

GCEO REVIEW

The past financial year has been an eventful and challenging one. The strength of the team was tested in unprecedented ways as we navigated – and continue to navigate – a myriad of challenges on a scale that exceeds anything we have experienced in recent history. These challenges have also created opportunities and the team has focused in developing new infrastructure and solutions in Singapore, as well as strengthening our position beyond Singapore's shores.

Fulfilling our Potential

Undoubtedly, these are extraordinary times – but we remain on-track in helping transform the urban logistics landscape in Singapore and strengthening our position to capitalise on the eCommerce boom in the Asia-Pacific region.

A number of issues demanded our attention over the course of the year. On the international front, our exit from the U.S. came amid a slump in American import and export volumes precipitated by its trade war with China. This also impacted our broader International business.

Assertive steps were taken to ameliorate that impact and position ourselves for recovery. Exiting the U.S. has significantly lightened our financial load and will enable us to reallocate capital and strengthen our focus on Asia-Pacific's fast growing eCommerce market.

Back home, the evolution of SingPost's core postal business, as an essential public service to Singapore, made it imperative that we further invest and enhance our service

levels. To this end, our new CEO of Postal Services and Singapore, Mr Vincent Phang led the postal team in reviewing, reassessing and reengineering fundamental postal practices, products, processes and infrastructure.

Complementing operational enhancements, a nationwide customer experience platform 'MyPostman' was also launched to give the public an accessible means of building closer bonds with their neighbourhood postman.

A migration of call centre operations from India to Malaysia, combined with operational and customer experience enhancements, led to a significant improvement in Quality of Service scores and a notable reduction in public complaints.

Pride of the Nation

As one of Singapore's pioneer institutions, we were honored to be part of Singapore's Bicentennial celebrations. In addition to a commemorative stamp set issue, seven of our veteran frontline staff performed on a SingPost float in a special Bicentennial segment of the National Day Parade, showcasing the rich history of postal service in Singapore and highlighting our contribution to the nation.

Transforming for the Future

Looking ahead, the strong growth of eCommerce logistics in Asia-Pacific, coupled with an accelerating decline in domestic mail volumes, underpins the urgent need to transform our business and capitalise on the opportunities ahead.

For Post and Parcel, we have embarked on a five-year *Future of Post* initiative that will reinvent the urban logistics landscape in Singapore. Currently in the works is a smart postal ecosystem for both mail and parcels, that will completely reengineer the country's postal infrastructure.

Our Smart Letterbox will commence public trials in the coming months with a community education campaign for residents. This represents the first stage in an exciting postal transformation journey for Singapore.

On the Logistics front, with our existing strength in B2C as well as B2B markets, we are expanding into the nascent B2B2C space to tap on growing demand from Domestic and International customers for all services. This demand surge provides a timely opportunity for us to further strengthen and improve our capabilities, in order to build a strong, integrated network that fulfils B2B and B2C requirements and provides a seamless service within Singapore and the wider Asia-Pacific region.

Concurrently, we are looking to combine back-end processing facilities. Besides enabling the Group to be more operationally efficient, this will also create new opportunities for the Group's Property portfolio.

Here With You

COVID-19 undoubtedly, heavily impacted the global economy in the final quarter of the financial year, impacting virtually all countries, industries and people. We were not spared either. Travel restrictions and flight cancellations hit our last-mile and freight forwarding operations hard.



But the worst impact by far was that some members of our staff contracted the coronavirus, and together, with colleagues and close contacts, we had a large number of people in quarantine. Aside from extending our fullest support and assistance to the affected personnel, operations had to activate contingency measures almost overnight to ensure mail continued to be processed and delivered despite a significant shortfall in manpower.

In spite of the uncertainty and anxiety during this period of crisis, I was very heartened to see staff coming together and helping one another through this difficult time.

With Malaysia's Movement Control Order, many Malaysian colleagues chose to stay in Singapore and work for us, a tremendous sacrifice considering the uncertain timeframe of Malaysia's lockdown. Frontline staff continued to step up and serve Singapore's postal and last-mile

needs daily despite the risks involved. The resolute spirit of the team, their esprit de corps and commitment to serve are the reasons why I am confident that we will be able to weather this storm – and any others that may come our way.

This is a true testament to our agility amid challenging times.

As the world continues to react to the COVID-19 pandemic, SingPost will do all we can to ensure that delivery services continue. We stand in solidarity with Singapore in fighting this pandemic and have no doubt that together, we will prevail.

Yours sincerely,

PAUL COUTTS
Group Chief Executive Officer