

SINGAPORE POST LIMITED

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

FURTHER INVESTMENT IN SHENZHEN 4PX INFORMATION TECHNOLOGY CO., LTD

The Board of Directors of Singapore Post Limited (the “**Company**”) wishes to announce that its wholly-owned subsidiary, Quantum Solutions International Pte. Ltd. (“**QSI**”), has increased its equity interest in Shenzhen 4PX Information Technology Co., Ltd (“**4PX IT**”) from 18.00% to 35.91% in the manner set out below:

- (a) acquisition of a 13.73% equity interest of the pre-enlarged share base from Shenzhen Capital Group Co., Ltd (“**SCG**”) at a cash consideration of RMB110,937,500 (or about S\$24.5 million based on the exchange rate of RMB4.53 to S\$1.00, which exchange rate is used hereinafter) (“**SCG Transfer**”);
- (b) acquisition of a 0.28% equity interest of the pre-enlarged share base from Shenzhen Shangcheng Investment Co., Ltd (“**Shangcheng**”) at a cash consideration of RMB2,222,791 (or about S\$0.5 million) (“**Shangcheng Transfer**”); and
- (c) subscription of new shares in 4PX IT for a 5.73% equity interest of the enlarged share base at a cash consideration of RMB50,000,000 (or about S\$11.0 million) (the “**Subscription**”).

The SCG Transfer, Shangcheng Transfer and Subscription are collectively referred to as the “**Additional Investment**”. Through the Additional Investment, the interest of QSI in 4PX IT increases from 18.00% pre-enlarged share base to 35.91% of the enlarged share base.

Rationale for the Additional Investment

The Additional Investment in 4PX IT, with its logistics capabilities in warehousing, express delivery and freight forwarding, is a key part of the Company’s strategy to strengthen its integrated end-to-end eCommerce logistics customer solutions and to take advantage of the growth in China’s ecommerce volumes.

Consideration

The consideration for each of the SCG Transfer, Shangcheng Transfer and Subscription were arrived at on a willing-buyer willing-seller basis and will be satisfied wholly in cash from the Company’s internal resources.

Financial Effects

Based on 4PX IT’s latest audited financial statements as at 31 December 2014, the net asset value of 4PX IT is approximately RMB182.3 million (or about S\$40.2 million).

The above transaction is not expected to have any material impact on the net tangible assets and earnings per share of the Company for the financial year ending 31 March 2016.

Directors’ and Controlling Shareholders’ Interests

None of the Directors or controlling shareholders of the Company has any interest, whether direct or indirect, in the Additional Investment other than through their respective interests (if any) in the Company.