

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

Issuer & Securities

Issuer/ Manager

SINGAPORE POST LIMITED

Securities

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Announcement Details

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Jonathan Ooi Wei Hsin (Mr)

Designation

Company Secretary

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

Please refer to the attachment.

Attachments

[SGXAnn706A.pdf](#)

Total size = 187K MB

SINGAPORE POST LIMITED

(Incorporated in the Republic of Singapore)

Company Registration No. 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 second half year ended 31 March 2022:

1. ACQUISITION OF SUBSIDIARIES

(a) Freight Management Holdings Pty Ltd

Where capitalised terms are used in this announcement and not otherwise defined, such capitalised terms shall bear the same meanings as ascribed to them in the announcements made by SingPost on 19 October 2020, 7 December 2020, 31 December 2020, 5 March 2021, 6 May 2021, 8 October 2021, 11 November 2021, 26 November 2021, 30 November 2021 and 14 March 2022 relating to the Acquisition of Shares in Freight Management Holdings Pty Ltd.

The Company’s indirect wholly-owned subsidiary, SingPost Australia Investments Pty Ltd (“**SPAI**”), had on 30 November 2021 completed the Tranche Two Acquisition and the Option Shares Acquisition, comprising 23% equity interest in Freight Management Holdings Pty Ltd (“**FMH**”).

The consideration for Tranche Two Acquisition and the Option Shares Acquisition was A\$29.6 million (equivalent to approximately S\$29.8 million¹) and A\$81.5 million (equivalent to approximately S\$82.0 million¹) respectively, subject to adjustment on Option Shares Acquisition as agreed in the Option SPA. The total consideration 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 for FMH and comparable valuation multiples and precedent M&A transactions for similar asset-light transport companies. The total consideration was funded from the SingPost Group’s internal cash resources and external borrowings.

The Tranche Two Acquisition and the Option Shares Acquisition resulted in FMH becoming a 51% subsidiary of SingPost.

Based on the audited consolidated financial statements of FMH for its financial year ended 30 June 2021, the net asset value (“**NAV**”) for the Tranche Two Acquisition and the Option Shares Acquisition was approximately A\$16.1 million (equivalent to approximately S\$16.2 million¹).

(b) Andromeda Nominees Pty. Ltd.

On 1 March 2022 FMH acquired 100% of the issued shares (“**Sale Shares**”) of Andromeda Nominees Pty. Ltd., an Australian incorporated company trading as Formby Logistics (“**Andromeda**”), from Chalsam Pty. Ltd. and Soane Pty Ltd, the legal owners pursuant to the Share Sale Agreement dated 25 February 2022.

¹ Based on exchange rate of A\$1.00: S\$1.0066 (solely for illustrative purposes)

The aggregate cash consideration for the acquisition of Andromeda is estimated to be A\$2.9 million (equivalent to approximately S\$2.9 million¹, subject to adjustment as agreed in the Share Sale Agreement. The aggregate consideration was arrived at on a willing buyer-willing seller basis, based on the enterprise value of A\$2.7 million (equivalent to approximately S\$2.7 million), as at 28 February 2022. In addition, the Share Sale provides for an earn-out subject to certain earning targets being met. The earn-out is capped at A\$1 million and is to be paid if targets are met in 2023. The consideration was funded by way of internal cash resources.

The Andromeda Acquisition resulted in Andromeda becoming an indirect subsidiary of SingPost.

Based on the audited financial statements of Andromeda for its financial year ended 30 June 2021, the NAV was approximately A\$1.8 million (equivalent to approximately S\$1.8 million¹).

(c) Parcel Santa Pte. Ltd.

On 10 January 2022, Singapore Post Enterprise Private Limited (“**SPE**”), a wholly-owned subsidiary of the Company, entered into a share purchase agreement for the acquisition of 5,676,421 ordinary shares (“**Parcel Santa Shares**”) in Parcel Santa Pte. Ltd. (“**Parcel Santa**”) representing 100% of the issued and paid-up share capital of Parcel Santa from Ng Seng Khiang, Ngiam Tew Jong and Huang Jianming for a cash consideration of S\$5,250,000 (the “**Parcel Santa Acquisition**”). The Parcel Santa Acquisition was completed on 1 April 2022 and following completion, Parcel Santa has become a wholly-owned subsidiary of the Company.

Ninety per cent (90%) of the aggregate consideration for the Parcel Santa Acquisition or S\$4,275,000 was paid in cash on completion of the Parcel Santa Acquisition on 1 April 2022 and the balance ten per cent (10%), less any agreed deductions, will be paid in cash six (6) months from the date of completion, subject to adjustment in pursuant to the share purchase agreement.

The consideration for the Parcel Santa Acquisition was arrived at after arms’ length negotiations, on a willing-buyer, willing-seller basis, and took into consideration factors including amongst others, the quality of the assets being acquired, the strategic value of Parcel Santa’s existing network of parcel lockers, the financials of Parcel Santa year-to-date, the earnings quality and future potential of Parcel Santa and its strategic fit with the SingPost Group. Payment of the consideration was funded by internal resources. As at 31 March 2022, the NAV represented by the Parcel Santa Shares was S\$817,541.

2. DIVESTMENT OF SUBSIDIARIES

(a) General Storage Company Pte. Ltd. and its Subsidiaries (“GSC Group”)

The Company’s wholly owned subsidiary, SingPost Investments Pte. Ltd. entered into a sale and purchase agreement with Triforce Investments Pte. Ltd. on 2 September 2021 to sell the entire issued and paid-up share capital of General Storage Company Pte. Ltd. (“**GSC Sale**”).

At the time of execution of the sale and purchase agreement, the estimated aggregate value of the consideration of the GSC Sale was S\$85.1 million before transaction costs and subject to net working capital and net debt adjustments as at completion date.

The consideration was mutually arrived at after arms’ length negotiations on a willing buyer-willing seller basis after taking into consideration, *inter alia*, the discounted future cashflows of the business from its portfolio of owned and leased properties with adjustments for levels of debt, cash and working capital as at the day of completion.

The GSC Sale was completed on 22 December 2021 and the Company had received the completion cash payment of S\$87.2 million, which is subject to an adjustment which is in the process of being reviewed between the parties. As at 31 March 2021, the NAV represented by the GSC Sale was S\$78.1 million compared with the SingPost Group.

Following completion, GSC and its subsidiaries have ceased to be part of the SingPost Group.

The announcements on the GSC Sale were made on 2 September 2021, 3 December 2021 and 22 December 2021 respectively.

(b) FPS Logistics (USA) Inc.

The Company's indirect subsidiary, Famous Holdings Pte. Ltd. entered into a stock purchase and sale agreement with Louis Jung-Chen Chi on 12 October 2021 to sell all its 100% of the issued and outstanding capital stock of FPS Logistics (USA) Inc. ("**FPS US**") (the "**FPS US Sale Shares**") for a cash consideration of US\$1 (the "**FPS US Sale**").

The consideration for the FPS US Sale was arrived at on a willing buyer-willing seller basis after taking into account, *inter alia*, its assets and operations. Based on the latest unaudited consolidated financial statements of FPS US as at 31 March 2021, the net book value of FPS US was approximately US\$(411,730) (approximately S\$(562,448)). As at 31 March 2021, the NAV represented by the FPS US Sale Shares was US\$(411,730) (approximately S\$(562,448)).

The FPS US Sale was completed on 1 November 2021, and FPS US has ceased to be an indirect subsidiary of SingPost.

3. LIQUIDATION/DISSOLUTION/DEREGISTRATION/REMOVAL FROM COMPANY REGISTRY

The following indirect subsidiaries had been dissolved/deregistered/removed from the respective Company Registry:

- (a) SingPost Storage Company Limited, a dormant indirect subsidiary incorporated in Mauritius, was dissolved under members' voluntary liquidation on 17 December 2021.
- (b) E Link Station Limited, a dormant indirect associated company incorporated in Hong Kong, was dissolved under voluntarily deregistration on 17 December 2021.
- (c) TG Acquisition Corp., an indirect subsidiary incorporated in the United States, was dissolved under voluntarily deregistration on 28 October 2021.
- (d) SP Commerce Holdings, Inc, an indirect subsidiary incorporated in the United States, was dissolved under voluntarily deregistration on 13 October 2021.
- (e) TradeGlobal Holdings, Inc, an indirect subsidiary incorporated in the United States, was dissolved under voluntarily deregistration on 13 October 2021.
- (f) SP Commerce, Inc, an indirect subsidiary incorporated in the United States, was dissolved under voluntarily deregistration on 26 August 2021.

Issued by Singapore Post Limited on 13 May 2022.