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SINGAPORE POST LIMITED

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No

ASSET ACQUISITIONS AND DISPOSALS::ANNOUNCEMENT PURSUANT TO RULE 706A OF THE LISTING MANUAL

Announcement Title

Asset Acquisitions and Disposals

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Announcement Pursuant to Rule 706A of the Listing Manual

Announcement Reference

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Submitted By (Co./ Ind. Name)

Linda Hoon Siew Kin (Ms)

Designation

Group Company Secretary

Description (Please provide a detailed description of the event in the box below)

Please refer to the attachment.

Attachments

[SGX Ann.pdf](#)

Total size =70K MB

SINGAPORE POST LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration Number: 199201623M)

ANNOUNCEMENT PURSUANT TO RULE 706A OF THE LISTING MANUAL

Pursuant to Rule 706A of the Listing Manual of Singapore Exchange Securities Trading Limited, Singapore Post Limited (“**SingPost**” or the “**Company**”, and together with its subsidiaries, the “**SingPost Group**”) wishes to announce the following transactions that occurred during the half year ended 31 March 2021:

A. Acquisition of Shares in Freight Management Holdings Pty Ltd

The Company’s wholly-owned subsidiary, SingPost Logistics Holdings Pte Ltd (the “**Purchaser**”), had on 16 October 2020 entered into a conditional sale and purchase agreement with the existing shareholders of Freight Management Holdings Pty Ltd (“**FMH**”) and a share subscription agreement with FMH to acquire an aggregate 38% equity interest in FMH (the “**Acquisition**”) in two tranches, i.e. Tranche One for 28% and Tranche Two for 10% equity interest in FMH, for a total cash consideration of approximately A\$85 million (approximately S\$86 million¹). The Purchaser had on 7 December 2020 incorporated a wholly-owned subsidiary in Australia known as SingPost Australia Investments Pty Ltd (“**SPAI**”) to hold the equity interest in FMH.

Tranche One of the Acquisition was completed on 31 December 2020 (the “**Tranche One Completion**”), and the consideration paid at the Tranche One Completion was A\$58.5 million (approximately S\$59.2 million¹), subject to adjustments as agreed in the conditional sale and purchase agreement. Following adjustments post the Tranche One Completion, it had been determined that the total consideration paid for Tranche One was A\$58.9 million (approximately S\$59.6 million¹). SPAI holds 28% equity interest in FMH subsequent to the Tranche One Completion.

Completion of Tranche Two of the Acquisition is expected to take place on or about 12 months following the Tranche One Completion at an estimated consideration of A\$26.2 million (approximately S\$26.5 million¹) for the acquisition of such number of FMH shares from certain FMH shareholders. There are no conditions precedent to be satisfied prior to the completion of Tranche Two.

The total consideration for the Acquisition was arrived at following negotiations on a willing buyer, willing seller basis, taking into consideration, *inter alia*, various factors, including the latest valuation of FMH as at 31 July 2020, the existing assets, financial position and business prospects of FMH and comparable valuation multiples and precedent M&A transactions for similar asset-light transport companies.

Based on the unaudited consolidated financial statements of FMH for its financial year ended 30 June 2020, the net asset value (“**NAV**”) of the Acquisition was approximately A\$9.9 million (approximately S\$10 million¹), and the NAV represented by Tranche One shares was approximately A\$7.3 million (approximately S\$7.4 million¹).

The announcements on the Acquisition were made on 19 October 2020, 7 December 2020, 31 December 2020 and 5 March 2021.

B. Incorporation of SingPost Australia Investments Pty Ltd

A wholly-owned subsidiary of the Company known as SingPost Australia Investments Pty Ltd (“**SPAI**”) was incorporated in Australia on 7 December 2020 with an initial issued and paid-up share capital of A\$1 comprising 1 ordinary share.

¹ Based on exchange rate of A\$1.00: S\$1.012 (as announced on 31 December 2020 solely for illustrative purposes)

The incorporation of SPAI is for the purpose of holding the equity interest in Freight Management Holdings Pty Ltd. The incorporation of SPAI was funded through internal resources.

An announcement on the incorporation was made on 7 December 2020.

C. Dissolution/Deregistration of Dormant Subsidiaries

SP eCommerce (Korea) Co., Ltd, a dormant indirect wholly-owned subsidiary of the Company in South Korea, has been dissolved by way of members' voluntary liquidation.

EWC East Way Commodities B.V. ("**EWC**"), a dormant indirect subsidiary of the Company in the Netherlands, has been dissolved by way of voluntary deregistration. EWC is an indirect wholly-owned subsidiary of Rotterdam Harbour Holding B.V., which is in turn an 85% subsidiary of Famous Holdings Pte Ltd ("**FHPL**"). The Company has an indirect interest of 62.5% in the issued capital of FHPL.

The liquidation and deregistration are not expected to have any material effect on the net tangible assets or earnings per share of the Company for the financial year ended 31 March 2021.

None of the directors or controlling shareholders of the Company has any interest, direct or indirect, in the above liquidation and deregistration.

Issued by Singapore Post Limited on 6 May 2021.