



SINGAPORE POST LIMITED
("SingPost" or the "Company")
(Incorporated in the Republic of Singapore)

**MINUTES OF THE 27TH ANNUAL GENERAL MEETING ("AGM")
OF SINGAPORE POST LIMITED HELD ON
THURSDAY, 18 JULY 2019 AT 2.30 P.M.
AT LEVEL 3, SUMMIT 2,
SUNTEC SINGAPORE CONVENTION & EXHIBITION CENTRE,
1 RAFFLES BOULEVARD, SUNTEC CITY, SINGAPORE 039593**

PRESENT

Mr Simon Claude Israel	Chairman
Mr Paul William Coutts	Director, Group Chief Executive Officer (" Group CEO ")
Mrs Fang Ai Lian	Lead Independent Director and Chairperson of Audit Committee
Mr Steven Robert Leonard	Director, Chairman of Board Risk and Technology Committee
Mr Bob Tan Beng Hai	Director, Chairman of Compensation Committee
Ms Chu Swee Yeok	Director
Ms Elizabeth Kong Sau Wai	Director
Ms Lim Cheng Cheng	Director

ABSENT WITH APOLOGIES

Mr Chen Jun	Director
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IN ATTENDANCE

Mr Richard Lai	Group Chief Financial Officer (" Group CFO ")
Mr Vincent Phang	Chief Executive Officer, Postal Services & Singapore
Mr Alex Tan	Group Chief Digital & Technology Officer
Mr Lim Jui-I	CEO, Quantum Solutions
Ms Linda Hoon	Group Company Secretary

BY INVITATION

Mr Shariq Barmaky	Audit Partner, Deloitte & Touche LLP
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SHAREHOLDERS, PROXIES, CORPORATE REPRESENTATIVES, OBSERVERS, INVITEES

As per Attendance Lists.

1. Introduction

- 1.1 Mr Jonathan Ooi, Deputy General Counsel introduced the Directors, the Group Company Secretary, Management and the auditor. The procedures for the Meeting were highlighted to shareholders. The AGM was thereafter handed over to the Chairman.

2. Welcome Remarks By the Chairman and the Chairman's Speech

- 2.1 The Chairman greeted and thanked everyone present for their attendance. He proceeded to deliver a speech.

3. The Group CEO's Speech

- 3.1 The Group CEO delivered a speech.

4. Presentation by the Group CFO

- 4.1 The Group CFO, presented on the business operations and performance of the Group, details of which are set out in the slides attached hereto as Annex 1. The slides were announced via SGXNet after the close of trading on the day the AGM was held.

5. Quorum

- 5.1 Upon confirmation that there was sufficient quorum to constitute the AGM as required under Article 63 of the Company's Constitution, the Chairman proceeded to commence with the business of the AGM.

6. Notice of AGM

- 6.1 The Notice of AGM dated 26 June 2019 convening the AGM was agreed to be taken as read.
- 6.2 Pursuant to Rule 730A(2) of the Listing Manual of the Singapore Exchange Securities Trading Limited, the Chairman exercised the right under Article 68(A) of the Company's Constitution to direct that voting on each of the resolutions as set out in the Notice of AGM be conducted by way of poll. The Chairman informed shareholders that polling would be conducted electronically.
- 6.3 Mr Raymond Ang of RHT Governance, Risk & Compliance (Singapore) Pte Ltd apprised shareholders of the procedures for voting by poll.
- 6.4 Shareholders voted on a test resolution to ensure that the devices were working properly. Mr Raymond Ang declared the test resolution carried based on the results.
- 6.5 Mr Raymond Ang announced that certain members had appointed the Chairman to vote on their behalf, and that the Chairman would be voting for or against certain resolutions to be voted on at the AGM, according to such members' instructions.

AS ROUTINE BUSINESS

7. Ordinary Resolution No. 1 – To receive and adopt the Audited Financial Statements for the financial year ended 31 March 2019, and the Directors' Statement and Independent Auditor's Report thereon

7.1 The Chairman proposed the following motion:

“THAT the Audited Financial Statements of the Company for the financial year ended 31 March 2019, Directors' Statement and Independent Auditor's Report thereon, be and are hereby received and adopted.”

7.2 The Chairman invited questions from shareholders.

7.3 Question/Comment 1-5

A shareholder referred to pages 40 and 189 of the Annual Report 2018/19 (“AR”) and commented that the profit on operating activities had dropped over the past five years, noted the enlarged losses of eCommerce and the relatively poor performance of Logistics. He enquired about SingPost's capability to compete in these segments and SingPost's strategies and competitive edge, in terms of business and geography. The shareholder further commented about deterioration of the cash position, EBITDA margin and dividend payouts.

The Chairman explained that the Board and Management were reviewing the strategies for SingPost to remain competitive. In respect of dividend payouts, the Chairman explained that the dividend policy was revised three years ago with the fundamental consideration to ensure that dividend payout is sustainable. The Chairman then invited the Group CEO to share his views on strategies and strength of SingPost.

The Group CEO informed that eCommerce activities contributed approximately 55% of SingPost's current business. While eCommerce activities are growing, he cautioned that many companies in the eCommerce space are facing headwinds and not profitable. The Group CEO said Management remained focused to leverage on SingPost's capability to benefit from increasing eCommerce activities.

Geographically, the Group CEO affirmed that Singapore is a key market and a strong base to expand SingPost's capability to neighbouring countries in Southeast Asia as well as other markets like Hong Kong, Taiwan and Australia. In terms of strategy, the Group CEO explained that it would be asset-light and driven by technology on two fronts namely front-end supply chain technology and end-to-end (last mile) (LaMP) platform. SingPost has, through its postal network, been leveraging on the capability of other postal partners to optimize cross-border and last mile reach.

In response to the shareholder's question on SingPost's competitive edge, the Group CEO said 80% of items delivered through postal network are below 2kg in weight, and with low cost infrastructure of postal network, it has been utilized to move merchandise around.

7.4 **Question/Comment 6-8**

A shareholder of SingPost referred to page 135 of the AR on the subsidiary which incurred impairment, pages 206 and 207 of the AR on the position of Dash Logistics Co., Limited ("**Dash**") and PT Trio SPeCommerce Indonesia ("**Trio**") respectively and page 178 of the AR on liquidity risk, and sought clarification from Management.

The Group CFO explained that Dash is a 30% associated company jointly owned by Indo Trans Logistics Corporation, a Vietnamese company which SingPost had disposed of in March 2019. Meanwhile, Trio is a dormant company. He added that Management had embarked on a group-wide exercise to review and identify entities that are no longer needed, for liquidation.

In response to the shareholder's question on the liquidity risk vis-a-vis S\$200M 10-year fixed rate notes ("**Notes**"), the Group CFO explained the Notes were issued in March 2010 and are maturing in March 2020. Given the maturity is less than 12 months, it was therefore reclassified from non-current to current liability. The Group CFO informed that several banks had submitted their proposals to term out the Notes and he did not rule out the option of issuing fresh notes. He added that Management was evaluating various options and refinancing would not be an issue.

7.5 **Question/Comment 9-12**

A shareholder asked about the likely scenario after the U.S. businesses exit, adequacy of provisions made and the likely impact to the Company's statements of financial position.

In response to the shareholder's question on the U.S. businesses exit, the Chairman informed that the exit process is still on-going and declined to make any forward looking comments. He however reminded shareholders to be realistic in expectations given the U.S. businesses are structurally troubled businesses.

The shareholder noted that lease tenure of some four to five properties in Singapore is expiring in next few years and enquired if there is any concern.

The Group CFO responded that Management has been engaging relevant government authorities on the properties that SingPost requires and their response has so far been positive.

7.6 **Question/Comment 13-18**

A shareholder referred to page 189 of the AR and noted that the margin of profit on operating activities had dropped to 21.7% from 22.4% and enquired the causes of such drop. The shareholder further enquired Management's view on the impact of U.S.-China trade war on China's economic growth.

The Group CEO responded that the post and parcel business continues seeing a decline and would certainly have an impact to the Group's overall performance. On the impact of the trade war, the Group CEO said although there is a slowdown, ecommerce business in China is still growing at a very strong pace.