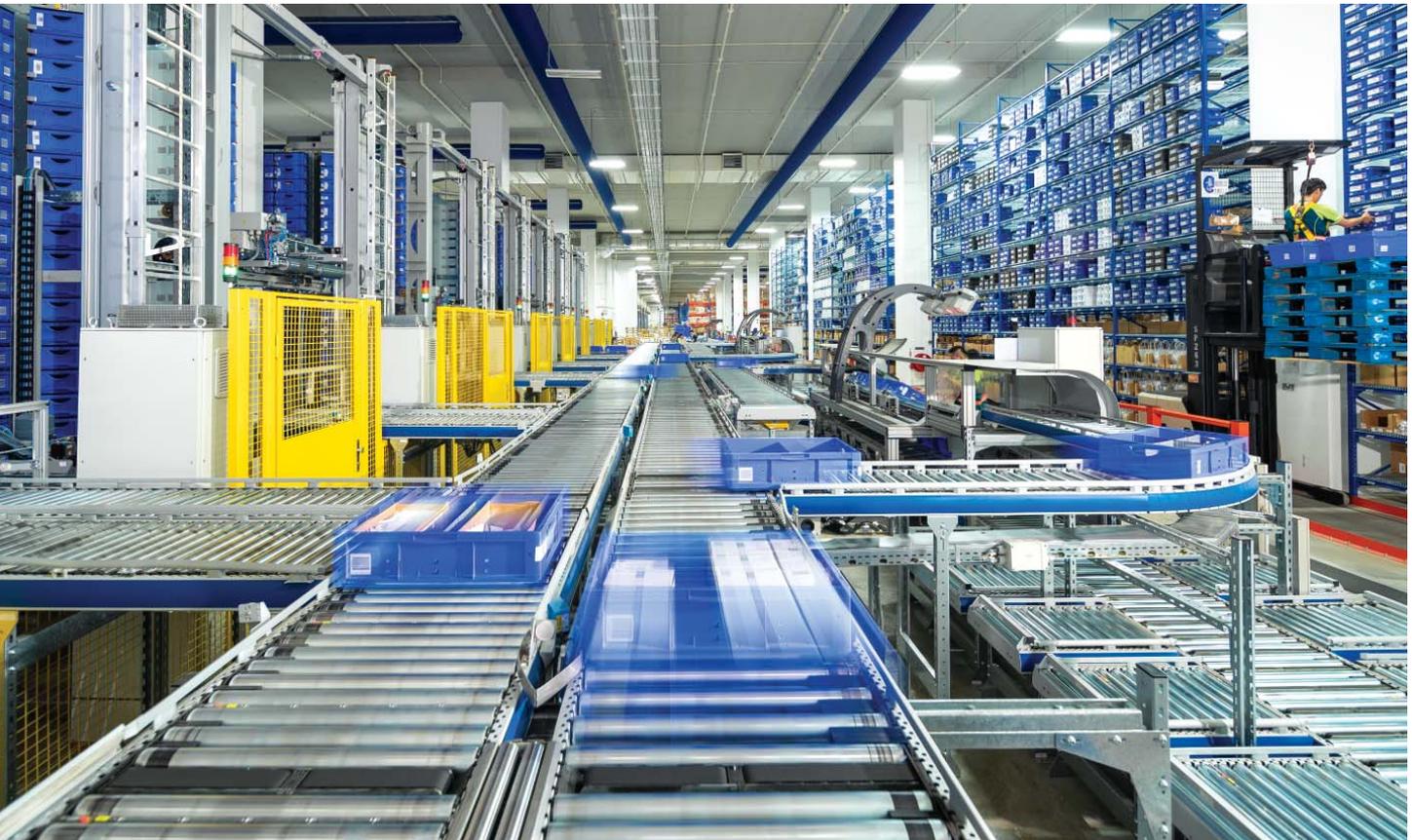


Logistics

As Singapore's leading logistics solutions provider, we continue to strengthen our fundamental last-mile, warehousing and freight forwarding services to stay ahead of the pack.



IMDA's Locker Alliance pilot Launched in Punggol in December 2018

We continue to reinforce our market leadership position in logistics and last-mile delivery across Singapore and the region, on the back of strong regional and domestic growth.

However, as the incumbent, we face intense competition from start-ups and service providers attempting to disrupt the industry using technology and new product offerings.

To stay ahead, we have taken steps such as the integration of our postal and courier services, equipping ourselves with cutting-edge technologies and adapting our products to the evolving demands of eCommerce clients and customers. These initiatives aim to further strengthen our last-mile, warehousing and freight

forwarding services, and cement our pole position as Singapore's logistics solutions provider.

Adapting to eCommerce Needs

The integration of the Post and Parcel business units allowed us to explore exciting opportunities arising from the joint strength of both business units.

In the past year, we launched two new products: Speedpost eSaver, a hybrid product with Post and Parcel as well as the International Cross Border Returns Portal, a self-help portal that facilitates product returns.

Moving forward, we are creating an integrated centralised go-to market product spanning both Post and Parcel,

with a key focus in the 'under two kilograms' market segment, considering the popularity of such products among eCommerce customers.

Enhancing Partnerships Across Logistics Sector

A key factor in our continued success is our passion to work closely with our clients, as well as the public and private sectors to see how we can improve our services and offerings.

A key initiative in the past year was the launch of the Locker Alliance pilot in Punggol in December last year. The Locker Alliance was the fruit of hard work and close collaboration with the Infocomm Media Development Authority (IMDA), and early results show promise, with major eCommerce marketplaces as well as merchants having come on board.

The Locker Alliance lockers were also used to store Registered Articles that could not be delivered to recipients in

Punggol, thereby boosting the efficiency of our postmen, reducing the load at the post office as well as increasing convenience for residents for easy collection.

Our POPStations also saw strong growth last year, with average utilisation rate at 73 per cent compared to 55 per cent in FY17/18, and hitting a record high of 92 per cent in December 2018. Transaction volumes saw a corresponding increase by 35 per cent year-on-year, amounting to over 1.1 million by the end of the financial year.

Strong Growth Across Subsidiaries

On the warehousing front, Quantum Solutions Southeast Asia ran several successful campaigns with our partners in the region.

A notable achievement was a birthday bash campaign for a major eCommerce marketplace, which saw the highest-ever volumes processed in a single day.



Strong growth for POPStations

+18%
Year-on-year increase in average utilisation rate

+35%
Year-on-year increase in transaction volumes



The integration of the Post and Parcel business units allowed us to explore exciting opportunities arising from the joint strength of both business units.



SingPost's Last Mile Platform (LaMP)
By gathering logistics partners on a common platform, LaMP is now the most extensive collection point network in Singapore

LaMP integrates artificial intelligence into geo-fencing technologies so that couriers are able to determine precise delivery times.

We have also seen significant uplift with utilisation in Malaysia, with our new site now 90 per cent occupied.

On the domestic front, we have expanded our relationship with a leading online grocery marketplace, and they have been utilising space in our Regional eCommerce Logistics Hub facility in Tampines since the beginning of 2019.

In Australia, CouriersPlease (CP) recorded a 5.2 per cent growth in revenue, playing a vital role in the delivery of over 18 million parcels to Australians nationwide and internationally. CP has embraced technology and invested in several operational enhancements and service initiatives to strengthen our position as a premium eCommerce Logistics service provider. These include improved parcel delivery experience through automated sortation, improved operational performance that provides more certainty to our customers, and the introduction of an on-demand delivery service to meet the specific demands of cross-border deliveries.

For freight forwarding, FPS Global Logistics expanded its market network with customers from various industries such as the industrial service, chemical and medical devices sectors.

Shedding New Light on Last-Mile Delivery with LaMP

We are making inroads with our new proprietary logistics software Last Mile Platform (LaMP). Since our announcement of the platform in November 2018, we have onboarded retail and last-mile partners such as Singtel and Park N Parcel.

With more than 660 convenience points where members of the public can collect their parcels, LaMP provides customers with a strong value proposition by being the most extensive collection point network in Singapore.

LaMP will also integrate artificial intelligence into geo-fencing technologies so that couriers are able to determine precise delivery times. Recipients will also be able to change collection point addresses, times, orders and sequences, in a first for the industry.

All of these developments will level up our service capabilities in the logistics sector, and enable us to retain our leadership position even as the last-mile industry faces disruption and headwinds.