

SINGAPORE POST LIMITED

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

RESPONSE TO QUESTIONS FROM SIAS

Singapore Post Limited (“**SingPost**” or the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to address questions received from the Securities Investors Association (Singapore) (“**SIAS**”) in relation to the Company’s announcement dated 22 December 2024 titled “Announcement on Whistleblowing Reports, Disciplinary Proceedings, and Leadership Succession following Termination of GCEO, GCFO and CEO-IBU”.

The Company’s responses to the questions received from SIAS are set out in the Appendix to this announcement.

Issued by Singapore Post Limited on 29 December 2024.

APPENDIX

Responses to SIAS Questions on Whistleblowing Reports and Termination of 3 Key Management of Singapore Post Limited (SingPost)

1. Facts surrounding the whistleblowing reports

When did the board receive the whistleblowing report and what safeguards including additional oversight by the board and temporary curtailment of executive powers of key employees were put into place during the investigations? The 2024 annual report did not specifically mention if any whistleblowing report was received when it was published in the last week of June 2024.

SingPost: The initial whistleblowing report was received in January 2024, while a subsequent whistleblowing report was received in February 2024. The reports led to investigations into the three staff in the International Business Unit (“IBU”) Operations, and related to the manual keying in of the “delivery failure” (“DF”) status code allegedly without basis or supporting documentation and with the intention of avoiding contractual penalties.

The three former key management executives were not directly involved in the allegations raised in the whistleblowing reports. The disciplinary proceedings against them related to their mishandling of the internal investigations into the whistleblowing matter as well as the renewal of the affected customer agreement in 2023.

Appropriate Board oversight and internal controls in relation to the three former key management executives were in place at all material times, and no additional safeguards or measures were deemed necessary in the course of the investigations and disciplinary proceedings against them.

The whistleblowing incident was reported as a substantiated case relating to fraud in SingPost’s FY2023/24 Sustainability Report on pages 76 and 78. For completeness, whistleblowing cases are generally confidential in accordance with the Company’s Whistleblowing Policy. As such, contents of whistleblowing matters are generally not disclosed unless required under applicable laws and regulations.

2. Ongoing investigations

Are there any ongoing investigations following the reviews by the external legal counsel and forensics service provider? Has all material information been disclosed? Will the company be carrying out a group-wide review to ascertain that all other business units are operating in accordance to the group’s established rules and protocols?

SingPost: The investigations into the whistleblowing matter have concluded. The Company has released a follow-up SGX announcement dated 29 December 2024 which details the investigation and disciplinary process the Company followed to ensure appropriate diligence was undertaken and the opportunity to be heard was given to the affected parties. The Board’s objective throughout this process has been to act in the best interests of the Company and its shareholders by upholding a high level of governance.

The Company's investigations into the whistleblowing matter 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 Operations. 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. 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.

The Board is of the view that the Group's internal controls and risk management systems are adequate to address the risks which the Group considers relevant and material to its operations and finances. However, no system of internal controls, no matter how robust, can provide absolute assurance against deliberate misconduct or fraud.

See, also, the response to question 3 below regarding the disclosure of material information.

3. Internal investigation report

Will the company be publishing the key findings of its internal investigation report?

SingPost: The internal investigation report will not be published. An announcement regarding the disciplinary actions which followed from the investigations was duly made on 22 December 2024 in accordance with Rule 703(1) of the SGX-ST Listing Manual. A follow-up SGX announcement has also been made on 29 December 2024 to address the subsequent comments/queries from stakeholders (including the media) on the 22 December 2024 announcement. Both announcements disclose that the eventual settlement with the affected customer has no material financial impact on the Group. The Company will make further announcements as and when there are material developments.

4. Update on customer

Can the company provide an update on the working relationship with the affected customer? How was the settlement amount determined? How are the terms of the renewed contract different from the previous contract? Did the board review if the previous contract was overly onerous?

SingPost: The contract with the customer was renewed in August 2024, and the salient terms of the renewed contract with the customer were renegotiated taking into account acceptable key performance indicators. The terms of the previous and current contracts with the customer are confidential.

The terms of the settlement with the customer are also confidential. The settlement (i) did not have a material impact on the Company's 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 earnings per share for the current financial year ending 31 March 2025.

5. Sale of Australian business

Is the sale of the Australian business affected in any way? What roles did the terminated executives play in the sale process and who will be leading the efforts now?

SingPost: The divestment of the Australia business is not expected to be affected by the termination of the three former key management executives. The sale process is progressing and the Board will seek shareholders' approval for the proposed divestment at an Extraordinary General Meeting 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.

6. Executive search

How is the Board going about finding suitable replacements for the three senior roles that have been vacated?

SingPost: 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.

The Company has announced 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.

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.