

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

- (1) **INCORPORATION OF SUBSIDIARY**
- (2) **ACQUISITION OF 71.1% EQUITY INTEREST IN JAGGED PEAK, INC.**

1. INCORPORATION OF SUBSIDIARY

The Board of Directors (the "**Board**") of Singapore Post Limited (the "**Company**") wishes to announce that it has, through its wholly-owned subsidiary Singapore Post Enterprise Pte Ltd incorporated a wholly-owned subsidiary under the laws of the State of Delaware, the United States of America known as SP Jagged Peak LLC ("**SP JP**") on 8 October 2015.

The capital of SP JP is US\$1,000¹ divided into 1,000 ordinary shares of US\$1.00 each.

2. ACQUISITION OF 71.1% EQUITY INTEREST IN JAGGED PEAK INC. (THE "ACQUISITION")

The Board also wishes to announce that SP JP has on 9 October 2015 entered into an agreement and plan of merger (the "**Merger**") with Jagged Peak, Inc. (the "**Merger Agreement**"), under which SP JP will acquire, through the Merger (as defined below) all the outstanding stock of Jagged Peak, Inc. ("**Jagged Peak**") from the shareholders of Jagged Peak other than approximately 28.9% of the stock, which is effectively held by Paul Demirdjian and Primrose Demirdjian for approximately US\$15.8 million²). Mr. Demirdjian is the Chief Executive Officer of the Company, and both Mr. and Mrs. Demirdjian are directors, principal shareholders and founders of the Company.

The consideration of US\$15.8 million for the Merger will be satisfied wholly in cash from the Company's internal resources, and was arrived at on an arm's length and willing-buyer and willing-seller basis, taking into account, *inter alia*, the multiple derived on the basis of industry trading comparables and precedent transactions. The closing of the Merger Agreement is subject to certain conditions, including the approval by the stockholders of Jagged Peak.

For purposes of the Merger, it is contemplated that prior to closing of the Merger Agreement, SP JP and the Demirdjians will form a new company under the laws of the State of Nevada, the United States of America ("**SP Nevada Co**"), wherein SP Nevada Co will merge with Jagged Peak resulting in approximately 71.1% of the equity interest being owned by SP JP with the remaining 28.9% owned by the Demirdjians. The Company will provide an update as and when the SP Nevada Co is formed and the closing of the Merger Agreement has taken place.

The book value and net tangible asset value of Jagged Peak based on its unaudited financial statements as at 26 June 2015³ was approximately US\$2.9 million and -US\$0.7 million, respectively⁴ and the open market value of Jagged Peak based on the last traded share price on 8 October 2015 (being the date immediately before the Merger Agreement was signed)

¹ equivalent to approximately, S\$1,423 based on the exchange rate of US\$1.423 to S\$1.00

² equivalent to approximately, S\$22.5 million based on the exchange rate of US\$1.423 to S\$1.00

³ Source: public announcement (10-Q filing dated 7 August 2015) released by Jagged Peak on the Securities and Exchange Commission

⁴ equivalent to approximately S\$4.1 million and -S\$0.9 million⁴, respectively, based on the exchange rate of US\$1.423 to S\$1.00

was approximately US\$15.4 million.⁵

Jagged Peak is an eCommerce logistics enabler for high-velocity consumer products based in the United States of America, its stock is currently traded on the OTCQX marketplace. The Company considers the Acquisition to be in line with its objective of growing its eCommerce logistics and capabilities.

The incorporation of SP JP and the Merger are not expected to have any material impact on the net tangible assets or earnings per share of the Company for the financial year ending 31 March 2016.

BY ORDER OF THE BOARD

Jocelyn Ng
Group Company Secretary

9 October 2015

⁵ equivalent to approximately S\$22.0 million based on the exchange rate of US\$1.423 to S\$1.00, on a fully diluted basis