Post Share Option Scheme 2012, shall not exceed 5% of the total number of issued Shares (excluding treasury shares) from time to time.

#### BY ORDER OF THE BOARD

**Genevieve Tan McCully (Mrs)**

Company Secretary

Singapore

6 June 2013

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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### Notes:

1. A member entitled to attend and vote at the Extraordinary General Meeting is entitled to appoint a proxy to attend and vote on his/her behalf. A proxy need not be a member of the Company.
2. The instrument appointing the proxy that has been executed by a member must be lodged at the registered office of the Company at 10 Eunos Road 8, Singapore Post Centre, Singapore 408600 (Attention: Secretariat), not less than 48 hours before the time appointed for the Extraordinary General Meeting. The sending of a Proxy Form by a member does not preclude him from attending and voting in person at the Extraordinary General Meeting if he finds that he is able to do so. In such event, the relevant Proxy Forms will be deemed to be revoked.
3. In relation to Resolution 2 relating to the proposed renewal of the Share Purchase Mandate, the Company intends to use internal and external sources of funds to finance its purchase or acquisition of Shares. The amount of financing required for the Company to purchase or acquire its Shares, and the impact on the Company's financial position, cannot be ascertained as at the date of this Notice as these will depend on the number of Shares purchased or acquired, whether the purchase or acquisition is made out of profits or capital, the price at which such Shares were purchased or acquired and whether the Shares purchased or acquired are held in treasury or cancelled.

Based on the existing issued shares of the Company as at 10 May 2013 (the "**Latest Practicable Date**"), and disregarding the 39,947,000 shares held in treasury as at the Latest Practicable Date, and assuming no further Shares are issued, and no Shares are purchased or acquired by the Company, or held as treasury shares, on or prior to the Extraordinary General Meeting, the purchase by the Company of 10% of its issued Shares will result in the purchase or acquisition of 189,352,161 Shares.

In the case of market purchases by the Company and assuming that the Company purchases or acquires the 189,352,161 Shares at the Maximum Price of S\$1.3933 for one Share (being the price equivalent to 5% above the average of the last dealt prices of the Shares for the five consecutive market days on which the Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of the 189,352,161 Shares is S\$263,824,366.

In the case of off-market purchases by the Company and assuming that the Company purchases or acquires the 189,352,161 Shares at the Maximum Price of S\$1.4597 for one Share (being the price equivalent to 10% above the average of the last dealt prices of the Shares for the five consecutive market days on which the Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of the 189,352,161 Shares is S\$276,397,349.

The financial effects of the purchase or acquisition of such Shares by the Company pursuant to the proposed Share Purchase Mandate on the audited financial statements of the Group and the Company for the financial year ended 31 March 2013 based on these assumptions are set out in paragraph 3.7 of the Circular.

4. In relation to Resolution 3 relating to the proposed adoption of the New Plan, although the rules of the New Plan provide that the maximum number of new Shares which may be issued under the New Plan and the Existing Scheme is limited to 10% of the total number of issued Shares (including treasury shares), Resolution 3 provides for a lower limit, namely, 5% of the total number of issued Shares (including treasury shares), as the Company does not anticipate that it will require a higher limit before the next Annual General Meeting.

# SINGAPORE POST LIMITED

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

## EXTRAORDINARY GENERAL MEETING PROXY FORM

### IMPORTANT

1. For investors who have used their CPF monies to buy shares in the capital of Singapore Post Limited (the "Company"), the Circular to Shareholders dated 6 June 2013 is forwarded to them at the request of their CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

I/We \_\_\_\_\_ NRIC No./Passport No. \_\_\_\_\_

of \_\_\_\_\_

being a member/members of the abovenamed Company, hereby appoint

Name	Address	NRIC/Passport Number	Proportion of Shareholdings (%)
and/or (delete as appropriate)			

or failing the person, or either or both of the persons, referred to above, the Chairman of the Meeting, as my/our proxy/proxies to attend and to vote for me/us on my/our behalf and, if necessary, to demand a poll, at the Extraordinary General Meeting of the Company to be held at 10 Eunos Road 8, Singapore Post Centre, SingPost Pavilion (Theatrette) #05-30, Singapore 408600 on Friday, 28 June 2013 at 10.45 a.m. (or so soon thereafter following the conclusion or adjournment of the 21st Annual General Meeting of the Company to be held at 10.30 a.m. on the same day and at the same place) and at any adjournment thereof.

(Please indicate with an "X" in the spaces provided whether you wish your vote(s) to be cast for or against the Ordinary Resolutions as set out in the Notice of Extraordinary General Meeting. In the absence of specific directions, the proxy/proxies will vote or abstain as he/they may think fit, as he/they will on any other matter arising at the Extraordinary General Meeting.)

	For	Against
<b>Resolution 1 (Ordinary Resolution)</b> To approve the proposed renewal of the Shareholders Mandate for Interested Person Transactions		
<b>Resolution 2 (Ordinary Resolution)</b> To approve the proposed renewal of the Share Purchase Mandate		
<b>Resolution 3 (Ordinary Resolution)</b> To approve the proposed adoption of the Singapore Post Restricted Share Plan 2013		

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2013

\_\_\_\_\_  
Signature(s) of Member(s) or Common Seal

<b>Total number of Shares held</b>	
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**Notes:**  
IMPORTANT  
Please read Notes.



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**Secretariat**  
Singapore Post Limited  
(Co. Reg. No. 199201623M)  
10 Eunos Road 8  
Singapore Post Centre  
Singapore 408600

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**Notes:**

1. If you have shares entered against your name in the Depository Register (as defined in Section 130A of the Companies Act, Chapter 50 of Singapore), you should insert that number of shares. If you have shares registered in your name in the Register of Members, you should insert that number of shares. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the shares in the capital of the Company held by you.
2. A member of the Company entitled to attend and vote at a meeting of the Company is entitled to appoint not more than two proxies to attend and vote instead of him. A proxy need not be a member of the Company.
3. Where a member appoints two proxies, the appointments shall be invalid unless he specifies the proportion of his shareholding (expressed as a percentage of the whole) to be represented by each proxy. In the case of a joint appointment of two proxies, the Chairman of the Extraordinary General Meeting will be a member's proxy by default if either or both of the proxies appointed do not attend the Extraordinary General Meeting. In the case of an appointment of two proxies in the alternative, the Chairman of the Extraordinary General Meeting will be a member's proxy by default if both of the proxies appointed do not attend the Extraordinary General Meeting.
4. The instrument appointing a proxy or proxies must be lodged at the registered office of the Company at 10 Eunos Road 8, Singapore Post Centre, Singapore 408600 (Attention: Secretariat) not less than 48 hours before the time appointed for the Extraordinary General Meeting. The sending of a Proxy Form by a member does not preclude him from attending and voting in person at the Extraordinary General Meeting if he finds that he is able to do so. In such event, the relevant Proxy Forms will be deemed to be revoked.
5. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised.
6. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Extraordinary General Meeting, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore.

**General:**

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 48 hours before the time appointed for holding the Extraordinary General Meeting, as certified by The Central Depository (Pte) Limited to the Company.

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