

**REPL::ANNUAL GENERAL MEETING::VOLUNTARY****Issuer & Securities****Issuer/ Manager**

SINGAPORE POST LIMITED

**Security**

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**Announcement Details****Announcement Title**

Annual General Meeting

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**Submitted By (Co./ Ind. Name)**

Linda Hoon Siew Kin (Ms)

**Designation**

Group Company Secretary

**Financial Year End**

31/03/2021

**Event Narrative**

Narrative Type	Narrative Text
Additional Text	Please refer to the attachments.
Additional Text	Please refer to the attached Responses to Substantial and Relevant Questions received from Shareholders in advance of the 29th Annual General Meeting to be held by way of electronic means on Thursday, 15 July 2021.

**Event Dates****Meeting Date and Time**

15/07/2021 14:30:00

**Response Deadline Date**

12/07/2021 14:30:00

## Event Venue(s)

## Place

Venue(s)	Venue details
Meeting Venue	Meeting will be convened and held by way of electronic means.

## Attachments

[Notice of AGM.pdf](#)[Proxy Form.pdf](#)[SGX Announcement on holding AGM through electronic means.pdf](#)[Responses to Substantial and Relevant Questions.pdf](#)

Total size =601K MB

## Related Announcements

## Related Announcements

[16/06/2021 07:32:34](#)

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

**29<sup>TH</sup> ANNUAL GENERAL MEETING TO BE HELD ON THURSDAY, 15 JULY 2021**  
**RESPONSES TO SUBSTANTIAL AND RELEVANT QUESTIONS**

Singapore Post Limited (the “**Company**” or “**SingPost**”) would like to thank shareholders for submitting their questions in advance of the 29<sup>th</sup> Annual General Meeting (“**AGM**”) to be held by way of electronic means on Thursday, 15 July 2021 at 2.30 p.m..

The Appendix annexed herein sets out the Company’s responses to the substantial questions received from shareholders that are relevant to the AGM resolutions and the business of the Company.

Issued by Singapore Post Limited on 14 July 2021.

**Appendix**

Category	No.	Question	Response
Board and Management	1.	<p>Is Mr Paul Coutts resignation a result/consequence of SINGTEL's strategic review (on SINGPOST)?</p> <p>What is the progress of the company's search for a replacement CEO?</p> <p>Who will be appointed interim CEO for the time being?</p> <p>Who will be providing leadership to the company in the interim?</p> <p>Why is Mr Paul Coutts suddenly resigning?</p> <p>Will Mr Paul Coutts sudden departure result in a leadership vacuum?</p> <p>Will the company be searching internally for the next CEO candidate? Or will it be searching externally for the next CEO candidate?</p> <p>What criteria is the Board employing to ensure that the next CEO will be of the right fit, and be able to bring the company to greater heights (unlike the previous which caused the company's profit on operating activity, underlying net profit to drop to a five year low)?</p> <p>What criteria is the Board employing to ensure that the next CEO will be of the right fit, and conduct company affairs in accordance with the principles of good corporate governance?</p>	<p>Mr Coutts resigned from his position as Director and Group CEO to pursue other opportunities.</p> <p>The search for a new Group CEO is currently ongoing, and both internal and external candidates are being considered. The Board will consider all relevant criteria and take a holistic view on the suitability of the candidate, including fit with the Company and its values, the ability to take SingPost forward in its transformation journey, and a commitment to maintain good corporate governance.</p> <p>An announcement on the appointment of a new Group CEO will be made in due course. In the interim, Mr Simon Israel, the Chairman of the Board, will on behalf of the Board, provide guidance to and exercise oversight of the senior management leadership team in SingPost. SingPost will continue to execute its strategic roadmap, and the Board has confidence in the leadership team to do so.</p>
Board and Management	2.	<p>The departure of CEO, what is the impact on the existing strategic plans? What is done to find a successor?</p>	<p>Please refer to our response in question 1.</p>
Board and Management	3.	<p>Please provide more colour as to what these "lapses in internal procedures and protocols relating to the engagement of an advisor for certain Australian and New Zealand subsidiaries of the SingPost Group, which occurred in 2020 " were.</p>	<p>We note that the shareholder has referred to our announcement dated 31 May 2021 on the resignation of Mr Paul Coutts.</p> <p>The lapses in internal procedures and protocols in the engagement of the advisor primarily concerned gaps in approvals required. Indications of lapses were brought to the Board's attention in February 2021 following an</p>

Category	No.	Question	Response
		<p>Which month in 2020 was the advisor engaged by the company?</p> <p>The advisor was engaged in 2020 but the Board only found out about it in Feb 2021. Why did it take so long (several months) for the matter to be brought to the attention to the Board?</p> <p>How did the Board become aware of the lapses? Was it an accidental discovery? Or was it via a whistleblower?</p> <p>Did Mr Paul Coutts bypass the chain of command and unilaterally approved the engagement of an advisor for certain Australian and New Zealand subsidiaries of the SingPost Group?</p> <p>What was the remuneration accorded to the advisor?</p> <p>Is the remuneration paid to the advisor in line with market practices?</p> <p>Was the advisor overpaid/ paid handsomely?</p> <p>What were the professional qualifications of the advisor?</p> <p>Does the advisor have the requisite qualifications and experience to take on the position?</p> <p>Please detail the qualifications and experience of the advisor.</p> <p>Is the advisor related by blood to Mr Paul Coutts and/or key management personnel?</p> <p>Is the advisor a personal friend of Mr Paul Coutts and/or key management personnel?</p> <p>What exactly transpired? I think it is good practice to clear the air (to avoid speculations by shareholders and others) as to the nature of the transgression.</p>	<p>anonymous whistleblowing complaint, and a review was promptly conducted by Group Internal Audit and completed in May 2021. A comprehensive review revealed deficiencies in the chain of process for approval of the engagement of the advisor but the lapses identified were neither systemic nor material in the context of the Group as a whole. The Board is of the view that the Group has adequate and effective systems of internal controls and risk management systems. The external auditors were informed of the whistleblowing complaint in May 2021 and full access to relevant information (including the Group Internal Audit review report) was provided. The financial statements for FY20/21 have also since been signed off by both the Board and said external auditors.</p> <p>The Audit Committee and the Board have concluded from the review that there was no dishonesty, fraud or criminal activity in connection with the engagement of the relevant advisor. To the best of the Board's knowledge, no personal gain or benefit to Mr Coutts has been identified, nor has there been any resulting financial loss or material impact caused to the SingPost Group (including the affected Australian and New Zealand subsidiaries). The review has not revealed any familial or non-professional relationships between the advisor and the Group CEO or key management of SingPost Group. The advisor, a former senior logistics industry executive, has the required qualifications and experience, and his compensation is within relevant Australian benchmarks.</p> <p>The advisor was first engaged in March 2020 and the Group has retained the engagement of the advisor. Further improvements in operational and communication processes have been and will continue to be made by SingPost Management.</p>

Category	No.	Question	Response
		<p>Did the internal auditor recommend any corrective actions and/or preventive actions? If so, please provide details. If none, why not?</p> <p>Have these corrective actions and/or preventive actions been implemented already?</p>	
Strategy	4.	<p>I note that many TEMASEK and GOVERNMENT linked companies are undergoing corporate restructuring and/or strategic reviews. These include KEPPEL, SEMBCORP, SPH and even its parent company SINGTEL.</p> <p>Is the company (SINGPOST) a SUBJECT of the strategic review by its parent company SINGTEL?</p> <p>Is the company (SINGPOST) PART OF the strategic review by its parent company SINGTEL?</p> <p>Is SINGTEL reviewing its shareholding stake in SINGPOST?</p> <p>Is SINGTEL reviewing its current relationship with SINGPOST?</p> <p>Will SINGPOST be undergoing any strategic review, especially in light of the fact that the company's profit on operating activity, underlying net profit dropped to a five year low? If not, why not?</p> <p>Does the Board think that SINGPOST should undergo a strategic review, in light of the fact that the company's profit on operating activity, underlying net profit dropped to a five year low? If not, why not?</p>	<p>Singtel is a major shareholder of SingPost. We are not in a position to comment on the strategic considerations of Singtel or other shareholders.</p> <p>SingPost has a strategy in place to transform and reposition ourselves for long term sustainable growth. This strategy was recently reviewed by senior Management and approved by the Board in a Strategy Workshop conducted in April 2021. The key pillars of our strategy are:</p> <ul style="list-style-type: none"> <li>• Implementing the Future of Post initiative in Singapore, which will reengineer the Postal business to capture the broader growing opportunities in eCommerce logistics;</li> <li>• Building Business to Business to Consumer ("B2B2C") logistics capabilities and scale, to capture the growing demand for integrated supply chain solutions as well as new cross border opportunities; and</li> <li>• Expanding in Australia, in line with our strategy to create a second home market there.</li> </ul> <p>As outlined in our response to question 12, profit declined in FY20/21 mainly due to COVID-19 related disruptions which severely affected our International Post and Parcel business. With the above strategies in place, we are positioning ourselves for a rebound in financial performance as and when flight capacity and freight rates normalise.</p>
Strategy	5.	<p>Any divestment plan or strategic review as we move on from pandemic to endemic?</p>	<p>We continually review our business portfolio, to determine if there are opportunities to divest non-strategic assets and redeploy capital towards strategic initiatives that support long term growth.</p>
Postal	6.	<p>How the smart letter box trial going? Does it help to improve efficiency and cost?</p>	<p>SingPost launched the first public trial of PostPal, the next generation smart letterbox, in Clementi in December 2020.</p> <p>As PostPal can accommodate traditional mail as well as eCommerce items, it offers multiple benefits for residents and postmen. PostPal's auto-</p>

Category	No.	Question	Response
			<p>sorting feature significantly improves productivity, while greatly reducing human error for mail deliveries. Its dynamic mail allocation function also enables packages to be stored in appropriately sized compartments, so incidences of full letterboxes are significantly reduced.</p> <p>For the first time, residents can receive alerts via the SingPost app whenever mail is delivered to PostPal, and can securely retrieve items by flashing a dynamically generated QR code. Residents' feedback has been positive, with nine in 10 households registering for the service.</p> <p>Following the successful trial in Clementi, SingPost is working with the authorities to roll out further trials in other parts of Singapore.</p>
Logistics	7.	How is business status of the newer acquired logistics company in Australia?	<p>As announced on 19 October 2020 and 31 December 2020, SingPost made an investment into Freight Management Holdings Pty Ltd ("FMH"), a leading 4th party logistics ("4PL") service company in Australia which provides integrated supply chain and distribution solutions to customers through a proprietary 4PL technology platform.</p> <p>The investment is treated as an associate and has been performing very well and ahead of our initial expectations. The investment in FMH has allowed SingPost to further scale our Business to Business to Consumer ("B2B2C") logistics capabilities and make further inroads in the eCommerce logistics market in Australia.</p> <p>More information on the investment in FMH can be found in the announcement dated 19 October 2020.</p>
Property	8.	With the recent Phase 2 (HA), does SingPost need to waive rental for shops? What is the impact to earnings?	<p>The Company is not required to waive rental, but has provided some rental rebates to tenants to support them during the Phase 2 (Heightened Alert) which took effect on 16 May 2021. These rebates are short term and are not expected to have a significant impact on the group's FY21/22 earnings, barring any unforeseen circumstances.</p>
Property	9.	How is the SingPost property impacted to date? What is the next strategic plan going forward i.e. endemic?	<p>In FY20/21, Property profit on operating activities declined 7.2%, largely due to rental rebates of approximately S\$3.2m provided for eligible tenants, as well as lower car-park and atrium sales revenue due to the COVID-19 related restrictions imposed.</p> <p>Despite a challenging leasing market, the SingPost Centre mall and office remain at close to full occupancy, with committed occupancy of 96.9% for the mall and 97.6% for the office as at 31 May 2021.</p>

Category	No.	Question	Response
			Management will continue to monitor the evolving COVID-19 situation closely, and put in place appropriate measures to manage the impact on Property operations and earnings, such as by improving the tenant mix and lease terms.
Property	10.	<p>The lease of "TAMPINES DELIVERY BASE " is expiring in 2022.</p> <p>What are the company's plans for the property "TAMPINES DELIVERY BASE " going forward?</p> <p>Is the company negotiating with the relevant parties to increase the lease period?</p> <p>How are negotiations coming along?</p> <p>If the lease is not extended, what would happen to the company's operations in TAMPINES estate and surrounding areas?</p> <p>Would delivery services in Tampines estate and surrounding areas be impacted by the non-renewal of lease?</p> <p>What is the company doing to mitigate the impact from the non-extension of the lease, if applicable?</p> <p>The lease of "JURONG DELIVERY BASE" is expiring in 2025. What are the company's plans for the property "JURONG DELIVERY BASE" going forward?</p> <p>The lease of "LOYANG DELIVERY BASE" is expiring in 2025. What are the company's plans for the property "LOYANG DELIVERY BASE" going forward?</p> <p>The lease of "WOODLANDS DELIVERY BASE " is expiring in 2025. What are the company's plans for the property "WOODLANDS DELIVERY BASE " going forward?</p>	<p>We plan to continue to operate our Tampines delivery base. SingPost has an option to renew the lease for another 30 years, and we are currently engaging with JTC Corporation to exercise this option.</p> <p>We are taking stock of the changing profiles of our delivery operations as part of our Future of Post plans, and will take the opportunity to review our options for the other delivery bases with a view of being more efficient. We will engage JTC Corporation for discussions as appropriate in due course.</p>
eCommerce Logistics	11.	Can you update on the e-Commerce business? Do we get much business from the Alibaba collaboration?	The COVID-19 pandemic has caused a shift in consumer habits and led to an acceleration of eCommerce activities both in Singapore and abroad. SingPost was well positioned to benefit from this trend, as the Company



Category	No.	Question	Response
			<p>had been undergoing a transformation to orientate towards eCommerce logistics.</p> <p>Domestic eCommerce logistics revenue grew 59.3% in FY20/21, and represented 34% of total Domestic Post and Parcel revenue, up from 21% the previous year. In Australia, CouriersPlease ("CP") saw consignment volume rise 53% year-on-year due to strong eCommerce growth in the country, causing profits to more than double.</p> <p>At the group level, eCommerce logistics revenue accounted for about 65% of revenue in FY20/21. This includes eCommerce logistics revenue from Domestic &amp; International Post and Parcel, CP, Quantum Solutions and SP eCommerce.</p> <p>Alibaba is a major shareholder and customer. We continue to work closely with them, to tap on their resources and expertise in eCommerce.</p>
Financial Performance	12.	<p>Revenue slightly up (about 7%) but profit drastically down (about 57%) using the EPS dropped from 3.39 cents to 1.46 cents in just a year, not counting the continuous decline for years.</p> <p>How much margin has been suffered by lowering the price for mails/deliveries (locals and international) to cause such a drastic decline in profit.</p> <p>What level of revenue increase before profit can revert to that of the prior years.</p> <p>What are the plans in place and the expected timeline to bring the business back to the level of prior years where dividends and profitability were much higher (i.e. the quarterly dividends were at least 5 cents per share). Ever since I bought the shares at \$1.40, I have not seen any improvements whether in terms of share price or dividend payment. How have management done to reverse the trend if at all.</p>	<p>Underlying net profit fell 40.0% in FY20/21, mainly due to the erosion of profits from International Post and Parcel, which was a significant profit contributor in previous years, as well as a shift in business mix to the lower margin logistics business.</p> <p>While Group revenue remains resilient and grew in FY20/21, the International Post and Parcel business was affected by a spike in international conveyance costs out of Changi Airport, resulting from a severe shortage of flight capacity amid the COVID-19 pandemic. We expect earnings to improve as and when flight capacity out of Changi Airport progressively normalises.</p> <p>The Group is prioritising investment in strategic transformation to reposition ourselves for long term sustainable growth, with a focus on eCommerce logistics. We expect improvement in financial performance to be gradual, leading to improved value creation for shareholders.</p>
Financial Performance	13.	I would like to ask if the management is concerned that the company's profit on operating activity, underlying net profit has declined to a 5 year low?	Please refer to our responses in question 12.

Category	No.	Question	Response								
		What is the company doing to reverse the decline in the company's profit on operating activity, underlying net profit?									
Dividends	14.	Why is the dividend so low this year?	<p>The Group's FY20/21 financial performance was significantly impacted by COVID-19, leading to a 40.0% decline in underlying net profit. This was despite having the benefit of approximately S\$24.5 million from the government's Job Support Scheme.</p> <p>We continue to face severe challenges and disruptions to our business due to COVID-19, in particular on the International Post and Parcel business. Even as we deal with the current impact of COVID-19, it is also important to conserve cash for the ongoing execution of the Group's transformation initiatives to reposition ourselves for the long term.</p> <p>Therefore, the lower dividends reflect the need to exercise prudence during these exceptionally challenging and uncertain times.</p>								
Sustainability	15.	<p>I note that your sustainability report is rather thin, with only 6 pages. Whilst I generally do not look very in depth into Sustainability Reporting as it is a "new thing", but given that your staff costs increased last year despite most company decreasing their staff cost, I would like to ask:</p> <p>What is the headcount for the company for FY 2020 vs FY 2019?</p> <p>If there was an increase in headcount, please justify why your headcount increased (in spite of the fall in revenue and the pandemic)</p> <p>Do you measure the "Value add" or "Economic Value Add" per employee?</p> <p>Was your "Value add" or "Economic Value Add" per employee a positive or negative figure? What is the quantum?</p> <p>Many companies provide a breakdown of their employees by age and gender. Could you provide this breakdown in the next/future Sustainability Report?</p>	<p>We would like to highlight that since FY17/18, SingPost publishes a separate annual Sustainability Report in addition to the Sustainability reporting in the Annual Report. The Sustainability Reports are available on our website (<a href="http://www.singpost.com">www.singpost.com</a>) and the FY20/21 Sustainability Report will be published in August 2021.</p> <p>Please refer to the table below for our Group headcount figures. Total headcount has declined over the past 3 years, as we streamlined certain businesses, and managed headcount more carefully amid the ongoing COVID-19 situation.</p> <table border="1"> <thead> <tr> <th>Year (as at 31 March)</th> <th>Headcount</th> </tr> </thead> <tbody> <tr> <td>2021</td> <td>5,286</td> </tr> <tr> <td>2020</td> <td>5,378</td> </tr> <tr> <td>2019</td> <td>6,377</td> </tr> </tbody> </table> <p>We do not measure Value Add or Economic Value Add per employee. We utilise a range of tools such as Balanced Scorecard, 360 Feedback and performance management and calibration process to assess employee performance and contribution.</p> <p>Our current reporting on employees includes a gender breakdown for Singapore. We will consider the shareholder's feedback on additional reporting by age.</p>	Year (as at 31 March)	Headcount	2021	5,286	2020	5,378	2019	6,377
Year (as at 31 March)	Headcount										
2021	5,286										
2020	5,378										
2019	6,377										

Category	No.	Question	Response
Operations	16.	What is the progress on the US entities?	<p>As announced on 13 December 2019, the Jagged Peak Sale and TradeGlobal Sale occurred in December 2019.</p> <p>The U.S. Subsidiaries had been deconsolidated from SingPost group financials with effect from 1 September 2019, and SingPost no longer recognises any profit or loss from the U.S. Subsidiaries.</p>
Operations	17.	What is the relationship between Singpost and Alibaba?	Alibaba is a major shareholder and customer. We continue to work closely with them, to tap on their resources and expertise in eCommerce.
Operations	18.	<p>Alibaba and its founder Jack Ma seem to be in the news for the wrong reasons recently, how is the company affected by its association and partnership with Alibaba?</p> <p>Has Singpost encountered problems in China due to its association and partnership with Alibaba?</p>	We have not encountered any problems.
Staff costs and Remuneration	19.	<p>Did the company employ any cost cutting measures during this unprecedented pandemic?</p> <p>Please illustrate what cost cutting measures the company undertook during last year COVID-19 pandemic.</p> <p>Please justify why labour costs have increased (by more than 10%), very surprisingly and counterintuitively, as illustrated in the latest AR.</p> <p>Please justify why the director fees proposed have increased (albeit slightly) whilst dividends to shareholders were cut to a mere 1.1 cent.</p> <p>Please justify why the remuneration for key management such as Mr Puar Huan Kiap have increased (from below 250k to 250k-500k) whilst dividends to shareholders were cut to a mere 1.1 cent.</p> <p>What is the remuneration policy of the company, is it performance based?</p> <p>And on what grounds/basis is the company assenting to these pay increases?</p>	<p>SingPost has exercised financial prudence during this uncertain and challenging period. Cost saving measures implemented in FY20/21 include voluntary pay reductions of 5% for senior Management and 10% for the Group CEO, a voluntary 10% cut in Directors' fees, pay freeze for all middle Management, and a freeze on hiring except for essential roles.</p> <p>Excluding government grants, total labour and related expenses rose 14.6% in FY20/21. This was due largely to higher labour costs at CouriersPlease in Australia to manage a 53% increase in volumes, and higher costs in Singapore as a result of health and safety arrangements for staff, including accommodation costs to temporarily house staff affected by Malaysia's movement control order. Including government grants, total labour and related expenses rose 7.7% in FY20/21.</p> <p>The slight increase in Directors' fees amounting to S\$4,800 in FY20/21 was due to higher attendance fees, as there were more meetings held compared with the previous year. There was no change in the framework for determining non-executive Directors' fees in FY20/21, and the Board continued to implement the voluntary 10% cut in Directors' fees which was introduced the previous year.</p> <p>Mr Puar joined SingPost on 2 Jan 2020, hence the remuneration reported in FY19/20 was based on his partial service period during that year. In FY20/21, the remuneration reported is based on his full year service with SingPost.</p>

Category	No.	Question	Response
			<p>The Company's remuneration framework is published in the Corporate Governance Report as part of the Annual Report, under the section titled "Remuneration Matters". The remuneration framework is designed to incentivise the delivery of the Group's business priorities and shareholder value creation, and its guiding principles include pay-for-performance, alignment with shareholders' interest and providing a market competitive pay.</p> <p>It is structured to provide an appropriate balance between the fixed and performance related components. Fixed pay is aligned to the market median in order to attract and retain talented and experienced individuals, while performance related remuneration is aligned with the interests of shareholders and other stakeholders, and promotes the long term success of the Company.</p>