

SINGAPORE POST LIMITED

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

PARTIAL DIVESTMENT OF INTEREST IN ASSOCIATED COMPANY

The Board of Directors of Singapore Post Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) wishes to announce that the Company has entered into a conditional shares sale agreement (the “**Conditional SSA**”) with Yamato Asia Pte. Ltd. (the “**Purchaser**”), a wholly-owned subsidiary of Yamato Holdings Co., Ltd (“**Yamato**”), pursuant to which the Company has agreed to sell and the Purchaser has agreed to purchase 137,418,000 ordinary shares of RM0.05 each in GD Express Carrier Bhd (“**GDEX**”) (the “**Sale Shares**”) for a total consideration of RM239.1 million or approximately S\$78.4 million¹ (the “**Consideration**”) at RM1.74 or approximately S\$0.57¹ per share (“**Proposed Disposal**”).

As at 28 January 2016, the Company holds 290,735,386 ordinary shares in the issued share capital of GDEX representing approximately 23.3% of the issued and paid up capital of GDEX.

Rationale for the Proposed Disposal

The Group’s strategy is to continue to strengthen its integrated end-to-end eCommerce logistics solutions that include front end web management, warehousing and fulfilment, last mile delivery and international freight forwarding.

The last mile delivery is done by the Group’s own operations, international networks or partners. The reduction in the stake will free up capital to allow the Group to further invest in its eCommerce logistics operations across the region including its eCommerce logistics warehousing capabilities in Malaysia through its regional logistics arm Quantum Solutions.

The Group will continue growing its networks in all Southeast Asia markets. As the Group has interlinked systems with GDEX, it will continue to be an important last mile delivery partner for SingPost’s one stop integrated eCommerce logistics offering.

Condition Precedent

Completion of the Conditional SSA is subject to the completion of the private placement of 124,893,548 ordinary shares (the “**Placement Shares**”) to the Purchaser by GDEX (the “**Placement**”), representing 9.09% of the enlarged capital of GDEX to be evidenced by:

- (a) the issuance of the return of allotment in respect of the successful placement to the Purchaser; and
- (b) the listing and quotation of the Placement Shares on Bursa Malaysia Securities Berhad

within two (2) months from the date of the Conditional SSA or such other date as may be agreed between the Company and the Purchaser.

¹ Based on exchange rate of RM3.05 to S\$1.

Rule 704(18)(d) of the Listing Manual

The Sale Shares represent approximately 10% of the enlarged capital of GDEX as at the date of completion of the Placement.

Following completion of the Conditional SSA, the shareholding of the Company in GDEX will decrease to 11.2%.

The Consideration was arrived at after arms' length negotiations and on a willing-buyer willing-seller basis, taking into account, *inter alia*, the issue price of the Placement Shares at RM1.74 per share. The Consideration will be satisfied wholly in cash at completion.

Financial Impact of the Proposed Disposal

Based on the audited financial statements of the Group for the financial year ended 31 March 2015, the financial impact of the Proposed Disposal is set out below:

Financial Year Ended 31 March 2015	Before the Proposed Disposal	After the Proposed Disposal
Net Tangible Assets (S\$'000)	1,164,844	1,241,385
Net Tangible Assets per Share (Singapore cents)	54.3	57.8
Net Profit attributable to ordinary shareholders of the Company ('000)	142,737	206,995
Earnings per Share – Basic (Singapore cents)	6.9	9.9

The Group is expected to recognise a net gain from the Proposed Disposal of approximately S\$64 million after deducting the net asset value of the Sale Shares, professional fees, advisory fees and associated costs.

About the Purchaser and Yamato

The Purchaser is a wholly-owned subsidiary of Yamato, a company incorporated in Japan and listed on the Tokyo Stock Exchange.

Interest of Directors or Controlling Shareholders

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

Issued by Singapore Post Limited on 28 January 2016.