SINGAPORE POST LIMITED

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

32nd ANNUAL GENERAL MEETING TO BE HELD ON WEDNESDAY, 24 JULY 2024
RESPONSES TO QUESTIONS RECEIVED FROM SHAREHOLDERS AND SIAS PRIOR TO THE COMPANY'S ANNUAL GENERAL MEETING

The board of directors of Singapore Post Limited (the "**Company**" or "**SingPost**") wishes to address questions received from shareholders of the Company and the Securities Investors Association (Singapore) ("**SIAS**") prior to the upcoming 32nd Annual General Meeting ("**AGM**") to be held at Suntec Singapore Convention & Exhibition Centre, Level 3, Summit 1, 1 Raffles Boulevard, Suntec City, Singapore 039593 and using virtual meeting technology on Wednesday, 24 July 2024 at 2.30 p.m..

The Appendices annexed herein sets out the Company's responses to the substantial questions received from shareholders and SIAS as of 11 July 2024.

Issued by Singapore Post Limited on 19 July 2024.

Appendix 1

RESPONSES TO QUESTIONS FROM SHAREHOLDERS

Category	No.		Question (as received from shareholders)	Response
Business & Operations	1.	1.1	It seems the logistics business in Australia is slowing down, can Management provide more colours?	Organic growth has slowed on a larger base as the business gains scale, amidst challenging market conditions and slower economic activity. The Australia business is expected to continue growing organically and inorganically with the inclusion of Border Express which was acquired in March 2024.
		1.2	What are the growth targets? What are the key strategies to achieve the targets?	While the Group does not provide specific guidance on growth targets, the strategies to deliver growth for each business are as follows: The Singapore business is focused on leveraging the delivery network to capture the growth in eCommerce logistics, while optimising and re-engineering the postal infrastructure and network for long term sustainability. The Australia business aims to strengthen its position as one of the top five logistics companies in the market, driving scale and growth with its asset-light hybrid 4PL and 3PL capabilities. The International business is focused on tapping the global cross-border eCommerce logistics market, and exploring options across key geographies to enhance its supply chain network.
		1.3	What's the final solution for the Postal business? Is there a targeted timeline to complete the re-structuring?	Following a rate increase, the Group has seen the domestic postal business return to profitability and it is engaging with the Government on a future operating model designed to reduce costs, make its services more accessible to citizens, while improving the customer experience. The Group hopes to conclude these discussions within this financial year.

Category	No.		Question (as received from shareholders)	Response
Business & Operations	2	2.1	After all the transformation efforts in the last 3 years, is SingPost now in a position to continue delivering better underlying financial performance in the year ahead?	With the transformation of the Group over the last few years, the Board undertook and completed the strategic review of the Group and its portfolio of businesses, re-organising and positioning the Group for the next phase of growth – to scale its logistics ambitions serving international markets and deliver sustainable growth and value to shareholders. We are now in various stages of implementing these strategic initiatives with the aim of creating value for our shareholders.
		2.2	Have the various logistics businesses acquired in the last few years perform to expectations?	The only acquisitions in the last few years have been in Australia and the financial results have exceeded expectations. This is the rationale for the Group's increase in stake in FMH as well as the acquisition of Border Express.
		2.3	I'm concerned about the company's net debt having nearly tripled to $350.4 million in FY24 from $128.7 million in FY23 (Annual Report pg. 65). Please comment.	The increase in borrowings was mainly for SingPost's increase in its stake in FMH as well as FMH's acquisition of Border Express during the year. The acquisitions are accretive to Group earnings and cash flow, with returns exceeding the cost of borrowings. The acquisition debt has helped the Group to build a substantial and profitable business in Australia. The Group is emerging from investing in transformation and expects cash flows to improve on underlying performance and proceeds from divestments of non-core assets.
		2.4	Please explain why Famous Holdings is considered as non-core despite its logistics focus.	Famous Holdings is a stand-alone business that is not and should not be integrated into the Group's logistics network. It is predominantly a sea freight forwarder which does not fit into or offer synergies to the Group's logistics offerings.
		2.5	Sea freight rates have increased significantly since the beginning of the year due to attacks in the Red Sea.	The financial performance of Famous Holdings is closely tied to sea freight rates and volumes. Any increase in sea freight rates generally has a positive impact on financial performance. Sea freight rates are volatile with the current

Category	No.		Question (as received from shareholders)	Response
			Would this development lead to an increase in revenue and profit contributions from Famous Holdings?	uplift reflecting the situation in the Middle East and are expected to normalise to the long-term average.
		2.6	If the company believes that the current share price does not appropriately reflect its intrinsic value, why hasn't it conducted any share buyback in the last few years?	Share buyback is always an option and might be relevant in the future. However, the Group has been using its funding capacity to invest for long-term earnings growth which better serves shareholder interests.
Business & Operations	3.	3.1	As per Pg 147 of the Annual Report 2024, a major customer accounts for $173m in revenue within the Post and Parcel segment. Given the impact of this major customer moving his business elsewhere or taking it in-house, may we invite management to share further details on (i) the profile of this customer, (ii) the nature of the engagement / contract, and (iii) SingPost's risk assessment on the sustainability of this revenue?	This is a long-standing customer who engages the Group's global cross border eCommerce logistics service. The landscape for global cross-border eCommerce logistics is fast-changing and impacted by fluctuations in air conveyance costs and impact on profitability of trade lines particularly given developments post COVID and other geo-political situations. The Group continually reviews the returns from this business, and is actively taking steps to diversify revenue streams and customer base as well as to exit low margin lanes.

Category	No.		Question (as received from shareholders)	Response
		3.2	Can SingPost kindly outline the integration process for the various Australian acquisitions of FMH, Border Express and CouriersPlease? With HQ being in Singapore and the Board lacking Directors with direct experience in Australia, what measures are set in place to ensure the Australian integration is properly planned, monitored and executed? How is key person risk managed, should FMH's management leaves?	The acquisition of Border Express was recently completed in March. Subsequently, CouriersPlease was merged into FMH. Since then, the Australia business has been evaluating potential synergies and planning for the integration of FMH, CouriersPlease and Border Express. The Group will provide more details subsequently. The Group's businesses are closely monitored by the Board and Management. The CEOs of the businesses, including the Australia business, are part of the Group's Management Committee. The board of FMH supports and monitors the Group's Australia business. The Group conducts monthly business reviews and regular board reviews with the Australia business, covering all business matters including integration progress. Following the acquisition of Border Express and the integration of the Australia businesses into one group, a management reorganisation and succession planning is taking place to recognise the capabilities and the next generation of leadership required to bring a business of this size to the next level. The Australia business has a long-term incentive plan to reward value creation and facilitate retention.
		3.3	Management has said it plans to use funds from divestments of non-core assets for 3 purposes - to reduce debt, invest for growth and provide returns to shareholders. Can a broader sensing be given on the prioritization and estimated allocation (%) of funds for the 3 purposes, should there be the i) Divestment of SingPost center?	Post the strategic review, the Board is currently exploring options for the Australia business with Meryll Lynch Markets Australia as advisors. The review is expected to be concluded by the end of the year. With both reviews completed, the Board will understand the value of the different businesses and options unlock value. Various options will be evaluated, including but not limited to: - continuing to execute the strategy of building a pure play logistics business while divesting non core assets to fund it; and - other options with a more aggressive approach on divestments and look to return more cash to shareholders.

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			ii) Divestment of non-core businesses such as Famous Holdings?	The Board will come back to shareholders with a recommendation guided by which option unlocks the greater value for shareholders and may recommend the deployment of the proceeds accordingly.
		3.4	4PL, and how FMH is the 4PL market leader in Australia, has been a regular focus of SingPost. Can SingPost provide more details on	
			1) The 4PL revenue, market size and market share of FMH in Australia?	FMH's 4PL revenue in FY23/24 amounted to A$406 million. This has grown organically from A$249 million in FY19/20. The Group believes that it is the leading 4PL operator in the Australia market. There is significant growth potential for 4PL solutions with the conversion of customers' traditional practice of directly engaging 3PL solutions in the integrated logistics market which is estimated at over A$100 billion.
			2) The 4PL strategy that FMH has to differentiate itself from competitors that imitate its 4PL venture?	FMH has an early mover advantage in providing digitally enabled 4PL solutions. It has continued to invest in its proprietary cutting-edge technology that has successfully enabled the company to acquire new customers and scale its business over the last few years. With its asset-light hybrid 4PL and 3PL capabilities, the FMH group offers a unique proposition of B2B and B2C logistics solutions to customers with an extensive network covering every state and territory in Australia.
			3) By investing in 3PL players like Border Express, FMH can reap synergies along the supply chain offerings. However, it loses independence as a 4PL orchestrator – customers wonder if their business is truly routed to the best offering (rather than	By investing in 3PL, the Australia business is able to secure supply as well as reap synergies from bringing 4PL volumes into its sister 3PL network. FMH aims to drive customer satisfaction and retention as well as profitability in both its 4PL and 3PL businesses. It creates mutually beneficial situations where customers receive a superior experience, transparency in service and rates and hence value on spend; while carrier partners get volumes where they need, improving their fleet utilisation, while also assisting them in technology enablement through our platform.

Category	No.		Question (as received from shareholders)	Response
			FMH's own services) and 3PL suppliers are fearful of joining FMH's platform as it involves revealing sensitive information on pricing and routes to a potential competitor. How is FMH handling this contradiction and how does it align with its 4PL strategy in (2)?	The use of analytics in FMH's technology platform ensures the most effective logistics solutions are offered from multiple 3PL partners, including its own. The independence of its 4PL operation, providing transparency to customers, ensures this business model provides the right customer experience at all times. FMH has been acquiring companies since 2020 and there have been no issues with suppliers.
		3.5	The Australian logistics market is fragmented and competitive. What is management's view of the state of the industry in Australia, in terms of consolidation? Is SingPost moving in the direction of consolidating the industry? If so, what are the risks it foresees and how does SingPost plan to manage the risks?	The Group has built a sizeable business in Australia that is ranked among the top five logistics companies. With its scale and pan-Australia footprint, the Australia business is well positioned to grow and compete effectively. Over the last few years the Group has continued to grow both organically as well as inorganically. Execution risk is a key risk and the Group has made significant investments into systems and technology and is well positioned to take advantage of the opportunities in the Australia market.
		3.6	Since both letters and parcels share delivery networks and infrastructure, how is the cost allocated between letter and parcel delivery? Are e-commerce parcels profitable, due to the proportion of costs allocated to it?	The Singapore business comprises largely the delivery business and the post office network. Costs are allocated to each business line based on the resources needed to support the operations. The delivery business is profitable however the post office network operates at a loss. In the delivery business, the Group is merging the postal delivery and eCommerce supply chains for operational synergies and economies of scale.
		3.7	The annual report provided the breakdown of how SingPost's "overseas logistics revenues contribute to more than 85% of total Group revenue and operating profit."	Given the Singaporean investor base, the SGX remains an appropriate exchange for SingPost. The Group is currently looking at options for the Australia business. This could include listing on the ASX which would be supported by an Australian investor

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			In view of the vast proportion being overseas, is SGX the right exchange to keep the listing? We further understand SingPost is exploring a separate listing in the ASX. If so, would SingPost distribute the shares to existing shareholders?	base. The Board will consider any distribution to shareholders at that time if this option is pursued.
		3.8	a) After the Corporate Governance crisis of 2015/16, SingPost committed to the following policy and had reiterated it in each successive Annual Report. "The Board Renewal and Tenure Policy provides that no Director should serve more than six years, though an additional term of up to a maximum of three years may be permitted to accommodate the transition or the retention of critical skill sets." The 2022/23 Annual Report's Chairman Statement (Pg 13) had also said a slate of Directors will retire at the 2024 AGM. However, we see that 5 of the 9 directors have significantly exceeded	The Board recognises the importance of progressively renewing the Board to address the evolving needs of the Group and is committed to a process of orderly succession planning for Directors. The Board renewal process remains underway with ongoing search for new directors with the appropriate skill sets and experience to contribute to the Board. This involves reviewing the skill sets and capabilities of the Board holistically, embodying diversity and an appropriate balance between functional skill sets, domain expertise and specific skills and capabilities needed to support the Group's strategy and business. Given SingPost's recent announcements on its strategic review on 19 March 2024 and 21 June 2024 and SingPost emerging from the completion of its transformation, it is essential that the Board provides continuity on the various initiatives arising from the strategy review while the Board continues with its renewal process. The appointments of new directors and retirement of current directors are not always synchronised with the timing of SingPost's AGMs. Last year, two new directors, Mr. Gan Chee Yen and Ms. Yasmin Khan, were appointed to the Board following the retirement of two directors last year. Their appointments are up for shareholders' approval at this AGM.

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			the 6-year mark. With an additional director (Chu Swee Yeok), being at 6 years. We observe a complete absence of retirement and renewal at the upcoming AGM, and instead see 3 long-standing directors (Fang Ai Lian, Elizabeth Kong, Lim Cheng Cheng) being up for re- election. While a 3-year extension caveat had been placed, we understand that it is meant to be an exception, rather than the rule. We would like to invite SingPost's comments on the contradiction of its Board Renewal and Tenure Policy. b) We acknowledge SingPost's caveat to allow for "an additional term of up to a maximum of three years may be permitted to accommodate…critical skill sets". However, a shareholder is unable to have appreciation of the critical skill sets which justify the extension, because the "Additional Information of Directors Seeking Re-Election" section only provides the boiler-plate comment of,	

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			“[Director xx] has continued to discharge her duties well and to positively contribute to the Company” This comment is repeated for every single director seeking re-election. We kindly invite SingPost to provide further justifications on the “critical skill sets” of the directors seeking re-election. c) Two of the Independent Directors (Fang Ai Lian and Elizabeth Kong) seeking re-election this year will cross the 9-year mark by October 2025, thus requiring them to resign part way through their new term. A third Independent Director (Bob Tan) would also face the same situation next year. This indicates a possible deficit in succession planning. We would like to invite SingPost to provide more details on the state of Board succession planning, along with what SingPost sees as critical skills and experience for the Board.	

Appendix 2

RESPONSES TO "QUESTIONS ON SINGAPORE POST LTD'S ANNUAL REPORT" by SIAS

Please refer to Appendix 3 for the detailed submission by SIAS dated 11 July 2024.

Question 1

(i) With the group embarking on a "reset" after a decade of transformation, what are the implications for shareholders, especially regarding the group crystallising and delivering value to shareholders? What is management's level of confidence that Australia will become a key profit driver?

SingPost's response:

With the Group's transformation over the last few years, the Board undertook and completed a strategic review in FY23/24, laying out clear strategic thrusts to bring the Group to the next phase of growth. The execution of these strategic thrusts is expected to enhance and unlock value for shareholders.

The Australia business is already the major contributor to the Group's revenue and operating profit. In FY23/24, the Australia business accounted for 48% of Group revenue and 60% of Group operating profit. With the full consolidation of Border Express, the proportion is expected to increase further.

(ii) How significant is this corporate restructuring? Does management expect there to be substantial restructuring costs involved?

SingPost's response:

As part of the strategic review, we undertook an operational re-organisation of the Group into the business segments of Singapore, Australia and International, with all other assets and businesses held centrally under Corporate. No restructuring cost was incurred.

(iii) Is there a risk that the board has been over-reliant on its financial advisors for the strategic review of the group and now the strategic review of the Australia business? Are the challenges that prevented management from conducting the strategic review internally?

SingPost's response:

The engagement of external advisors provides the Board with an independent strategic review and specialised capital market expertise.

(iv) Can management elaborate further on competitive advantage the group has in Australia? What is its value proposition to customers and how is the group competing against its peers?

SingPost's response:

The core advantage of the Australia business is the technology driven 4PL (fourth-party logistics) platform managing supply chains on behalf of customers. It employs analytics to enable supply chain efficiency – matching customers' freight profile with the optimal carrier, increasing efficiency, utilisation and profitability for both parties.

With its asset-light hybrid 4PL and 3PL (third-party logistics) capabilities, the Australia business offers both B2B and B2C logistics solutions to customers, and has an extensive network covering every state and territory in Australia. This unique proposition has enabled the Australia business to compete effectively, scale up to be a top five logistics operator by revenue in the market, as well as achieve industry leading profitability.

(v) How are the group's investments in Australia different from past acquisitions, such as Trade Global and Jagged Peak?

SingPost's response:

The Group has successfully built a profitable and sizeable logistics business in Australia through both organic growth and acquisitions. The Australia business is profitable and accretive to the Group, and now ranks among the top five logistics companies in the market by revenue, and is a major revenue and profit contributor to the Group. The investment was structured in a phased approach to build confidence and mitigate risk.

Question 2

(i) Has the board set a limit on the group's gearing?

SingPost's response:

The Group aims to deliver value to shareholders with sustainable profitable growth. The Group is committed to maintain a strong financial position and targets an investment grade credit rating with adequate liquidity to meet its operational and financing obligations and longer-term goals.

Gearing has risen on investment and growth but is planned to reduce going forward with the near term divestment of non-core assets.

(ii) Can the board elaborate on the rationale behind issuing perpetual securities? What are the risks associated with the use of perpetual securities?

SingPost's response:

The perpetual securities were issued in April 2022 for general corporate purposes including refinancing of existing debt and replacement of the previous perpetual securities. The perpetual securities provide SingPost with stable funding and allows SingPost to manage interest rate risk particularly in the high interest rate environment.

(iii) What is management's view on the group's ability to generate free cash flow, which has fallen significantly to just $38.2 million in 2024 from $156.0 million in 2020, given that total assets, total invested capital and gearing are all at or near their highest levels?

SingPost's response:

The pandemic has adversely affected the International cross-border business and accelerated letter mail decline over the last few years, resulting in the impact on the Group's financials. Nevertheless, the Group's cash flow generation ability remains healthy, as it has developed new revenue streams in Australia and rebuilt the International business and domestic postal business. The Group is emerging from investing in transformation and expects cash flows to improve on underlying performance and divestments of non-core assets.

(iv) Can the board elaborate on the basis for this policy change? Should shareholders be concerned that this change in the dividend policy reflects a lower ability to generate profit and cash flow going forward?

SingPost's response:

The revised dividend policy provides a range of payout that balances the Group's investment requirements and return of capital to shareholders. The Group expects to return more to shareholders with the improvement in cash flow over time.

(v) Lastly, can the company clarify if a decision has been made to monetise SingPost Centre as part of its active capital management strategy?

SingPost's response:

SingPost is in the process of exploring divesting non-core assets and businesses subject to achieving appropriate valuations. This includes property assets subject to various approvals.

Question 3

(i) What has been the total shareholder return (TSR) over the past 3, 5 and 10 years?

SingPost's response:

	3-year TSR	5-year TSR	10-year TSR
SingPost	(35.5%)	(49.6%)	(44.6%)

Source: Bloomberg

(ii) Does the remuneration framework factor in the higher leverage employed by the group?

(iii) How do TSR return on average invested capital (ROIC) impact executive remuneration (particularly performance bonus)?

(iv) Are unrealised property revaluation gains excluded from the calculations of executive bonuses?

SingPost's response to Q3(ii), (iii) and (iv):

The short-term incentive for Management is based on the Group Balanced Scorecard which includes financial performance targets, primarily the Group's underlying net profit ("UNP"). UNP takes into account the impact of leverage (i.e. finance costs), and excludes exceptional items such as gains on property revaluation.

The long-term incentive is based on total shareholder return and return on equity. Return on invested capital is not a measure in the remuneration structure.

(v) Can the board elaborate further on the key non-financial metrics factored into pay-for-performance considerations? What are the estimated weights of the financial and non-financial metrics?

SingPost's response:

The weightage for financial and non-financial metrics in the Balanced Score Card is split 50:50.

The non-financial metrics include Strategic/Business Imperative, Operational Excellence and People.

'Strategic/Business Imperative' focuses on the organisation's core objectives that drive long-term success and sustainable growth.

'Operational Excellence' emphasises the organisation's commitment to efficiency and continuous improvement in its processes. It focuses on optimising internal operations to enhance productivity, cost efficiency and deliver superior value to customers/shareholders.

'People' focuses on strategies to foster a skilled, engaged, and motivated workforce, ensuring that employees are aligned with the Group's strategic objectives and are empowered to contribute effectively.

In addition, 'CO^2 reduction from FY18/19 baseline level' is another non-financial metric used as a performance measure for long-term incentives.

(vi) Would the directors consider receiving part of their fees, say 30%, in shares of the company to better align themselves with shareholders?

SingPost's response: There are various approaches to the payment mode for directors' fees. A review of the payment mode for directors' fee commissioned by SingPost in 2023 showed that the prevailing market practice is payment by cash. SingPost has maintained the payment of directors' fees fully in cash.

(vii) Can the board also clarify if the remuneration bands shown on page 90 exclude the value of the shares given to the executives under the Restricted Share Plan/LTI Plan?

SingPost's response: The remuneration bands are based on Total Compensation (shown in the table), which excludes the value of restricted shares under the SingPost Restricted Share Plan and the value of Rights under the FMH Group LTI Plan. (Please see footnote 5 of the table on page 90 of the FY23/24 Annual Report).

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Issuer: Singapore Post Limited

Stock code: S08

Meeting details:
Date: 24 Jul 2024
Time: 2.30 p.m.
Venue: Suntec Singapore Convention & Exhibition Centre, Level 3, Summit 1, 1 Raffles Boulevard, Suntec City, Singapore 039593

Q1. The theme for the 2023-2024 annual report is "Reset for Growth". The group began a strategic review in May 2023 that ended in March 2024 which concluded with 5 strategic thrusts over the next 3 years. In addition, a strategic review of the Australia business commenced in June 2024 to "formulate optionalities."

The themes for past annual reports are:
- World beyond post
- Delivering for our people and planet
- Stronger as one
- Paving the way for the future of post
- Connecting communities
- Advancing through transformation
- Delivering the future
- Transforming for the future

(i) **With the group embarking on a "reset" after a decade of transformation, what are the implications for shareholders, especially regarding the group crystallising and delivering value to shareholders? What is management's level of confidence that Australia will become a key profit driver?**

Following the completion of the strategic review to reset for growth, the group will be reorganised into three business units of Singapore, Australia and International.

(ii) **How significant is this corporate restructuring? Does management expect there to be substantial restructuring costs involved?**

(iii) **Is there a risk that the board has been over-reliant on its financial advisors for the strategic review of the group and now the strategic review of the Australia business? Are the challenges that prevented management from conducting the strategic review internally?**

On page 4, the company states that it has "orchestrated disciplined and systematic acquisitions" over the years. The group has continued to invest significantly in Australia, taking 100% ownership in the FMH Group and acquiring Border Express. Along with CouriersPlease, the group is now one of the top five logistics company in Australia in terms of revenue and is working to unlock synergies across the businesses.

(iv) **Can management elaborate further on competitive advantage the group has in Australia? What is its value proposition to customers and how is the group competing against its peers?**

(v) **How are the group's investments in Australia different from past acquisitions, such as Trade Global and Jagged Peak?** The acquisitions of Trade Global and Jagged Peak resulted in over $200 million in goodwill recognised. The goodwill recognised on Freight Management Holdings currently exceeds $260 million.

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Q2. The capital structure of the group and company consists of equity attributable to owners of the parents comprising issued capital, perpetual securities, reserves, retained earnings and borrowings. The S$250 million perpetual securities issued in April 2022 bear distributions at a rate of 4.35% per annum, with a reset after 6 July 2027.

The group's acquisitions have been largely funded by borrowings. Net debt and net debt plus perpetual securities have increased from $128.7 million to $350.4 million and from $380.2 million to $601.9 million respectively.

The gearing ratio is calculated as net debt / (cash) with and without perpetual securities divided by total equity. Net debt / (cash) is calculated as borrowings less cash and cash equivalents.

	Group		Company	
	2024 S$'000	2023 S$'000	**2024 S$'000**	2023 S$'000
Net debt / (cash)	**350,395**	128,694	**(362,373)**	(375,071)
Total equity	**1,420,965**	1,374,298	**1,244,310**	1,208,319
Gearing ratio without perpetual securities	**24.7%**	9.4%	**(29.1%)**	(31.0%)
Net debt / (cash) plus perpetual securities	**601,929**	380,198	**(362,373)**	(375,071)
Total equity	**1,420,965**	1,374,298	**1,244,310**	1,208,319
Gearing ratio with perpetual securities	**42.4%**	27.7%	**(29.1%)**	(31.0%)

(Source: company annual report)

As noted in the five-year financial summary on pages 64 & 65 of the annual report, the group's underlying net profit has decreased to the $30-40 million range in the past two years, a sharp decline from the ~$80 million level from FY2019-FY2022. The group's leverage is also at its highest level. EBITDA to finance expense has dropped from 16 times in 2020 to 6.6 times in 2024.

(i) **Has the board set a limit on the group's gearing?**

(ii) **Can the board elaborate on the rationale behind issuing perpetual securities? What are the risks associated with the use of perpetual securities?**

(iii) **What is management's view on the group's ability to generate free cash flow, which has fallen significantly to just $38.2 million in 2024 from $156.0 million in 2020, given that total assets, total invested capital and gearing are all at or near their highest levels?**

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The company's dividend policy has been changed from a payout ratio ranging from 60% to 80% to between 30% and 50% of underlying net profit for each financial year.

(iv) **Can the board elaborate on the basis for this policy change? Should shareholders be concerned that this change in the dividend policy reflects a lower ability to generate profit and cash flow going forward?**

(v) **Lastly, can the company clarify if a decision has been made to monetise SingPost Centre as part of its active capital management strategy?**

Q3. The disclosure on remuneration matters can be found on pages 86 to 90 of the annual report. In particular, director fees and the remuneration for CEO and key management personnel is shown on page 88 and 90 respectively.

The guiding principles of the remuneration strategy are disclosed as follows:

The following table sets out the guiding principles of the remuneration strategy and its implementation:

Guiding Principles	Details
Alignment with Shareholders' Interest	• Align interests between employees and shareholders • Design incentive payout structure to align incentive payments with the long-term performance of the Group
Provide Market Competitive Pay	• Offer competitive packages to attract and retain talented and experienced individuals • Align total compensation with the market, subject to affordability
Pay-for-Performance	• Instill and drive a pay-for-performance culture • Measure performance against a balanced scorecard, comprising financial and non-financial metrics

(Source: company annual report)

(i) **What has been the total shareholder return (TSR) over the past 3, 5 and 10 years?**

(ii) **Does the remuneration framework factor in the higher leverage employed by the group?**

(iii) **How do TSR return on average invested capital (ROIC) impact executive remuneration (particularly performance bonus)?**

(iv) **Are unrealised property revaluation gains excluded from the calculations of executive bonuses?**

(v) **Can the board elaborate further on the key non-financial metrics factored into pay-for-performance considerations? What are the estimated weights of the financial and non-financial metrics?**

(vi) **Would the directors consider receiving part of their fees, say 30%, in shares of the company to better align themselves with shareholders?**

(vii) **Can the board also clarify if the remuneration bands shown on page 90 exclude the value of the shares given to the executives under the Restricted Share Plan/LTI Plan?**

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Remuneration of Executive Director / Group CEO

The following information relates to the remuneration of the Group CEO for the financial year ended 31 March 2024:

Name of Executive	Fixed Component[1] (S$'000)	Variable Component[2] (S$'000)	Provident Fund[3] (S$'000)	Benefits[4] (S$'000)	Total Compensation[5] (S$'000)	SingPost Restricted Share Plan[6] No. Awarded & Accepted ('000)	SingPost Restricted Share Plan[6] Value (S$'000)
Phang Heng Wee, Vincent *Group CEO*	850.0	313.8	17.7	45.7	1,227.2	1,136.3	470.1

Remuneration of Other Key Management Personnel

The following information relates to the remuneration of the Company's top five key Management positions (which are not Directors or the Group CEO) for the financial year ended 31 March 2024:

Name of Executive *(In alphabetical order within each band)*	Fixed Component[1] %	Variable Component[2] %	Provident Fund[3] %	Benefits[4] %	Total Compensation[5] %	SingPost Restricted Share Plan[6] No. Awarded & Accepted ('000)	SingPost Restricted Share Plan[6] Value (S$'000)	FMH Group LTI Plan[7] Value (S$'000)
S$1,000,000 to below S$1,250,000								
Noel Harriyono Singgih *Group Chief Information Officer*	46.0	48.4	1.8	3.8	100.0	699.2	294.9	–
S$750,000 to below S$1,000,000								
Li Yu *CEO, International*	60.3	34.2	1.6	3.9	100.0	446.0	184.6	–
Simon Slagter[8] *Group CEO, Freight Management Holdings Group*	63.0	30.7	2.7	3.6	100.0	–	–	1,275.9
S$500,000 to below S$750,000								
Neo Su Yin[9] *CEO, Singapore*	80.7	9.8	3.4	6.1	100.0	324.4	134.2	–
Yik Yen Shan, Vincent *Group CFO*	74.6	14.4	3.1	7.9	100.0	382.3	158.2	–

Aggregate compensation paid to the top five key Management positions as at 31 March 2024 (which includes fixed and variable pay, benefits, provident fund contribution and fair value of long-term incentive grants) is approximately S$6.02 million.

(Source: company annual report; emphasis added)

Shareholders are welcome to use and/or adapt the questions prepared by SIAS and to forward them to the company.

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