

LETTER TO SHAREHOLDERS

DEAR SHAREHOLDERS,

In what was an extremely challenging year, SingPost demonstrated resilience in business performance, with underlying net profit growing by 35.2 per cent.

The Logistics segment contributed significantly to the Group's revenue, offsetting declines in the Post and Parcel segment that suffered from COVID-19 impact on airfreight capacity which resulted in lower International Post and Parcel volumes. Logistics growth reflects the Group's progress in executing business transformation.

We will continue to invest in transformation to ensure sustainable growth and the creation of long term value for our shareholders and stakeholders.

COMMITMENT TO OUR HOME MARKET

Through the second year of COVID-19, we continued to maintain our focus on service quality in Singapore, and we kept to our commitments to the Quality of Service as regulated by IMDA. We are pleased to have supported the nation through various national deliveries, including ART kits. Through the last year, our eCommerce logistics revenues continued to grow and we are now seeing domestic eCommerce logistics revenue accounting for more than 40 per cent of our domestic business.

We will accelerate investments in infrastructure development projects to provide better customer experience, as well as in productivity and sustainability practices to reduce our carbon footprint and in meeting our commitment towards a greener Singapore.

SingPost conducted a materiality assessment in FY2021/22 to re-evaluate our Environmental, Social, and Governance priorities to ensure that stakeholder concerns and needs continue to be recognised and addressed.

In March this year, SingPost launched its Purpose: **Making Every Delivery Count for People and Planet**, to emphasise our commitment towards sustainability. Sustainability has been incorporated in our strategy, business decisions, performance measures and is linked to senior management compensation. The Board has established a Sustainability Committee to provide oversight and guidance to management.

TRANSFORMATION

Last year, we announced our intention to further invest in Australia, expanding our operations beyond Singapore. Our strategic investment in Freight Management

Holdings (FMH), along with our parcel delivery business CouriersPlease (CP), will allow us to capitalise on the growing eCommerce logistics market there. Our Logistics segment revenue has been boosted considerably since we increased our stake in FMH last November. We are looking forward to greater synergies from our businesses in Australia and to have this as a strong business driver for SingPost beyond Singapore.

As part of our strategy, SingPost will focus on our core strategic capability of providing seamless eCommerce logistics solutions, elevating urban logistics, and working towards creating best-in-breed customer experience. We will also integrate with the Group's international businesses to provide better cross-border solutions for customers. With this, SingPost will be well positioned to tap into the rapid eCommerce growth brought on by the COVID-19 pandemic, which will in turn shape our customer supply chains.

STAYING PRUDENT

With the COVID-19 pandemic easing, your Board remains prudent and focused on maintaining adequate liquidity to manage further uncertainty that may arise. Notwithstanding, we press on with transformation efforts to ensure that the business remains relevant, progressive, and resilient. These considerations are reflected in this year's dividend recommendation.

For the first half of FY2021/22, we declared an interim dividend of 0.5 cent per share. For the final dividend, the Board is proposing 1.3 cents per ordinary share for your approval at the upcoming Annual General Meeting. This would bring the annual dividend for the financial year to 1.8 cents per share.

LEADERSHIP TRANSITION

During this financial year, we had appointed a new Group Chief Executive Officer, Vincent Phang Heng Wee. Vincent was previously CEO Postal and Singapore Operations and brings continuity as well as drive in executing and building further on our transformation.

GOVERNANCE

Your Board remains committed to upholding and improving the highest standards of governance. During the financial year, the Group moved up five places to rank 7th in the Singapore Governance and Transparency Index 2021. SingPost was also an ASEAN Corporate Governance Scorecard Award Winner.



APPRECIATION

I am grateful to the men and women working across our enterprise frontline for their dedication to making every delivery count for our customers through the year. Their efforts have been the reason for our performance in FY2021/22.

I would like to express appreciation to my fellow Directors for regularly meeting through hybrid working models, guiding, and supporting the Management team in navigating through these difficult times together.

The Board and I would like to express our gratitude to the union, our partners, and customers for their unwavering support.

On behalf of the Board, I extend our thanks to all shareholders for their continued support and we look forward to meeting with you at this year's annual general meeting.

SIMON ISRAEL
Chairman