

LOGISTICS

DESPITE CHALLENGING CONDITIONS FACED ON THE LOCAL AND INTERNATIONAL FRONTS, SINGPOST'S LOGISTICS SEGMENT PERFORMED STRONGLY AND CLOCKED SIGNIFICANT GAINS LAST YEAR.



FMH's 4PL division, efm, the largest fourth party logistics provider in Australia



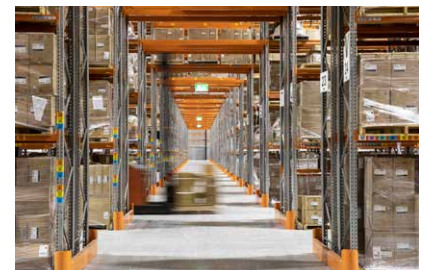
SingPost expanded its footprints, grew its cross-border volumes, and revenues even as external factors such as COVID-19 as well as geopolitical conflicts continue to impact the logistics sector and supply chains worldwide.

The robust performance of the Logistics segment boosted SingPost's revenue for the full year, which rose by 18.6 per cent. The growth in the Logistics segment's revenue reflected contributions from Freight Management Holdings (FMH), a leading 4th party logistics service company in Australia, since SingPost increased its stake to 51 per cent in November 2021. The Logistics segment operating profit grew to S\$44.3 million for the full year, up from S\$11.3 million last year.

SingPost's acquisition of a majority stake in FMH paves the way for a phased pathway to a full acquisition, that will boost SingPost's investments in Australia. FMH's consistently strong performance will enable SingPost to provide an end-to-end B2B2C logistics solution for customers serving both

B2B and B2C channels and provide a seamless logistics service within Australia. By deriving synergies and building scale through FMH, SingPost will be better able to capitalise on the accelerated growth in eCommerce in Australia.

SingPost's eCommerce Logistics' subsidiary CouriersPlease (CP) in Australia saw continued strong growth buoyed by an eCommerce boom during the second year of the COVID-19 outbreak. CP recorded revenue growth of 7.5 per cent for the full year but incurred higher costs due to COVID-19 related disruptions, as well as extreme weather events in eastern Australia. Consumer online buying habits solidified which played to CP's strengths of B2C pick up and deliveries. In response to the higher shipment volumes, CP continued to invest in people and capacity by upgrading to three new larger warehouse sites in Victoria, Queensland, and NSW, adding approximately 14,000 square metres of additional warehouse space prior to the 2021 Peak period. CP added an additional 100 drivers



to support customer demand as well as considerably expanding the sortation team to improve processing capabilities and support business continuity planning.

In addition, technologies were enhanced to minimise potential delays and improve the delivery experience. All of these initiatives, implemented under strict safety controls and social restrictions mandates, culminated in the delivery of more than 28 million consignments annualised across Australia, with the company registering significant revenue growth for the year. Going forward, CP will continue to invest in operational and technological enhancements as well as service initiatives to strengthen its network and capability.

With the acquisition of a majority interest in FMH, SingPost will continue to integrate its operations, build end-to-end capabilities, and be well positioned to capitalise on the growing logistics market in Australia. The Group will focus on driving synergies among its Australian businesses, particularly CP and FMH, as well as explore opportunities to build scale and a comprehensive logistics platform.

SingPost is taking measures to strengthen its capabilities as well as to improve cost efficiency with the integration of the Group's various international businesses to provide better cross-border solutions for its customers.

QS continued to operate in a challenging business environment, as business development opportunities were reduced with customers putting off major supply chain decisions amidst lockdowns in some countries and territories around the region. A major obstacle QS faced was airfreight connectivity issues through Singapore. This was addressed by working with alternate routings and multimodal solutions to circumvent the limited airfreight options.

Despite the challenges, QS progressed with major inroads as a trusted and reliable provider of eCommerce and logistics solutions in the Asia Pacific region. Over the past 12 months, QS delivered more than 12 million COVID-19 test kits for the Hong Kong Government to households across Hong Kong. Being able to utilise its strengths in logistics fulfillment to help the people of Hong Kong is a testament to its capabilities in fulfilling its customers' needs even during these challenging times, and a vouch to its status as a reliable and responsible logistics partner.

Pandemic lockdowns and geopolitical tensions have caused further disruptions in global supply chain logistics, and inflationary cost pressures have increased across its markets.

SingPost's freight forwarding subsidiary Famous Holdings also delivered strong results in the face of an unprecedented supply chain environment. Famous Holdings benefited from higher sea freight volume and rates on the back of global supply chain disruptions, leading to strong revenue growth of 74.8 per

cent and 69.6 per cent in the second half year and the full year respectively.

Massive reductions to capacity, a global equipment shortage, record-high freight rates and port congestions constituted major challenges to Famous throughout the year. In response, Famous teams across the global network took an entrepreneurial approach to secure capacity and equipment, capture opportunities, and steer the company through the choppy waters.

As more countries including Singapore relaxed border restrictions, international air freight out of Changi Airport will gradually increase and this will support recovery of the Group's International business. Also, any improvement in the global supply chain logistics bottleneck situation is expected to lower sea freight rates in the freight-forwarding business as well.

SingPost's Logistics segment has weathered the vagaries of the global COVID-19 pandemic over the past two years and is well positioned to capitalise on the expected upswing in the global economy as the world gradually opens up post-pandemic. SingPost will continue with its transformation initiatives to reposition the Group as a leading logistics solutions provider in the Asia Pacific region, tapping on accelerated eCommerce growth brought on by the pandemic.



CP added an additional 100 drivers to support customer demand