

ASSET ACQUISITIONS AND DISPOSALS::CESSATION OF ALIBABA INVESTMENT LIMITED'S SHAREHOLDING IN QUANTUM SOLUTIONS INTERNATIONAL PTE. LTD.**Issuer & Securities****Issuer/ Manager**

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Please refer to the attachment.

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SINGAPORE POST LIMITED
(Incorporated in the Republic of Singapore)
Company Registration No. 199201623M

**CESSATION OF ALIBABA INVESTMENT LIMITED'S SHAREHOLDING IN QUANTUM
SOLUTIONS INTERNATIONAL PTE. LTD.**

1. Introduction

1.1 Singapore Post Limited ("**SingPost**" or the "**Company**" and, together with its subsidiaries, the "**SingPost Group**") wishes to announce that SingPost Logistics Enterprise Pte Ltd ("**SPLE**"), a wholly-owned subsidiary of the Company, has on 16 April 2025 entered into a deed of undertaking (the "**DoU**") with Alibaba Investment Limited ("**AIL**"), a wholly-owned subsidiary of Alibaba Group Holding Limited ("**Alibaba Group**"), pursuant to which parties have agreed that AIL shall cease to hold any shareholding in Quantum Solutions International Pte. Ltd. ("**QSI**") (a subsidiary of the Company) (the "**Cessation of JV**").

1.2 The Cessation of JV, once completed, would mark the end of the SingPost Group's joint venture with Alibaba Group in QSI. The SingPost Group first entered into the joint venture with Alibaba Group through a joint venture agreement dated 8 July 2015 between the Company, QSI, and AIL (the "**JV**"). Shareholders may refer to the Company's announcements dated 28 May 2014, 8 July 2015, 27 October 2016, and 20 January 2023 for further information on the initial formation of and subsequent changes to the said joint venture.

1.3 Cessation of JV by way of the QSI SCR

Under the DoU, it is the intention of the parties for the Cessation of JV to be executed by way of a selective capital reduction exercise by QSI (the "**QSI SCR**"), pursuant to which all of the shares owned by AIL in the capital of QSI (the "**QSI Shares held by AIL**") shall be cancelled. AIL is to receive the capital return in cash. Please refer to paragraph 2 for further details of the QSI SCR.

Upon completion of the QSI SCR, SPLE shall be the sole remaining shareholder of QSI, i.e. QSI will become a wholly-owned subsidiary of the Company (through SPLE).

1.4 Cessation of JV by way of the QSI Share Transfer (as a fall-back plan)

As a fall-back plan to secure the Cessation of JV, the DoU provides, in the event of and conditional upon the failure of the QSI SCR (as determined in accordance with the terms of the DoU¹) ("**Failure of the QSI SCR**"), for the Cessation of JV to instead proceed as a share

¹ In summary, Failure of the QSI SCR would occur either (a) where the QSI SCR is terminated, or (b) the QSI SCR is not completed within the stipulated period of time as set out in the DoU and QSI has no reasonable grounds not to terminate the QSI SCR if AIL requests to do so (QSI shall be deemed to have no reasonable grounds not to terminate the QSI SCR if it has breached the terms of the DoU or there is otherwise no reasonable prospect for the QSI SCR to complete).

transfer of the QSI Shares held by AIL to SPLE (or a nominee of SPLE in accordance with the DoU, such nominee, the "**Nominee**") (the "**QSI Share Transfer**"). The terms of the QSI Share Transfer are as set out in a share purchase agreement (which has been entered into between SPLE and AIL) which forms a schedule to the DoU (the "**Fall-back Plan SPA**"). Shareholders should note that the QSI Share Transfer is a fall-back plan, and the intention of the parties is to only proceed with the QSI Share Transfer upon Failure of the QSI SCR. Please refer to paragraph 4 for further details on the QSI Share Transfer.

Assuming the Cessation of JV proceeds by way of the QSI Share Transfer, upon completion of the QSI Share Transfer, all of the shares of QSI will be held by SPLE (or by SPLE and the Nominee, if applicable), and QSI would similarly become a wholly-owned subsidiary of the Company.

1.5 Further background on AIL and the JV

AIL is an investment holding company within the Alibaba Group. Based on the Company's register of substantial shareholders as at the date of this announcement, AIL has an aggregate interest in approximately 255,149,907 ordinary shares of the Company ("**SingPost Shares**", and each a "**SingPost Share**"), representing approximately 11.34% of the total issued shares of the Company (excluding treasury shares). AIL is therefore not a "controlling shareholder" of the Company (as defined in the Listing Manual of Singapore Exchange Securities Trading Limited (the "**Listing Manual**")).

As announced by the Company on 28 May 2014, the Company previously entered into, *inter alia*, a memorandum of understanding with AIL in respect of, *inter alia*, a strategic business co-operation between the SingPost Group and the Alibaba Group to create a platform for international eCommerce logistics business. Following this, the Company announced on 8 July 2015 that the Company and QSI entered into the joint venture agreement with AIL, to further develop said business collaboration between the Company and the Alibaba Group, and where QSI was to become the joint venture company acting as the platform for said collaboration. Completion under the said joint venture agreement was subsequently announced on 27 October 2016, in connection with which AIL was allotted and issued said 74,997,051 new ordinary shares in QSI, representing approximately 34% of the total issued and paid-up capital of QSI (i.e., the QSI Shares held by AIL). The remainder of the shares of QSI, representing approximately 66% of the total issued and paid-up capital of QSI, were held by SPLE.

QSI has an equity interest of approximately 17.61% in Shenzhen 4PX Information and Technology Co., Limited (深圳市递四方信息科技有限公司) ("**4PX**"), with Zhejiang Cainiao Supply Chain Management Co., Limited (浙江菜鸟供应链管理有限公司) ("**Cainiao**"), a subsidiary of Alibaba Group, holding majority interest in 4PX. As stated in the Company's announcement dated 20 January 2023, call options were granted to Cainiao to acquire all of QSI's equity interest in 4PX, and accordingly, following exercise of the options, QSI will have no residual equity interest in 4PX on completion of Cainiao's acquisition.

2. Further details of the QSI SCR

2.1 The Cessation of JV is intended to proceed via the QSI SCR, which will involve the cancellation of the QSI Shares held by AIL, pursuant to section 78A(1) of the Companies Act 1967 of Singapore (the "**Companies Act**").

2.2 The share capital of QSI as at the date of this announcement is as follows:

	No. of QSI Shares held	%
SPLE	145,582,510 ordinary shares	Approx. 66%
AIL	74,997,051 Class B ordinary shares	Approx. 34%

2.3 On completion of the QSI SCR, the total number of issued ordinary shares of QSI ("**QSI Shares**") will be reduced to 145,582,510 QSI Shares, by cancelling all of the 74,997,051 Class B ordinary shares (i.e. the QSI Shares held by AIL), and returning the sum of S\$36.89 million (the "**Capital Reduction Payment Amount**") to AIL. The Capital Reduction Payment Amount will be paid in cash.

2.4 The Capital Reduction Payment Amount represents the fair value of AIL's stake in QSI, based on the value of QSI as at 30 September 2024, as determined by an external valuation of QSI. The valuation, which was conducted by KPMG Services Pte. Ltd., was commissioned by QSI and its shareholders. The basis of the valuation was the Income Approach (i.e. Discounted Cash Flow) as the primary approach, and the Market Approach (i.e. Comparable Companies method) was used as a secondary crosscheck. Based on the valuation report dated 3 March 2025 (the "**Valuation Report**"), KPMG Services Pte. Ltd. has provided an indicative value of approximately S\$108.5 million for QSI, as at 30 September 2024. Accordingly, the corresponding value of the QSI Shares held by AIL (computed based on 34% of said valuation) would be approximately S\$36.89 million. Arising from the Valuation Report, there is an indication of impairment on the goodwill amounting to about S\$77.86 million carried on the investment in QSI. Any such impairment will be recognised and disclosed in the Company's full year results.

2.5 Following completion of the QSI SCR, all of the remaining QSI Shares will be held only by SPLE, and AIL will no longer hold any shareholding interest in QSI. Accordingly, QSI will become a wholly-owned subsidiary of the Company (through SPLE).

2.6 The process for the QSI SCR is as prescribed under the Companies Act. Assuming that there are no objections by qualifying creditors during the relevant period for the said process, the Company expects the QSI SCR to be completed by 2025.

3. Pro Forma Financial Effects

3.1 Bases and Assumptions

The pro forma financial effects of the Cessation of JV pursuant to the QSI SCR or, in the event of Failure of the QSI SCR, the QSI Share Transfer, as set out below, have been assessed based on:

- (i) the unaudited condensed interim financial statements of the Company for the half year ended 30 September 2024 (the "**H1 FY2024 Results**");
- (ii) the unaudited consolidated financial statements of QSI for the half year ended 30 September 2024; and
- (iii) the Valuation Report.

3.2 NTA and EPS

Based on the above, and assuming that:

- (a) for the purposes of assessing the pro forma financial effects on the consolidated net tangible assets ("**NTA**") of the SingPost Group, that the Cessation of JV had been effected on 30 September 2024 (being the end of the half year ended 30 September 2024);
- (b) for the purposes of assessing the pro forma financial effects on the consolidated earnings per SingPost share ("**EPS**") of the SingPost Group, that the Cessation of JV had been effected on 1 April 2024 (being the start of the half year ended 30 September 2024); and
- (c) no transaction costs, taxes, duties, fees, or other charges would be payable, and no impairment of goodwill would be recognised, in connection with the Cessation of JV (whether by way of the QSI SCR or the QSI Share Transfer),

the QSI SCR and QSI Share Transfer have no material impact on the consolidated NTA of the SingPost Group as at 30 September 2024, and the consolidated EPS of the SingPost Group for the half year ended 30 September 2024.

4. Further details of the QSI Share Transfer (fall-back plan)

- 4.1 As mentioned in paragraph 1.4, in the event of Failure of the QSI SCR, the DoU provides that the Cessation of JV would instead proceed by way of the QSI Share Transfer. The terms of the QSI Share Transfer are as set out in the DoU, and the Fall-back Plan SPA (which is a schedule to the DoU). Upon completion of the QSI Share Transfer, all QSI Shares would be held by SPLE (or by SPLE and the Nominee, if applicable), and QSI would become a wholly-owned subsidiary of the Company. AIL would no longer hold any shareholding interest in QSI. For completeness, the entry into the Fall-back Plan SPA does not trigger shareholders' approval requirements under Chapter 10 of the Listing Manual.

- 4.2 The consideration payable by SPLE (or the Nominee, if applicable) for the purchase of the QSI Shares held by AIL shall be S\$36.89 million (the "**QSI Share Transfer Consideration**"), which is the same amount as the Capital Reduction Payment Amount. The QSI Share Transfer Consideration will be funded out of internal resources.
- 4.3 SPLE (or the Nominee, if applicable) will pay or procure payment of the QSI Share Transfer Consideration in immediately available funds to AIL at 10:00am at the Singapore office of Allen & Gledhill LLP, being, One Marina Boulevard, #28-00, Singapore 018989 on or before the date falling three (3) months after Failure of the QSI SCR, or at such other location, time or date as may be agreed in writing between SPLE (or the Nominee, if applicable) and AIL.
- 4.4 Based on the Company's H1 FY2024 Results, the book value and the net tangible asset value of the QSI Shares held by AIL were approximately S\$31.35 million. There is no available open market value for the QSI Shares.

5. Documents for Inspection

Copies of the DoU (including the Fall-back Plan SPA, which is a schedule to the DoU) are available for inspection during normal business hours at the Company's registered office at 10 Eunos Road 8, #14-01/02 Singapore Post Centre, Singapore 408600, for three (3) months from the date of this announcement.

Issued by Singapore Post Limited on 16 April 2025.