

BOARD Statement

Dear Shareholders,

Over the past fiscal year, SingPost has navigated a challenging operating environment marked by persistent uncertainty, supply chain volatility, and structural shifts in logistics.

Despite these headwinds, the Board remained steadfast in executing the Strategic Review announced in March 2024, which committed to address the significant gap between SingPost's market value and its intrinsic value.

Unlocking Value

The first step in unlocking value this year was the divestment of our Australia business, which received an overwhelming mandate with 99.9 per cent of votes cast in favour by our shareholders.

The transaction represented an enterprise value of A\$1.02 billion and generated gross proceeds of approximately A\$781.5 million (S\$660.7 million) in cash for SingPost. The transaction resulted in a gain of S\$302.1 million, representing a levered return on equity of approximately four times our original investment.

This outcome accelerates value realisation, enables the return of capital to shareholders, and provides the flexibility to reduce debt, strengthen the Group's balance sheet, and invest in future growth.

For the first half of the financial year 2024/25, the Board declared an interim dividend of 0.34 cents per share. In addition, a special dividend of S\$202.5 million, or 9 cents per ordinary share — representing two-thirds of the gains on disposal of the Australia business — has been recommended, subject to approval at the forthcoming annual general meeting. If approved, this will bring the total proposed dividend for the year to 9.34 cents per share.

Following the divestment, the Board is undertaking a Strategic Reset of the Group which will be finalised after a new GCEO is appointed. Upon conclusion, the Board will set out the new strategy for all stakeholders.


Business Performance

For the year, SingPost reported a net profit of S\$245.1 million, reflecting the exceptional gain from the Australia business divestment. Excluding this one-off gain, underlying net profit declined by 40.3 per cent to S\$24.8 million, with the second half recording an underlying net loss of S\$0.5 million. These figures underscore the persistent pressures facing the Group and the necessity of the restructuring measures undertaken.

The Singapore segment delivered a modest 2.9 per cent increase in revenue to S\$326.7 million, supported by robust growth in the property business. The postal business faces challenges and we are in dialogue with the government to address the financial sustainability of postal services including the Post Office Network.

To better serve the fast-growing eCommerce sector in the Asia-Pacific region and support anticipated growth in parcel volumes, we have committed S\$30 million towards automation at the Regional eCommerce Logistics Hub, significantly enhancing our small parcel processing capabilities. As operations scale, the automation will drive further efficiencies and cost savings.

Looking ahead, we expect the operating environment to remain challenging, reflecting ongoing uncertainties. In response, the Group has taken decisive steps to streamline operations and right-size the cost base. Following the review of the International cross-border business, it has been reintegrated into the Singapore postal and logistics business to enhance efficiency. The cross-border business will continue to be part of SingPost's product offering, leveraging the international postal network.



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Simon Israel
Chairman

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Sustainability and Responsible Growth

Sustainability continues to be a core priority for SingPost. We have aligned our reporting with the International Sustainability Standards Board framework and initiated a double materiality assessment to inform our future sustainability strategy. This will ensure our disclosures meet rising global expectations and regulatory requirements.

Over the past year, the Group achieved a 37 per cent reduction in Scope 1 and 2 emissions in Singapore from our FY2018/19 baseline and a 15.7 per cent year-on-year reduction on a like-for-like basis¹ for our global operations. These results track our ongoing progress in mitigating environmental impact.

Governance

Upholding the highest standards of governance remains fundamental to our operations. During the year, we responded promptly and transparently to a whistleblowing report, conducting a comprehensive investigation and implementing measures to further strengthen our controls. This decision reflects the Board's unwavering commitment to transparency, accountability, and ethical conduct; prioritising what is right, even when it is more challenging in the short term, in the best interests of the Company.

Board Renewal and Appreciation

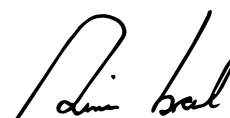
This year marks a period of Board renewal for SingPost. I am pleased to welcome Mr Chng Lay Chew, Mr Ng Chin Hwee, and Ms Gan Siok Hoon to the Board. At the management level, we also welcome Group Chief Operating Officer, Ms Neo Su Yin, and Group Chief Financial Officer, Mr Isaac Mah. Their experience and insights will be invaluable as we execute our strategy for the next phase of growth.

On a personal note, as I prepare to step down as Chairman, I wish to express my sincere gratitude to past and present fellow Directors, our management team, our Union partners and every member of the SingPost family for their dedication and hard work.

I am especially grateful for the significant contributions of our long-standing Directors whose terms conclude this year. Mrs Fang Ai Lian, Mr Bob Tan, and Ms Elizabeth Kong will retire following this Annual General Meeting, and Ms Lim Cheng Cheng retired from the Board in December 2024. Their dedication and service have been instrumental in shaping SingPost's development, and it has been an absolute pleasure working with them all these years.

Looking ahead, I am pleased to welcome Ms Teo Swee Lian as the incoming Chairman. With her appointment, she completes the Board renewal process and will lead the Group Strategy Reset and Group CEO appointment, which are underway.

To our shareholders, thank you for your continued trust and support. It has been a privilege to serve you, and I look forward to seeing many of you at this year's Annual General Meeting.



Yours sincerely,
SIMON ISRAEL
Chairman

¹ To enable like-for-like comparison of emissions from FY2023/24 to FY2024/25, this percentage reduction calculation does not include environmental data from Border Express (part of FMH Group) which is only available for FY2024/25.