



SINGAPORE POST LIMITED
("SingPost" or the "Company")
(Incorporated in the Republic of Singapore)

**MINUTES OF THE 27TH ANNUAL GENERAL MEETING ("AGM")
OF SINGAPORE POST LIMITED HELD ON
THURSDAY, 18 JULY 2019 AT 2.30 P.M.
AT LEVEL 3, SUMMIT 2,
SUNTEC SINGAPORE CONVENTION & EXHIBITION CENTRE,
1 RAFFLES BOULEVARD, SUNTEC CITY, SINGAPORE 039593**

PRESENT

Mr Simon Claude Israel	Chairman
Mr Paul William Coutts	Director, Group Chief Executive Officer (" Group CEO ")
Mrs Fang Ai Lian	Lead Independent Director and Chairperson of Audit Committee
Mr Steven Robert Leonard	Director, Chairman of Board Risk and Technology Committee
Mr Bob Tan Beng Hai	Director, Chairman of Compensation Committee
Ms Chu Swee Yeok	Director
Ms Elizabeth Kong Sau Wai	Director
Ms Lim Cheng Cheng	Director

ABSENT WITH APOLOGIES

Mr Chen Jun	Director
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IN ATTENDANCE

Mr Richard Lai	Group Chief Financial Officer (" Group CFO ")
Mr Vincent Phang	Chief Executive Officer, Postal Services & Singapore
Mr Alex Tan	Group Chief Digital & Technology Officer
Mr Lim Jui-I	CEO, Quantum Solutions
Ms Linda Hoon	Group Company Secretary

BY INVITATION

Mr Shariq Barmaky	Audit Partner, Deloitte & Touche LLP
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SHAREHOLDERS, PROXIES, CORPORATE REPRESENTATIVES, OBSERVERS, INVITEES

As per Attendance Lists.

1. Introduction

- 1.1 Mr Jonathan Ooi, Deputy General Counsel introduced the Directors, the Group Company Secretary, Management and the auditor. The procedures for the Meeting were highlighted to shareholders. The AGM was thereafter handed over to the Chairman.

2. Welcome Remarks By the Chairman and the Chairman's Speech

- 2.1 The Chairman greeted and thanked everyone present for their attendance. He proceeded to deliver a speech.

3. The Group CEO's Speech

- 3.1 The Group CEO delivered a speech.

4. Presentation by the Group CFO

- 4.1 The Group CFO, presented on the business operations and performance of the Group, details of which are set out in the slides attached hereto as Annex 1. The slides were announced via SGXNet after the close of trading on the day the AGM was held.

5. Quorum

- 5.1 Upon confirmation that there was sufficient quorum to constitute the AGM as required under Article 63 of the Company's Constitution, the Chairman proceeded to commence with the business of the AGM.

6. Notice of AGM

- 6.1 The Notice of AGM dated 26 June 2019 convening the AGM was agreed to be taken as read.
- 6.2 Pursuant to Rule 730A(2) of the Listing Manual of the Singapore Exchange Securities Trading Limited, the Chairman exercised the right under Article 68(A) of the Company's Constitution to direct that voting on each of the resolutions as set out in the Notice of AGM be conducted by way of poll. The Chairman informed shareholders that polling would be conducted electronically.
- 6.3 Mr Raymond Ang of RHT Governance, Risk & Compliance (Singapore) Pte Ltd apprised shareholders of the procedures for voting by poll.
- 6.4 Shareholders voted on a test resolution to ensure that the devices were working properly. Mr Raymond Ang declared the test resolution carried based on the results.
- 6.5 Mr Raymond Ang announced that certain members had appointed the Chairman to vote on their behalf, and that the Chairman would be voting for or against certain resolutions to be voted on at the AGM, according to such members' instructions.

AS ROUTINE BUSINESS

7. **Ordinary Resolution No. 1 – To receive and adopt the Audited Financial Statements for the financial year ended 31 March 2019, and the Directors' Statement and Independent Auditor's Report thereon**

7.1 The Chairman proposed the following motion:

"THAT the Audited Financial Statements of the Company for the financial year ended 31 March 2019, Directors' Statement and Independent Auditor's Report thereon, be and are hereby received and adopted."

7.2 The Chairman invited questions from shareholders.

7.3 **Question/Comment 1-5**

A shareholder referred to pages 40 and 189 of the Annual Report 2018/19 ("AR") and commented that the profit on operating activities had dropped over the past five years, noted the enlarged losses of eCommerce and the relatively poor performance of Logistics. He enquired about SingPost's capability to compete in these segments and SingPost's strategies and competitive edge, in terms of business and geography. The shareholder further commented about deterioration of the cash position, EBITDA margin and dividend payouts.

The Chairman explained that the Board and Management were reviewing the strategies for SingPost to remain competitive. In respect of dividend payouts, the Chairman explained that the dividend policy was revised three years ago with the fundamental consideration to ensure that dividend payout is sustainable. The Chairman then invited the Group CEO to share his views on strategies and strength of SingPost.

The Group CEO informed that eCommerce activities contributed approximately 55% of SingPost's current business. While eCommerce activities are growing, he cautioned that many companies in the eCommerce space are facing headwinds and not profitable. The Group CEO said Management remained focused to leverage on SingPost's capability to benefit from increasing eCommerce activities.

Geographically, the Group CEO affirmed that Singapore is a key market and a strong base to expand SingPost's capability to neighbouring countries in Southeast Asia as well as other markets like Hong Kong, Taiwan and Australia. In terms of strategy, the Group CEO explained that it would be asset-light and driven by technology on two fronts namely front-end supply chain technology and end-to-end (last mile) (LaMP) platform. SingPost has, through its postal network, been leveraging on the capability of other postal partners to optimize cross-border and last mile reach.

In response to the shareholder's question on SingPost's competitive edge, the Group CEO said 80% of items delivered through postal network are below 2kg in weight, and with low cost infrastructure of postal network, it has been utilized to move merchandise around.

7.4 **Question/Comment 6-8**

A shareholder of SingPost referred to page 135 of the AR on the subsidiary which incurred impairment, pages 206 and 207 of the AR on the position of Dash Logistics Co., Limited ("**Dash**") and PT Trio SPeCommerce Indonesia ("**Trio**") respectively and page 178 of the AR on liquidity risk, and sought clarification from Management.

The Group CFO explained that Dash is a 30% associated company jointly owned by Indo Trans Logistics Corporation, a Vietnamese company which SingPost had disposed of in March 2019. Meanwhile, Trio is a dormant company. He added that Management had embarked on a group-wide exercise to review and identify entities that are no longer needed, for liquidation.

In response to the shareholder's question on the liquidity risk vis-a-vis S\$200M 10-year fixed rate notes ("**Notes**"), the Group CFO explained the Notes were issued in March 2010 and are maturing in March 2020. Given the maturity is less than 12 months, it was therefore reclassified from non-current to current liability. The Group CFO informed that several banks had submitted their proposals to term out the Notes and he did not rule out the option of issuing fresh notes. He added that Management was evaluating various options and refinancing would not be an issue.

7.5 **Question/Comment 9-12**

A shareholder asked about the likely scenario after the U.S. businesses exit, adequacy of provisions made and the likely impact to the Company's statements of financial position.

In response to the shareholder's question on the U.S. businesses exit, the Chairman informed that the exit process is still on-going and declined to make any forward looking comments. He however reminded shareholders to be realistic in expectations given the U.S. businesses are structurally troubled businesses.

The shareholder noted that lease tenure of some four to five properties in Singapore is expiring in next few years and enquired if there is any concern.

The Group CFO responded that Management has been engaging relevant government authorities on the properties that SingPost requires and their response has so far been positive.

7.6 **Question/Comment 13-18**

A shareholder referred to page 189 of the AR and noted that the margin of profit on operating activities had dropped to 21.7% from 22.4% and enquired the causes of such drop. The shareholder further enquired Management's view on the impact of U.S.-China trade war on China's economic growth.

The Group CEO responded that the post and parcel business continues seeing a decline and would certainly have an impact to the Group's overall performance. On the impact of the trade war, the Group CEO said although there is a slowdown, ecommerce business in China is still growing at a very strong pace.

The shareholder noted that the remuneration of the Group CEO and senior management had increased despite service lapses, impairment and widening losses of the U.S. businesses, and sought explanation from the Compensation Committee (“CC”) chairman.

The CC chairman explained that part of the remuneration was not fully reflected in the AR last year. He further explained that share awards were granted to senior management including the Group CEO and the vesting of which would subject to achieving certain pre-set performance targets. The CC chairman confirmed that, failing to achieve the pre-set targets, the awards will not be vested, and that the remuneration of executive directors reflects performance of the Company.

The shareholder then referred to page 152 of the AR and enquired if there was an opportunity to sell the entire interest in Jagged Peak, Inc. for S\$51.2M given 28.9% of Jagged Peak, Inc. was valued at S\$14.8M. He further enquired about the recoverability of the outstanding amounts set out on page 130 of the AR and action taken to recover these amounts.

The Group CFO explained that Jagged Peak, Inc. had been fully impaired save for the working capital which is recoverable, and selling price of S\$51.2M was not expected by Management. The Group CFO explained that those amounts were loans by intermediate holding company for acquisition of investments, and they would accordingly be adjusted as a result of impairment of investments.

7.7 Question/Comment 19-22

A shareholder asked about the risk of impairment for Shenzhen 4PX Information and Technology Co., Limited (“4PX”) given its losses in the last two years, and the effect of China’s economy slowdown on 4PX’s business plan.

The Group CFO said, while the pace of China’s economy growth had slowed down, its overall economy size continues expanding. On the risk of 4PX’s impairment, the Group CFO explained that a valuation would be carried out yearly to assess the risk of impairment. Currently, he did not anticipate 4PX required further impairment.

The shareholder then referred to page 123 of the AR on the fair value loss for warrants of an associated company and commented that Management should have taken profit in 2018 instead of facing fair value loss.

In response to the shareholder’s question, the Group CFO explained that, in FY2017/18, time value of warrants was higher and warrant holders still had two more years before expiry. Whereas the time value was running out in FY2018/19 when warrants closer to expiry. The Company could either end up with zero value for holding the warrants or sold them with some value.

7.8 Question/Comment 23-24

A shareholder noted S\$1.162M unrecognised and cumulative share of losses of an associated company on page 135 of the AR, and requested for an explanation.

The Group CFO explained that the amount was an accumulation of losses over the years and were not unanticipated. He informed that Management had embarked on

a review on the Group' entities and investments made in the past to determine their viability and synergies to the Group. Entities or investments identified to be not essential, they would amongst others, be disposed of or liquidated.

7.9 **Question/Comment 25-26**

A shareholder noted the S\$51.9M losses of eCommerce on page 189 of the AR, the S\$100.1M underlying net profit ("UNP") in the Group CFO's presentation earlier and the increase in UNP by 15.8% excluding the U.S. businesses. He then enquired about forecasted UNP excluding the U.S. businesses.

The Group CFO explained that, on like-for-like basis, it was not appropriate to only strip out the U.S. businesses losses for FY2018/19 without stripping out their past years losses. He declined to give any forward looking statement on the profitability after the U.S. businesses exit.

7.10 **Question/Comment 27-28**

A shareholder noted the capital expenditure ("capex") in the Group CFO's presentation had decreased from S\$62.1M in FY2017/18 to S\$31.3M in FY2018/19, and sought clarification for such decrease.

The Group CFO explained the lower capex in FY2018/19 was owing to the completion of SingPost Retail Mall. He informed that SingPost would continue investing in capex in particular in postal infrastructure, and S\$50M – S\$60M capex annually representing approximately 3.5% of the Company's annual revenue, and in line with the general guide followed by many companies.

7.11 **Question/Comment 29-30**

A shareholder asked if any key member of Management is in charge of the Company's operations. The shareholder also commented that the volume-related expenses had increased significantly compared to previous financial year.

The Group CEO explained that each of the business units is managed by its CEO, who is also the head of operations, with responsibility to run the business, oversee the service quality as well as re-engineer the business process. The Group CEO informed that some of the services and operations were outsourced with the view to drive down operational costs and improve efficiency. He gave assurance that SingPost would not outsource its core services and operations.

7.12 **Question/Comment 31-33**

A shareholder enquired about SingPost's biggest competitors in parcel delivery market and their strength in relation to SingPost. The shareholder further requested Management to share the lessons learnt from the acquisition of the U.S. businesses a few years ago.

In response to the shareholder's question on SingPost's biggest competitors, The Group CEO explained that ecommerce logistics business in Singapore is a fragmented market and there are a number of international players such as DHL, FedEx and UPS as well as other local companies like Qexpress and Ninjavan. The Group CEO described that Qexpress is the key partner of Qoo10 and handles mainly Qoo10's deliveries, whereas Ninjavan is a start-up which filled the gap in

the market through technology. With continued investment in technology and current market share, the Group CEO expressed his confidence that SingPost is well placed for the future.

On the lessons learnt from the acquisition of the U.S. businesses, the Group CEO informed that the Board had commissioned a full review on the acquisition of the U.S. businesses and based on the key findings, the operational due diligence could have been done better. Subsequent to the full review, steps had been put in place to address those key findings and the Group CEO ensured that such steps are followed when carrying out acquisitions in future.

7.13 **Question/Comment 34-35**

A shareholder noted that the interest rate for Trade and Other Receivables was lower than the 3.5% interest rate for Borrowings and sought clarification on the basis for difference. He further noted that the amount of the loan to a shareholder of a subsidiary has been increasing over the years and enquired about repayment arrangement as well as the possibility of impairment.

The Group CFO explained that the 3.5% is the coupon rate for the Notes, which had an original fixed tenure of 10 years and are now maturing in less than a year, whereas loans to subsidiaries are short term and are priced as such. He assured the shareholder that the intercompany loans are at arms-length basis. He further explained that for investments which are not expected to be profitable in short term, they generally require funding from SingPost. The Group CFO mentioned that these investments would be monitored and tracked closely to ensure their strategies and plans are viable and performing, and their performance would influence Management's decision whether SingPost should continue investing or otherwise.

7.14 **Question/Comment 36-39**

A shareholder expressed her concern for loss of letters, bank statements and annual reports and suggested Management to examine and resolve the service lapses. The shareholder further noted that none of the members of the Board has logistics and engineering background.

The Group CEO noted the shareholder's concern and confirmed that Management has been addressing these issues. The Group CEO mentioned that Mr Vincent Phang, who has a strong engineering background and vast experience in logistics business, was brought in in April 2019 to spearhead and re-engineer the post and parcel business. He shared that one of the weaknesses postal operators currently facing globally is the absence of trackability for normal letters, and Management has engaged the authorities trying to resolve this weakness.

The shareholder then referred to page 40 of the AR and asked if the Company has turned the corner and it seemed that there is room for improvement.

The Chairman elaborated that consumers understand about e-substitution but the pace of domestic mail volume's decline is difficult to predict. He added that while the parcel business is growing but structurally it is not similar to postal. In the context of strategy, the Chairman noted the progress in the rest of the business

segments and exit of the U.S. businesses would be a great relief for the Company. The Chairman reminded shareholders to form their own view when balancing those points. He was of the view that when the Company has improved dividend payout trajectory that would be the sign of turning the corner but currently, it is still work in progress and shareholders should not underestimate the complexities.

7.15 **Question/Comment 40-41**

A shareholder noted that the postal rate was adjusted in 2014 and with the increased of costs and overheads, he enquired would there be an opportunity to increase the postal rate if the service level has improved. He then asked about an update on the development of parcel and letter boxes in HDB flats.

The Group CEO informed that the Company has increased its headcounts to handle the growth of parcel volume, and SingPost is looking to redesign the technology and invest more in automation to the point of delivery for consumers. In respect of the letter box infrastructure, the Group CEO informed that Management is discussing with the authorities on the future design of letter box infrastructure and type of automated equipment with a view to reduce dependency on people. He added that Management is in broad discussion with the authorities on upgrade of service level and infrastructure including return on investment.

7.16 As there were no further questions, the Chairman proceeded to put Resolution No. 1 to the vote by poll.

7.17 The poll results for Resolution No. 1 were as follows:

For		Against	
No. of shares	%	No. of shares	%
984,386,410	99.77	2,246,137	0.23

7.18 Based on the results of the poll, the Chairman declared Resolution No. 1 carried and proceeded to the next item on the Agenda.

8. Ordinary Resolution No. 2 – To declare a final tax exempt one-tier dividend of 2.0 cents per ordinary share

8.1 The Chairman proposed the following motion:

“THAT a final tax exempt one-tier dividend of 2.0 cents per ordinary share in respect of the financial year ended 31 March 2019, to be paid on 7 August 2019 as recommended by the Directors, be and are hereby approved.”

8.2 The Chairman invited questions from shareholders.

8.3 **Question/Comment 42-43**

A shareholder asked if SingPost is considered a dividend yield stock or a growth company. The shareholder also suggested the Board considers script dividend.

The Chairman responded that SingPost is in the stage of transitioning and would be able to attain a sustainable growth model. He added that if the route is to become a growth stock, large investments will have to be made. The Chairman noted the shareholder's suggestion of paying script dividend.

8.4 As there were no further questions, the Chairman proceeded to put Resolution No. 2 to the vote by poll.

8.5 The poll results for Resolution No. 2 were as follows:

For		Against	
No. of shares	%	No. of shares	%
987,610,542	99.91	936,807	0.09

8.6 Based on the results of the poll, the Chairman declared Resolution No. 2 carried and proceeded to the next item on the Agenda.

9. Ordinary Resolution No. 3 – To re-elect Ms Chu Swee Yeok as Director

9.1 The Chairman proposed the following motion:

“THAT Ms Chu Swee Yeok, who retires by rotation in accordance with Article 104 of the Company's Constitution and, being eligible for re-election, be and is hereby re-elected as a Director of the Company.”

9.2 The Chairman invited questions from shareholders. As there were no questions, the Chairman proceeded to put Resolution No. 3 to the vote by poll.

9.3 The poll results for Resolution No. 3 were as follows:

For		Against	
No. of shares	%	No. of shares	%
975,425,401	98.88	11,034,187	1.12

9.4 Based on the results of the poll, the Chairman declared Resolution No. 3 carried and proceeded to the next item on the Agenda.

10. Ordinary Resolution No. 4 – To re-elect Mr Chen Jun as Director

10.1 The Chairman proposed the following motion:

“THAT Mr Chen Jun, who retires by rotation in accordance with Article 98(b) of the Company's Constitution and, being eligible for re-election, be and is hereby re-elected as a Director of the Company.”

10.2 The Chairman invited questions from shareholders. As there were no questions, the Chairman proceeded to put Resolution No. 4 to the vote by poll.

10.3 The poll results for Resolution No. 4 were as follows:

For		Against	
No. of shares	%	No. of shares	%
973,656,627	98.63	13,505,676	1.37

10.4 Based on the results of the poll, the Chairman declared Resolution No. 4 carried and proceeded to the next item on the Agenda.

11. Ordinary Resolution No. 5 – To re-elect Ms Elizabeth Kong Sau Wai as Director

11.1 The Chairman proposed the following motion:

“THAT Ms Elizabeth Kong Sau Wai, who retires by rotation in accordance with Article 98(b) of the Company’s Constitution and, being eligible for re-election, be and is hereby re-elected as a Director of the Company.”

11.2 The Chairman invited questions from shareholders. As there were no questions, the Chairman proceeded to put Resolution No. 5 to the vote by poll.

11.3 The poll results for Resolution No. 5 were as follows:

For		Against	
No. of shares	%	No. of shares	%
975,922,498	98.88	11,039,552	1.12

11.4 Based on the results of the poll, the Chairman declared Resolution No. 5 carried and proceeded to the next item on the Agenda.

12. Ordinary Resolution No. 6 – To re-elect Mr Bob Tan Beng Hai as Director

12.1 The Chairman proposed the following motion:

“THAT Mr Bob Tan Beng Hai, who retires by rotation in accordance with Article 98(b) of the Company’s Constitution and, being eligible for re-election, be and is hereby re-elected as a Director of the Company.”

12.2 The Chairman invited questions from shareholders. As there were no questions, the Chairman proceeded to put Resolution No. 6 to the vote by poll.

12.3 The poll results for Resolution No. 6 were as follows:

For		Against	
No. of shares	%	No. of shares	%
975,503,889	98.87	11,118,943	1.13

12.4 Based on the results of the poll, the Chairman declared Resolution No. 6 carried and proceeded to the next item on the Agenda.

13. Ordinary Resolution No. 7 – To approve directors' fees payable by the Company of S\$1,147,780 for the financial year ended 31 March 2019 (2018: S\$1,233,950)

13.1 The Chairman requested for a proposer for the following motion:

“THAT a sum of S\$1,147,780 be paid by the Company by way of fees to the Directors for the financial year ended 31 March 2019.”

13.2 Ms Sin Yew Yan proposed the motion.

13.3 The Chairman invited questions from shareholders.

13.4 Question/Comment 44-46

A shareholder commented that the drop of the directors' fees was not significant on the back of potential global recession, the U.S.-China trade war and unsatisfactory performance and lower dividend payout, and sought elaboration to justify the directors' fees.

The CC chairman explained that the variable component of executive director's and senior management's is correlated to the Company's performance whereas long-term incentive is subject to meeting pre-set performance targets which are much linked to the Company's performance and aligned with shareholders' interest.

On the structure of directors' fees, the CC chairman explained that it is driven by governance and oversight responsibilities attached to the duty of fiduciary of non-executive directors, and generally it would not have huge variation over the years. In respect of its reasonableness, CC benchmarked SingPost's structure against companies in that peer group and SingPost is lower than the median. In terms of its absolute sums, the directors' fees had decreased as the Board was sensitive to shareholders' concerns.

13.5 As there were no further questions, the Chairman proceeded to put Resolution No. 7 to the vote by poll.

13.6 The poll results for Resolution No. 7 were as follows:

For		Against	
No. of shares	%	No. of shares	%
976,579,121	98.97	10,178,172	1.03

13.7 Based on the results of the poll, the Chairman declared Resolution No. 7 carried and proceeded to the next item on the Agenda.

14. Ordinary Resolution No. 8 – To re-appoint Deloitte & Touche LLP as Auditor of the Company and to authorise the directors to fix its remuneration

14.1 The Chairman proposed the following motion:

“THAT Deloitte & Touche LLP be and are hereby re-appointed as Auditor of the Company to hold office until the next Annual General Meeting, and that the Directors of the Company be authorised to fix their remuneration.”

14.2 The Chairman invited questions from shareholders. As there were no questions, the Chairman proceeded to put Resolution No. 8 to the vote by poll.

14.3 The poll results for Resolution No. 8 were as follows:

For		Against	
No. of shares	%	No. of shares	%
978,340,006	99.80	1,955,684	0.20

14.4 Based on the results of the poll, the Chairman declared Resolution No. 8 carried and proceeded to the next item on the Agenda.

AS SPECIAL BUSINESS

15. Ordinary Resolution No. 9 – Authority to Issue Shares and to Make or Grant Convertible Instruments

15.1 The Chairman proposed Resolution No. 9 as set out in item 7 of the Notice of AGM and invited questions from shareholders. As there were no questions, the Chairman proceeded to put Resolution No. 9 to the vote by poll.

15.2 The poll results for Resolution No. 9 were as follows:

For		Against	
No. of shares	%	No. of shares	%
974,085,424	99.36	6,251,584	0.64

15.3 Based on the results of the poll, the Chairman declared Resolution No. 9 carried and proceeded to the next item on the Agenda.

16. Ordinary Resolution No. 10 – Authority to Offer/Grant Options, Grant Share Awards and Allot/Issue Shares

16.1 The Chairman requested for a proposer for Resolution No. 10 as set out in item 8 of the Notice of AGM. Ms Fong Foong Ching proposed the motion.

16.2 The Chairman requested members who were employees or Directors of the SingPost Group and who were eligible to participate in the Singapore Post Share Option Scheme 2012 and/or Singapore Post Restricted Share Plan 2013 to abstain from voting on the resolution. They may, however, vote as the appointed proxies of a member who has given specific instructions on how their votes were to be cast in respect of this resolution.

16.3 The Chairman invited questions from shareholders. As there were no questions, the Chairman proceeded to put Resolution No. 10 to the vote by poll.

16.4 The poll results for Resolution No. 10 were as follows:

For		Against	
No. of shares	%	No. of shares	%
953,869,191	97.80	21,466,140	2.20

16.5 Based on the results of the poll, the Chairman declared Resolution No. 10 carried and proceeded to the next item on the Agenda.

17. Ordinary Resolution No. 11 – Proposed Renewal of the Shareholders Mandate for Interested Person Transactions

17.1 The Chairman informed that Singapore Telecommunications Limited (“**Singtel**”) is an interested person. Since the Chairman is the chairman of Singtel’s Board of Directors, for good corporate governance he requested the Lead Independent Director Mrs Fang Ai Lian to lead this resolution.

17.2 Mrs Fang Ai Lian took over proceedings of the Meeting from the Chairman. She requested for a proposer for Resolution No. 11 as set out in item 9 of the Notice of AGM. Mr Tan See Peng @ Tan Kah Hua proposed the motion.

17.3 Mrs Fang Ai Lian announced that Temasek Holdings (Private) Limited and Singtel and their respective associates, deemed Interested Persons for the mandate, were to abstain from voting. All the Directors, the Chief Executive Officer and their respective associates who were Interested Persons were to abstain from voting also. They were permitted, however, to vote as the appointed proxies of a member who had given specific instructions on how their votes were to be cast in respect of the resolution.

17.4 Mrs Fang Ai Lian invited questions from shareholders. As there were no questions, Mrs Fang Ai Lian proceeded to put Resolution No. 11 to the vote by poll.

17.5 The poll results for Resolution No. 11 were as follows:

For		Against	
No. of shares	%	No. of shares	%
481,631,714	99.50	2,443,307	0.50

17.6 Based on the results of the poll, Mrs Fang Ai Lian declared Resolution No. 11 carried and handed the proceedings of the Meeting back to the Chairman.

18. Ordinary Resolution No. 12 – Proposed Renewal of the Share Purchase Mandate

- 18.1 The Chairman proposed Resolution No. 12 as set out in item 10 of the Notice of AGM and invited questions from shareholders.
- 18.2 As there were no questions, the Chairman proceeded to put Resolution No. 12 to the vote by poll.
- 18.3 The poll results for Resolution No. 12 were as follows:

For		Against	
No. of shares	%	No. of shares	%
977,797,504	99.77	2,219,907	0.23

- 18.4 Based on the results of the poll, the Chairman declared Resolution No. 12 carried.

19. Closure of Meeting

- 19.1 There being no further items of ordinary or special business arising, and as no notice had been received by the Company to this effect, the Chairman declared the AGM closed at 5.15 p.m. and thanked all shareholders present for their attendance and support.

Confirmed as true record of the proceedings,



Simon Claude Israel
Chairman of the AGM
Singapore Post Limited



27th Annual General Meeting

18 July 2019



The following presentation contains forward looking statements by the management of Singapore Post Limited (“SingPost”) relating to financial trends for future periods, compared to the results for previous periods.

Some of the statements contained in this presentation that are not historical facts are statements of future expectations with respect to the financial conditions, results of operations and businesses, and related plans and objectives. Forward looking information is based on management's current views and assumptions including, but not limited to, prevailing economic and market conditions. These statements involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those in the statements as originally made. Such statements are not, and should not be construed as a representation as to future performance of SingPost. In particular, such targets should not be regarded as a forecast or projection of future performance of SingPost. It should be noted that the actual performance of SingPost may vary significantly from such statements.

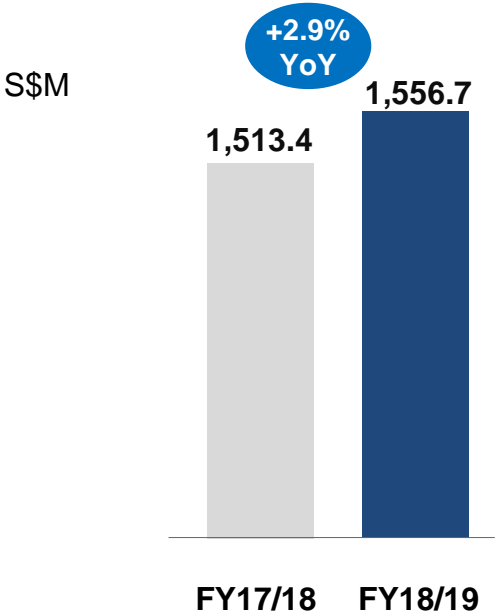
“\$” means Singapore dollars unless otherwise indicated.

- FY2018/19 Financials
- Cash Flow and Balance Sheet
- Key Developments
- Corporate Sustainability

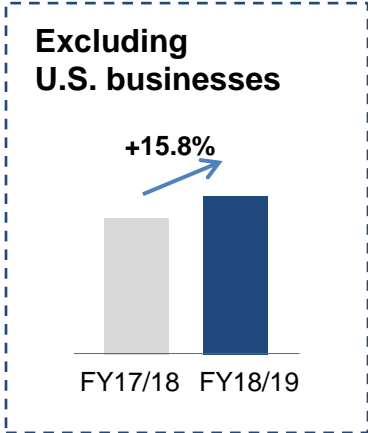
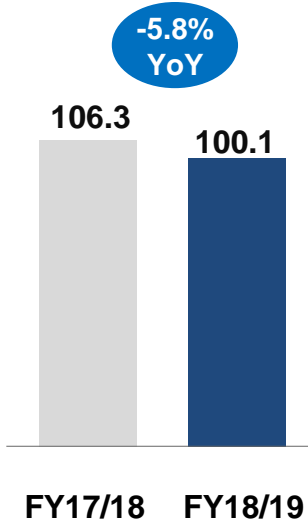


Overview – FY2018/19

Revenue



Underlying net profit



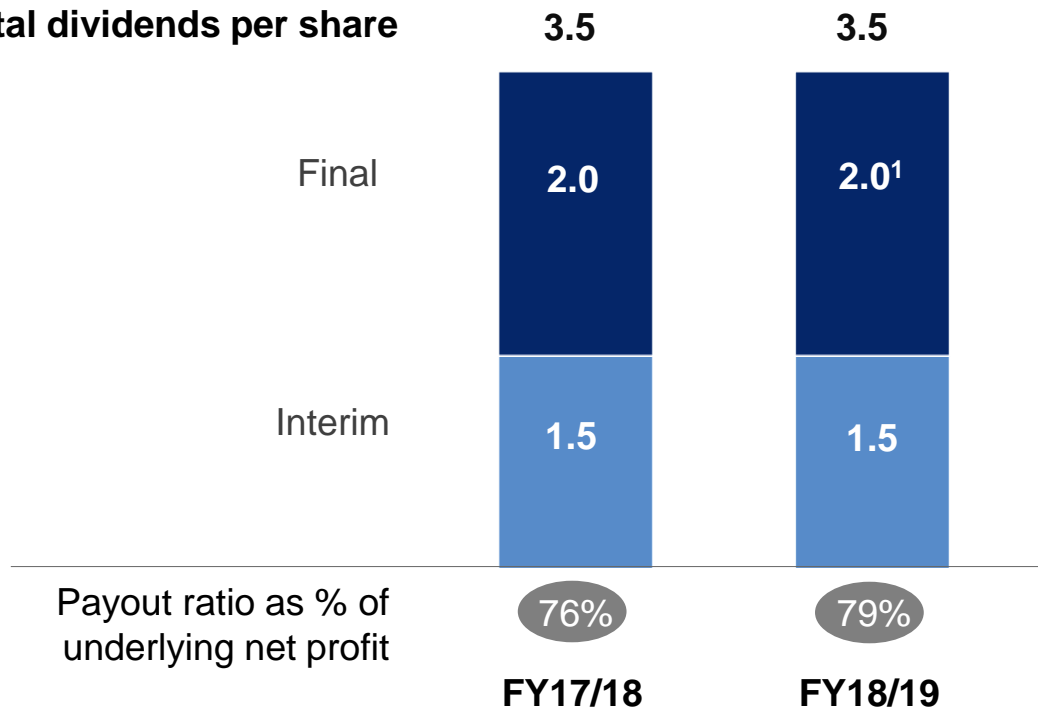
Underlying net profit growth excluding U.S. businesses

Maintained dividend for FY2018/19



S¢

Total dividends per share



Our dividend policy is based on a payout ratio ranging from **60% to 80%** of **underlying net profit** for each financial year.

1. Subject to shareholders' approval at the Annual General Meeting

FY2018/19 financial statement

S\$M	FY17/18	FY18/19	YoY % change	
Revenue	1,513.4	1,556.7	+2.9%	— Revenue growth in Post & Parcel and Property segments
Operating expenses	(1,373.2)	(1,424.0)	+3.7%	— Due to higher losses for the U.S. businesses as well as trade-related foreign exchange translation differences
Profit on operating activities	146.9	136.3	(7.2%)	—
Share of associated companies & JV	(3.1)	(7.1)	(127.8%)	— Largely due to 4PX's losses recorded in the earlier part of the year
Exceptional items	22.3	(69.3)	N.M.	— Due largely to impairment of the U.S. businesses
Income tax expense	(30.7)	(27.8)	+9.4%	
Net profit attributable to equity holders	135.5	19.0	(86.0%)	— Lower profit due to exceptional items and operating losses from the U.S.
Underlying net profit	106.3	100.1	(5.8%)	— Excluding exceptional items such as impairment loss and fair value gains or losses

N.M. denotes Not Meaningful

U.S. Businesses

Impairment of U.S. Businesses

The exceptional loss in FY18/19 was largely due to impairment charges for TradeGlobal and Jagged Peak as below:

Impairment	S\$98.7m
Goodwill and intangibles	S\$67.6m
Property, plant and equipment	S\$31.0m

As an exceptional item, the impairment did not affect underlying net profit, and therefore did not affect what was available for dividend payout.

Exit of U.S. Businesses

Despite commitment of considerable time and resources, several issues hindered recovery efforts, such as:

- customer bankruptcies
- margin pressure from competition
- client cost-cutting; and
- rising labour costs and warehouse rentals

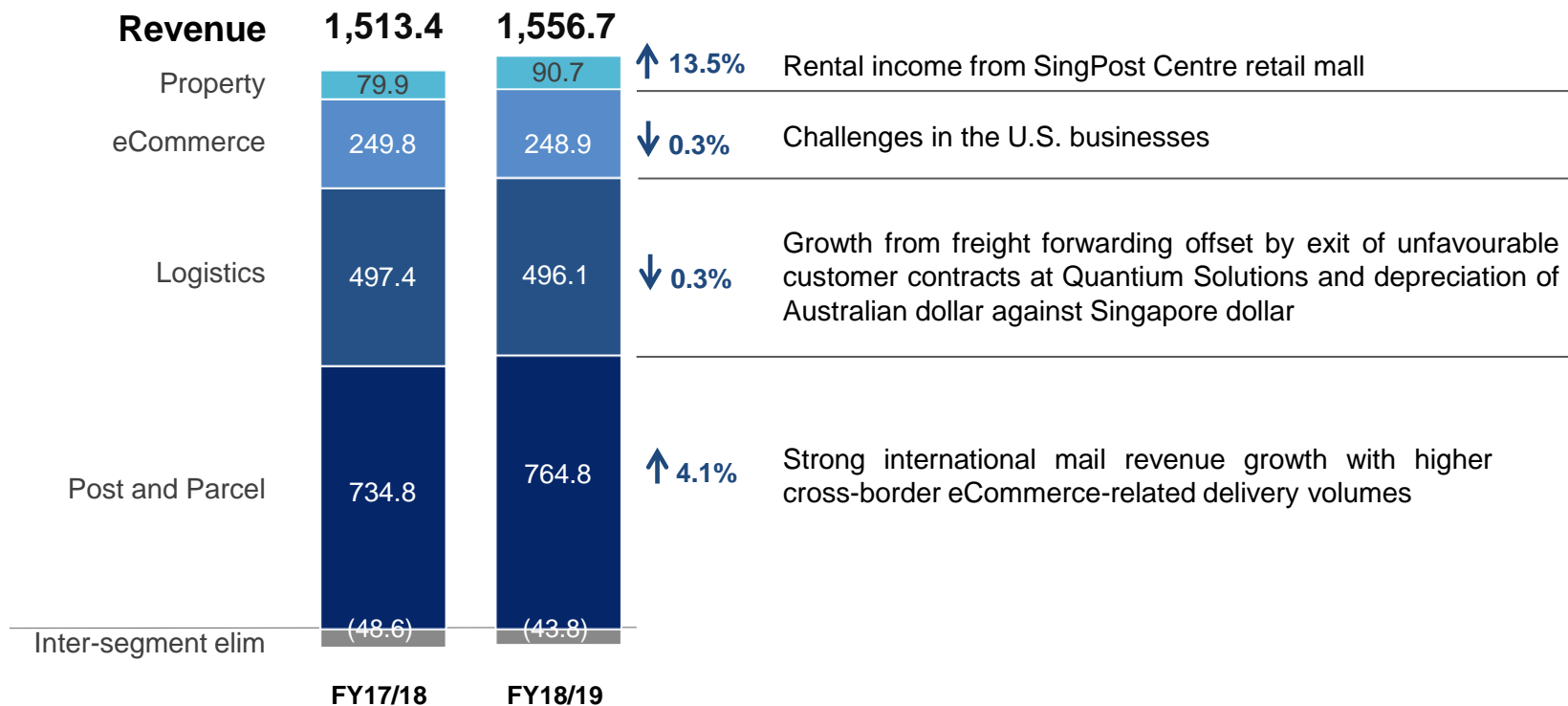
Having reviewed prospects for the businesses, SingPost decided to exit the U.S. as being in the best interests of shareholders.

SingPost will refocus on Asia Pacific as well as our home market in Singapore, where we have existing strengths and competitive advantages.

FY2018/19 segment revenue



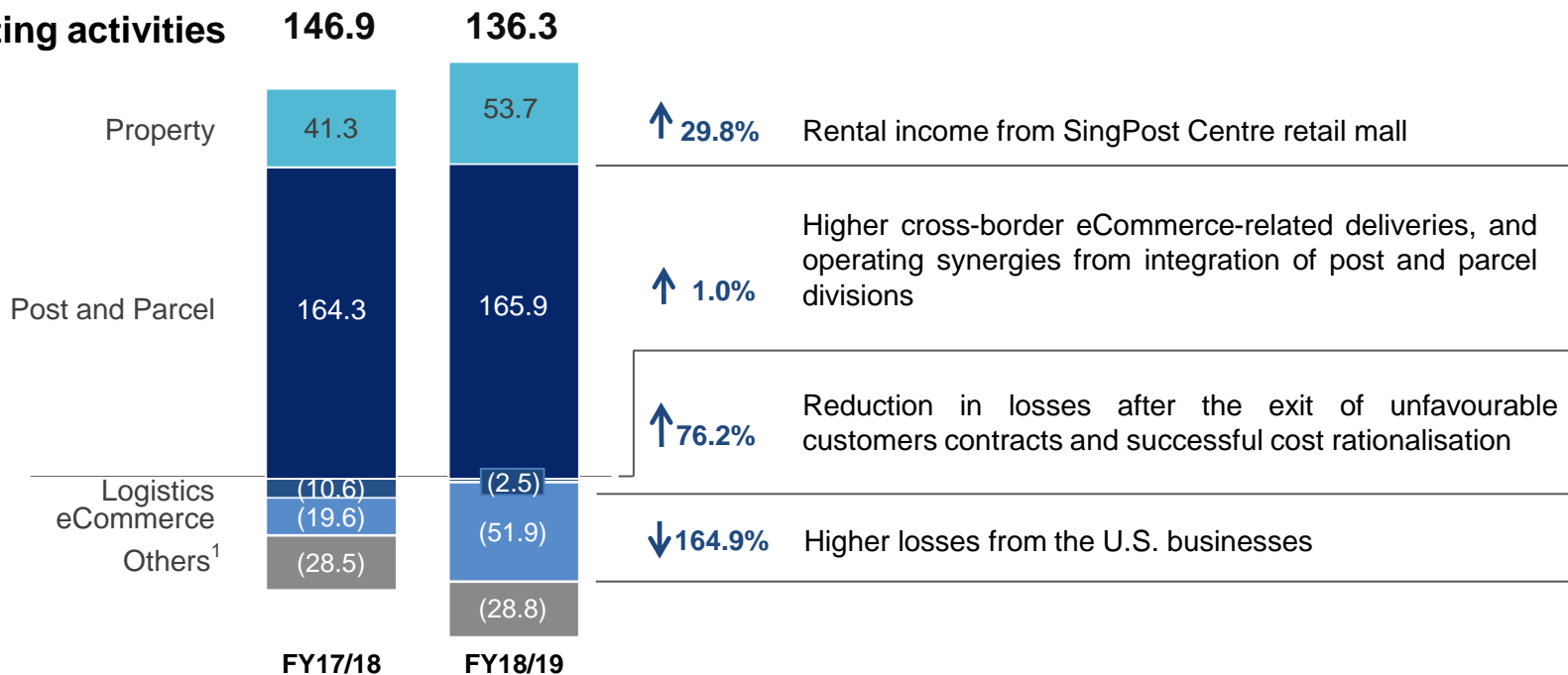
S\$M



FY2018/19 segment profit on operating activities

S\$M

Profit on operating activities



1. Refer to unallocated corporate overhead items and trade-related foreign currency translation differences.

Cash Flow & Balance Sheet



Free cash flow

S\$M	FY17/18	FY18/19	
Operating cash flow before capital charges	196.2	186.8	Due to timing of payables and receivables in respect of international postal settlements
Changes in working capital	33.3	(3.3)	— largely for eCommerce deliveries
Income tax paid	(31.2)	(31.3)	
Net cash provided by operating activities	198.2	152.2	— Due largely to working capital movements
Capital expenditure	(62.1)	(31.3)	— Lower with the completion of the SingPost Centre retail mall redevelopment
Free cash flow	136.1	120.9	

Financial indicators

S\$M	Financial indicators	As at Mar 2018	As at Mar 2019	
	Cash & cash equivalents at end of financial period	314.1	392.2	— Higher cash position largely due to cash generated from operations
	Borrowings	244.0	290.9	— The Group switched from an intercompany loan for a foreign subsidiary, to an external loan taken by the foreign subsidiary, for better matching of currency
	Net cash / (debt) position	70.1	101.3	
		FY17/18	FY18/19	
	EBITDA	225.3	117.9	
	Underlying EBITDA ¹	203.0	187.2	
	Underlying EBITDA to interest expense (times)	19.2x	18.2x	— Underlying EBITDA to interest cover remains strong

A large industrial facility, likely a mail processing center, with a worker in a white shirt and dark pants standing on a metal walkway. The facility has multiple levels, yellow safety railings, and a complex network of pipes and machinery. The foreground shows a blurred view of a conveyor belt or sorting mechanism.

Key Developments

Immediate measures to improve service quality

Increase delivery workforce

- Additional 100 postmen to join us
- 35 mail-drop drivers to become full-time postmen



Enhance remuneration

- Incentives for successful deliveries of trackable items to doorstep

Improve service levels



- Additional delivery slots on weeknights & Saturdays



- More dedicated counters & staff at post offices for parcel collection



- Reduce non-core mail businesses such as admail

Longer term measures to deliver a better postal experience

Phase 1 From August 2019

Phase 2 From October 2019

Phase 3 FY2019/20

Phase 4 FY2020/21



My Postman

- New islandwide initiative to encourage residents to know their postmen better
- Provides an additional channel for residents to leave feedback
- Trial starts in mid-July 2019 in Bukit Timah and Yishun



Extend Doorstep Deliveries to Evenings

- Increase rate of successful deliveries



Trackable Letterbox Delivery

- Launch of new trackable delivery product for mail items to letterboxes



Reinforcing the Postal System

- Invest in technology and automation
- Enhance job and wage structure
- Ensure consistency and reliability of processes and systems

Separation of Letterbox and Doorstep Deliveries

Dedicated Postmen for Letterbox & Doorstep Deliveries



- Specialisation will ease workload and increase success rate for postmen



- Postal delivery routes will be optimised

VS.



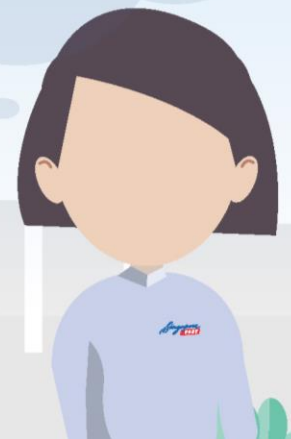
Streamline Postal Product Offerings

- Differentiating postal products by standardising sizes of letterbox postal items



Install Slam-Shut Letterbox Masterdoors

- Installation for all 60,000 letterbox masterdoors to commence in Sept 2019, pending regulatory approval



SingPost ranked 7th globally by the UPU in 2018 Integrated Index for Postal Development

- Of the 173 national postal services covered, SingPost has improved its position from UPU's previous 2016 report, to become the second best Asia Pacific postal operator after Japan Post.



No.7

Global ranking

New proprietary software Last Mile Platform (LaMP)

- A first-of-its-kind technology that consolidates various last-mile delivery services.
- Retailers can enable their customers to receive online purchases via any last-mile delivery node in the network within Southeast Asia.



Continued progress in rolling out end-to-end eCommerce logistics services

Signed master contract with Specialized for SEA logistics and warehousing

- SingPost will handle warehousing and sea freight for Specialized bicycles and equipment, as well as last mile deliveries and returns from Singapore and Malaysia.

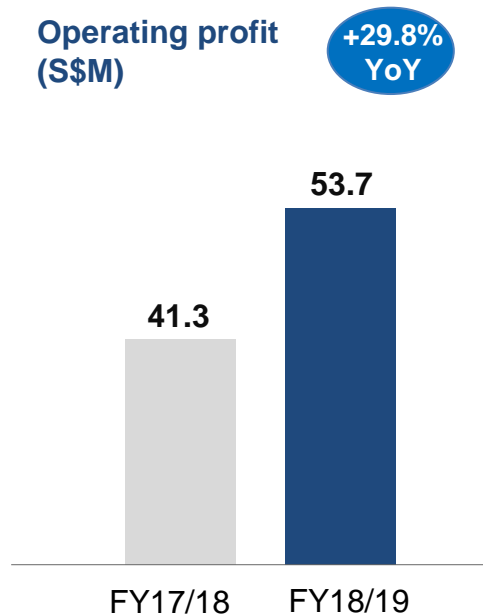


Partner with Synagie to provide on-demand warehousing and logistics solutions

- The collaboration will enable small and medium-sized enterprises to utilise state-of-the-art warehousing services in Singapore and Southeast Asia.



Higher contribution from SPC retail mall



SPC retail mall occupancy

99%¹



1. As at 31 March 2019

Corporate Sustainability



Corporate Sustainability highlights

Doing our part for the environment and giving back to the community

SINGPOST CARES



Nationwide **e-waste recycling** initiative

- **15,740 kg** e-waste collected
- Increase of **63%** year-on-year



Postman Home Visit allows our postmen to volunteer to check on needy seniors while on their delivery rounds



Dementia awareness training for our postmen, so that they are able to help persons in their neighbourhood who may be lost



Tapping on our delivery network to **distribute unsold food** for needy seniors and families

- **36,920** buns and loaves of bread
- Supporting **440** families weekly

Thank You



Supplementary information



Underlying Net Profit Reconciliation Table

S\$M	FY17/18	FY18/19
Profit attributable to equity holders	135.5	19.0
Exceptional items	(22.3)	69.3
<i>Additional provision for contingent consideration in a foreign subsidiary</i>	-	2.5
<i>Gain on dilution of interest in an associated company</i>	-	(42.7)
<i>Gain on sale of an associated company</i>	-	(6.0)
<i>Fair value gain on investment properties</i>	(12.7)	(12.1)
<i>Fair value (gain) / loss on warrants from an associated company</i>	(1.8)	15.5
<i>Impairment of goodwill, intangible assets, PPE</i>	-	100.4
<i>Loss / (gain) on disposal of PPE</i>	(2.7)	0.5
<i>M & A related professional fees</i>	2.3	1.1
<i>Adoption of SFRS(I) – adjustment of PPE</i>	(7.8)	-
<i>Provision for the restructuring of overseas operations</i>	0.4	9.9
Adjustments of deferred tax in respect of goodwill impairment and change in US tax rate	(6.9)	(5.7)
Capital gain tax on divestment of an associated company	-	3.0
NCI share of gain on dilution of interest in an associated company	-	14.5
Underlying Net Profit	106.3	100.1