

GENERAL ANNOUNCEMENT::RESPONSE TO COMMENTS/QUERIES FROM STAKEHOLDERS**Issuer & Securities**

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Attachments[Response to Comments Queries from Stakeholders.pdf](#)[Media Release Response to Comments Queries from Stakeholders.pdf](#)

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SINGAPORE POST LIMITED

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

RESPONSE TO COMMENTS/QUERIES FROM STAKEHOLDERS

Singapore Post Limited (“**SingPost**” or the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to its announcement dated 22 December 2024 titled “Announcement on Whistleblowing Reports, Disciplinary Proceedings, and Leadership Succession following Termination of GCEO, GCFO and CEO-IBU” (the “**22 December Announcement**”) and to the subsequent comments/queries from stakeholders (including the media) on the 22 December Announcement.

SingPost is making this announcement to address comments/queries surrounding the termination of employment of Mr Phang Heng Wee, Vincent (the former Group Chief Executive Officer), Mr Yik Yen Shan, Vincent (the former Group Chief Financial Officer) and Mr Li Yu (the former Chief Executive Officer, International Business Unit), and to provide more details on leadership succession and the future plans and direction of the Group.

In particular, the response below details the investigation and disciplinary process leading up to the terminations, whereby appropriate diligence was undertaken and the opportunity to be heard was given to the affected parties. The objective of the Board of Directors (the “**Board**”) throughout this process has been to act in the best interests of the Company and its shareholders by upholding a high level of governance.

1. Investigation and Disciplinary Process

Following the receipt of the whistleblowing reports¹ referred to in the 22 December Announcement, the Board took decisive action through rigorous internal investigations and the engagement of external advisers. These investigations, closely supervised by the Audit Committee, were conducted in two main phases with a clear focus on due process and governance. One of the whistleblowing reports was made to the Info-communications Media Development Authority of Singapore (“**IMDA**”) even though the matter had no impact on local postal and parcel deliveries over which IMDA has oversight.

A timeline of key events is set out in the Appendix to this announcement.

¹ The whistleblowing reports stated that there were alleged manual data entries of certain delivery status codes by International Business Unit Operations for international transshipment parcels which the Company had agreed to deliver under an agreement with a customer, allegedly without basis or supporting documentation and with the intention of avoiding contractual penalties under the agreement.

Phase One

The first phase of investigations related to the practice within International Business Unit Operations (“**IBU Ops**”) of manually keying in the “DF” (delivery failure) status code in respect of a significant number of parcels which SingPost had agreed to deliver, which falsely indicated that delivery had been attempted but had failed². The allegation raised in the whistleblowing reports was that the manual “DF” data entries were being done to avoid payment of certain contractual penalties to the customer. The matter was immediately brought to the Audit Committee’s attention following the receipt of the whistleblowing reports by the Company. No public disclosure was made at this stage as the whistleblowing reports had been submitted in confidence and the allegations had yet to be substantiated pending investigation.

Internal investigations promptly carried out by Group Internal Audit (“**GIA**”) substantiated the practice of manual “DF” data entries for the avoidance of penalties under the customer agreement as alleged in the whistleblowing reports. GIA further outlined in its reports that under the agreement with the customer, the Company was liable to pay contractual penalties for not meeting specified service level requirements and for false data entries. As representations made by Management in relation to the subject matter of the whistleblowing reports contradicted the findings of GIA, the Audit Committee engaged external legal counsel and a forensics service provider to independently assist with the review of and advise on the matters raised in the whistleblowing reports. Following from this, GIA’s finding – that the practice of manual “DF” data entries for the avoidance of contractual penalties was substantiated – was confirmed.

The Company then commenced disciplinary proceedings against three staff from IBU Ops who were, during the course of these proceedings, provided with an opportunity to respond to the allegations of misconduct against them in accordance with the Company’s Disciplinary Policy. The Disciplinary Policy emphasises due process and the Company’s commitment to high governance standards. Their employment was later terminated following the conclusion of these proceedings. Although these three former staff submitted claims against the Company to challenge the termination, these proceedings were eventually withdrawn or not proceeded with. Subsequently, a police report was filed by the Company against them.

Given the confirmation of GIA’s findings, the Board instructed Management to make the appropriate disclosure to the customer. Following this, the customer was informed, and a settlement, which (i) did not have a material impact on the net profit, net tangible assets or earnings per share for the financial year ended 31 March 2024, and (ii) is not expected to have a material impact on the Company’s projected net profit, net tangible assets or

² A “DF” status code counts, as per the relevant agreement, as a valid status code which indicates that SingPost has tried to make the delivery and would count towards satisfying certain key performance indicators.

earnings per share for the current financial year ending 31 March 2025, was agreed upon. The terms of the settlement are confidential.

At this juncture, the Company's investigations had determined that the issue was isolated and limited only to the contract with the specific customer and the practices of the three former staff from IBU Ops. The practice of manual "DF" data entries ceased pursuant to instructions given by the Audit Committee to Management, and corrective action was also taken to prevent similar occurrences and address all relevant operational gaps. Further, the settlement amount with the customer had no material financial impact and the Company's business with the customer was not materially affected. The customer's contract was renewed in August 2024. The assessment therefore was that no announcement was required at this stage. The incident was nevertheless reported as a substantiated case relating to fraud in SingPost's FY2023/24 Sustainability Report on pages 76 and 78. The Audit Committee will, with the assistance of GIA, continue to review the effectiveness of the corrective actions which have been taken, as part of the Group's next internal audit plan.

As disclosed in the 22 December Announcement, Deloitte & Touche LLP, the Company's external auditors, were kept apprised of material developments on the above matter. In particular, the applicable compliance with financial reporting and disclosure requirements have been discussed with external auditors.

Phase Two

The second phase of investigations related to Management's conduct in the handling of the investigations into the whistleblowing reports (they were not directly involved in the allegations raised in the whistleblowing reports) as well as the renewal of the affected customer agreement in 2023. The key issue here centered around governance expectations and proper conduct by Management. The same external law firm was also engaged to review Management's conduct in the matter.

In the course of these investigations, it was found that, although Mr Phang, Mr Yik and Mr Li were provided with the reports and findings of, and concerns raised by, GIA which contained clear evidence substantiating the allegations by the whistleblowers, they nevertheless made serious misrepresentations concerning the whistleblowers' allegations to the Audit Committee. These included false assertions that:

- there was no evidence of data manipulation and wrongdoing in relation to the manual "DF" data entries;
- there was no evidence of falsification for the purposes of avoiding penalties;
- the purpose of the manual "DF" data entries was not to avoid contractual penalties;
- the practice of manual "DF" data entries itself would not attract any liabilities;

- the practice of manual “DF” data entries was requested by the customer; and
- the customer was fully aware of the assumptions of the manual "DF" data entries and such practice is said to be in line with industry practice.

These misrepresentations, made over three occasions from 11 March 2024 to 3 April 2024, contradicted the findings in GIA’s reports and were without any independent evidence or substantiation. Mr Phang, Mr Yik and Mr Li were formerly the top management executives of the Company, and were expected to protect the interests of the Company at all times. However, instead of addressing their minds to the findings by GIA (which contained clear evidence that the purpose of the manual “DF” data entries was to avoid the payment of contractual penalties to the relevant customer), Mr Phang, Mr Yik and Mr Li relied on the misrepresentations made by representative(s) from IBU Ops (who were interested parties). The misrepresentations by Mr Phang, Mr Yik and Mr Li effectively undermined GIA, an independent and important Group function responsible for investigating whistleblower incidents. The Board notes that if the Audit Committee had relied on and accepted the misrepresentations by Mr Phang, Mr Yik and Mr Li over GIA’s findings, the practice of the false manual “DF” data entries which were intended to avoid contractual penalties would likely have continued.

Following these investigations and further deliberations by the Board in consultation with external legal counsel, the Company commenced disciplinary proceedings against Mr Phang, Mr Yik and Mr Li. In accordance with the Company’s Disciplinary Policy, they were each provided with an opportunity to respond to the allegations of misconduct against them. Mr Phang’s and Mr Yik’s responses were made through their lawyer, while Mr Li’s response was submitted by him personally. The disciplinary proceedings concluded at the close of business on 20 December 2024 where it was determined, in accordance with the Company’s Disciplinary Policy, that the severity of their misconduct warranted disciplinary action in a form leading up to dismissal, given the severe breaches of policy and serious legal and reputational risks involved. To further ensure fairness and independence, the Board sought and obtained a second opinion on the matter from a Senior Counsel at another leading law firm, prior to making its decision on the matter.

No announcement was made during the period of investigation into the Management’s conduct and the disciplinary proceedings that followed, as the investigations ultimately led to the disciplinary proceedings, and no conclusion on the same had been reached until the close of business on 20 December 2024. The 22 December Announcement was made only after a conclusion had been reached, including on the appropriate disciplinary action to be taken. This approach also ensured fairness to the parties involved in the disciplinary process.

The Company is unable to comment further on the investigation and disciplinary process in light of possible litigation with the relevant parties.

2. Leadership Succession

The Board would like to assure stakeholders that business operations continue as usual as each business unit has its own management team and is subject to Board oversight, ensuring continuity and stability.

Following the termination of employment of Mr Phang, Mr Yik and Mr Li, the following measures have or will be implemented:

Active Oversight by Chairman of the Board

As disclosed in the 22 December Announcement, Mr Simon Israel, the Chairman of the Board, will in the interim, on behalf of the Board, provide increased guidance to and exercise greater oversight of the senior management leadership team in the Company.

Appointment of New Group Chief Financial Officer (“GCFO”)

The Company has disclosed in the 22 December Announcement that in accordance with the Company’s succession plan, it is intended that Mr Isaac Mah, currently the Chief Financial Officer (“CFO”) of the Company’s Australia business, Freight Management Holdings Pty Ltd (“FMH”), will return to Singapore to take up the GCFO position.

Mr Mah, a Chartered Accountant, has been identified in SingPost’s succession plan as a high potential leadership candidate and has been on a development path within the Group. He has been with SingPost since 2019 when he was appointed as Head of Strategic Investments and Investor Relations, spearheading SingPost’s investment in Australia. He was appointed as CFO of FMH when SingPost took a controlling stake in FMH. He has been overseeing SingPost’s Australia investment, culminating in the recently announced proposed divestment of the Australia business. Mr Mah has been instrumental in all M&A transactions the Group has undertaken in recent years, and is well-suited to assume the role as the new GCFO.

Appointment of Acting Chief Executive Officer, International Business Unit (“CEO-IBU”)

Mr Gan Heng, currently Head, South District International Business Unit, has been appointed as acting CEO-IBU. Mr Gan joined SingPost in 2021 in the Singapore Business Unit, before joining the International Business Unit in September 2024 as the South District Leader with a focus on subsidiary businesses in Southeast Asia. Having straddled both the international and local arms of the business, Mr Gan is familiar with the postal and logistics landscape and has worked with many international and local partners.

Future Appointment of New Group Chief Executive Officer (“GCEO”)

The Company will, subject to requisite regulatory approvals, announce the appointment of the new GCEO in due course. In its evaluation of the GCEO appointment, the Board will take into consideration:

- the change in the profile of the Group following the divestment of the Australia business, if approved by shareholders; and
- the subsequent need for a review of the Group’s strategy.

3. Group Plans and Direction

The Board was responsible for initiating and overseeing the Board Strategic Review outlined in March 2024, and subsequently provided guidance on key strategic initiatives including the Board Strategic Review of the Australia business culminating in the proposed divestment to unlock shareholder value. The Board will continue to exercise oversight, and provide guidance to management and wishes to update on the following:

Australia: Proposed Divestment of Australia Business

As announced on 2 December 2024, SingPost entered into a sale and purchase agreement on 2 December 2024 with Pacific Equity Partners for the proposed divestment of its Australia business at an enterprise value of A\$1.02 billion.

The Board will seek shareholders’ approval for the proposed divestment at an Extraordinary General Meeting, which is expected to be held in February 2025. The Board is working closely with the management team to ensure the successful completion of the proposed divestment.

Singapore: Postal Transformation

The transformation of the Singapore postal business is led by the Chief Executive Officer of Singapore Business Unit, Mr Shahrin Abdol Salam and his leadership team. As part of our ongoing transformation, SingPost is reviewing its customer service touchpoints to meet evolving consumer demands for postal services in a rapidly changing digital landscape. Adjustments will be made to some post offices and locations to ensure that postal services remain cost-effective and relevant.

The Singapore Business is re-engineering the postal infrastructure and network to cater to the growth of eCommerce logistics. SingPost plans to invest further in increasing capacity and improving productivity via automation. In addition, the Company will invest in

completing the electrification of its vehicle fleet, in line with the Group's sustainability goals. These investments will support the transformation of postal operations and provide a pathway for future growth in urban logistics in Singapore.

Additionally, the Company will dispose of a number of non-core properties as the Singapore Business transitions to an asset-light, carbon-light, and higher-return model.

Divestment of Non-Core Businesses and Assets

The Board reaffirms its intent to progressively divest and unlock the value of non-core businesses and assets. With the divestment of the Australia business, which is subject to the approval by shareholders, there may be adjustments in the phasing and timing of further disposals. All major divestments will be subject to shareholders' approval if required under the relevant laws and regulations.

Issued by Singapore Post Limited on 29 December 2024.

APPENDIX

Timeline of Key Events

Date	Key Event(s)
17 January 2024	SingPost received first whistleblowing report. Investigations into the whistleblowing report commenced and was led by GIA with oversight from the Audit Committee
28 February 2024	SingPost received second whistleblowing report, which was addressed to IMDA and copied to SingPost
11 March 2024	Audit Committee meeting to discuss investigation findings by GIA
3 April 2024	Audit Committee meeting to discuss investigation findings by GIA Audit Committee engaged external legal counsel to review and advise on the matters raised in the whistleblowing reports as representations made by Management contradicted the investigation findings by GIA
19 April 2024	Audit Committee engaged a forensics service provider to review and advise on the matters raised in the whistleblowing reports as representations made by Management contradicted the investigation findings by GIA
6 May 2024	Disciplinary proceedings commenced against the three staff in IBU Ops who were directly involved in the manual “DF” data entries in accordance with SingPost’s Disciplinary Policy
9 May - 7 June 2024	During the disciplinary proceedings, the three staff in IBU Ops were given the opportunity to provide their written responses to the allegations. An Investigation Committee reviewed the allegations against the three staff in IBU Ops, and their responses to the allegations
13 May to 14 August 2024	Audit Committee engaged the same external law firm to investigate Management’s handling of the whistleblowing reports and renewal of the affected customer’s contract
12 June 2024	The three staff in IBU Ops were dismissed
4 - 12 July 2024	SingPost was informed by the Tripartite Alliance for Dispute Resolution (TADM) that the three former staff in IBU Ops had submitted claims for wrongful dismissal
14 August - 11 November 2024	Further deliberations by the Board in consultation with external legal counsel following investigations on Management’s handling of the whistleblowing reports and renewal of the affected customer’s contract
27 August 2024	SingPost was informed by TADM that two of the three former staff in IBU Ops had withdrawn their claims

Date	Key Event(s)
16 October 2024	SingPost was informed by TADM that the third former staff in IBU Ops had not proceeded with his claim before the Employment Claims Tribunal and was time-barred from doing so
11 November 2024	Disciplinary proceedings commenced against Mr Phang Heng Wee, Vincent, Mr Yik Yen Shan, Vincent and Mr Li Yu
	A police report was filed against the three former staff in IBU Ops who were dismissed
22 November 2024	Mr Phang and Mr Yik provided their responses to the allegations in the disciplinary proceedings by way of their lawyer's letter. Mr Li provided his response by way of email. An Investigation Committee reviewed the allegations against Mr Phang, Mr Yik and Mr Li, and their responses to the allegations
11 December 2024	A Senior Counsel at another leading law firm was instructed to advise on the allegations against Mr Phang, Mr Yik and Mr Li and to provide a second opinion
20 December 2024	A Board resolution was passed to dismiss Mr Phang, Mr Yik and Mr Li
21 December 2024	The employment of each of Mr Phang, Mr Yik and Mr Li was terminated with immediate effect
22 December 2024	Announcement was released on SGXNet on the whistleblowing reports, disciplinary proceedings and leadership succession



MEDIA RELEASE

FOR IMMEDIATE RELEASE

SingPost Board Provides Response to Comments / Queries from Stakeholders

Singapore, December 29, 2024 – The Board of Directors of Singapore Post Limited (SingPost) today issued a response to comments and queries regarding the recent termination of three senior executives. The response, first published on the Singapore Exchange (SGX) website, provides an account of the investigation and disciplinary process leading to the terminations, emphasising the commitment to upholding high standards of corporate governance and accountability.

The Board's response sets out the two phases of the investigation, the first focusing on the e-commerce shipment data falsification which was identified through two whistleblowing reports, and the second on the senior executives' conduct in handling the whistleblowing matter. The account details the due process followed throughout the disciplinary proceedings, ensuring that the affected executives were given the opportunity to be heard, before the Board's decision.

"This incident underscores the importance of a robust whistleblowing process within the governance framework. It ensures employees feel protected when coming forward, and assured that their allegations will be addressed impartially and effectively," said Simon Israel, Chairman of the Board, SingPost.

"The termination of senior management was a carefully considered decision by the Board, based on established facts and supported by legal advice, including a second independent opinion from Senior Counsel of another law firm. This decision reflects the Board's unwavering commitment to governance principles, prioritising what is right - even when it is more challenging in the short term - in the best interests of the Company," he added.

Strategic Initiatives and Leadership Succession

The announcement also affirmed the Group's strategic initiatives including plans for the divestment of the Australia business which remains on track, the transformation of the Singapore postal business to provide a pathway for future growth, and the divestment of non-core businesses and assets.

Business operations continue as usual, with leadership succession plans in place. Board Chairman Simon Israel will provide interim guidance and oversight to the senior management leadership team. The intention is for Isaac Mah to assume the role of Group Chief Financial Officer, and Gan Heng has been appointed acting Chief Executive Officer, International Business Unit.

Please see more details in the SGX announcement.

About Singapore Post Limited (SingPost)

Singapore Post (SingPost) is a leading postal and eCommerce logistics provider in Asia Pacific. The portfolio of businesses spans from national and international postal services to warehousing and fulfilment, international freight forwarding and last mile delivery, serving customers in more than 220 global destinations. Headquartered in Singapore, SingPost has over 4,900 employees, with presence in 14 markets worldwide. Since its inception in 1858, the Group has evolved and innovated to bring about best-in-class integrated logistics solutions and services, making every delivery count for people and planet. www.singpost.com

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