

SINGAPORE POST LIMITED

(Incorporated in the Republic of Singapore)

Company Registration No. 199201623M

ANNOUNCEMENT

REVISED TERMS OF PROPOSED ACQUISITION OF SHARES IN FREIGHT MANAGEMENT HOLDINGS PTY LTD

Where capitalised terms are used in this announcement and not otherwise defined, such capitalised terms shall bear the same meanings as ascribed to them in the announcements made by Singapore Post Limited on 19 October 2020, 7 December 2020, 31 December 2020 and 5 March 2021 relating to the Acquisition of Shares in Freight Management Holdings Pty Ltd.

1. Introduction

1.1 Singapore Post Limited ("**SingPost**" or the "**Company**", and the Company and its subsidiaries, the "**SingPost Group**") refers to the announcements dated 19 October 2020, 7 December 2020, 31 December 2020 and 5 March 2021 (the "**Relevant Announcements**") made by the Company in connection with, *inter alia*, the SingPost Group's proposed acquisition of shares in Freight Management Holdings Pty Ltd ("**FMH**").

As previously announced by the Company in the Relevant Announcements:

- (i) SingPost Logistics Holdings Pte. Ltd. ("**SingPost Logistics**"), a wholly-owned subsidiary of the SingPost Group, entered into a conditional sale and purchase agreement with the existing shareholders of FMH (the "**Acquisition SPA**") and a share subscription agreement with FMH to acquire an aggregate 38% equity interest in FMH (the "**Acquisition**") in two tranches:
 - (a) **Tranche One**: the acquisition of existing ordinary shares in the capital of FMH ("**Tranche One Acquisition**") and subscription of new ordinary shares in the capital of FMH ("**Tranche One Subscription**"), such that the total number of FMH ordinary shares acquired by the SingPost Group on completion of the Tranche One Acquisition and the Tranche One Subscription would be equivalent to 28% of the enlarged issued share capital of FMH ("**FMH Enlarged Issued Share Capital**"); and
 - (b) **Tranche Two**: the acquisition of such number of existing ordinary shares in the capital of FMH from certain FMH shareholders representing approximately 10% of the FMH Enlarged Issued Share Capital ("**Tranche Two Acquisition**"), such acquisition to be completed on or about 12 months following the completion of Tranche One.

Tranche One was completed on 31 December 2020 and the FMH shares acquired by the SingPost Group, representing 28% of the FMH Enlarged Issued Share Capital, are held by the SingPost Group's wholly-owned subsidiary, SingPost Australia Investments Pty Ltd ("**SPAI**"). The total consideration paid by the SingPost Group for Tranche One was approximately A\$58.9 million (equivalent to approximately S\$59.6 million based on an exchange rate of A\$1.00 : S\$1.012 as announced on 5 March 2021);

- (ii) Certain of the FMH shareholders have granted SingPost a call option (the “**Call Option**”) to acquire additional FMH shares, representing approximately 13% of the FMH Enlarged Issued Share Capital (the “**Option Shares**”), which is exercisable by SingPost at its discretion any time during a one year period commencing from the date of the second anniversary of the completion of Tranche One; and
- (iii) If the Call Option is exercised and the acquisition of the Option Shares is completed, SingPost and the shareholders of FMH have also agreed that SingPost would have a certain period to negotiate with the remaining FMH shareholders on the terms of the proposed acquisition by SingPost of all the remaining FMH shares (the “**Balance Interest**”, the acquisition of which, the “**Balance Interest Acquisition**”). If SingPost and the remaining FMH shareholders are not able to mutually agree on terms for the Balance Interest Acquisition, SingPost, the remaining FMH shareholders and FMH would prepare for an initial public offering (“**IPO**”) of FMH. If there is no IPO of FMH within the period agreed between the parties, the Balance Interest Acquisition will proceed, with SingPost acquiring the Balance Interest Acquisition in three tranches over a period of three years.

Further information on the Call Option, the IPO of FMH and the Balance Interest Acquisition are set out in the announcement made by the Company on 19 October 2020 (the “**19 October 2020 Announcement**”), a copy of which is available on the website of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) at www.sgx.com.

- 1.2 Further to the Relevant Announcements, the Company wishes to announce that it has today entered into various agreements with FMH and certain relevant shareholders of FMH to revise and restructure certain terms of the Tranche Two Acquisition, the Call Option and its investment in FMH.

2. Revised Terms

2.1 Revised Tranche Two

Pursuant to the terms of the Acquisition SPA, the estimated consideration payable by the SingPost Group for Tranche Two is A\$28.2 million (equivalent to approximately S\$27.9 million)¹ and completion of the acquisition by SPAI from certain other FMH shareholders of such number of existing FMH shares representing 10% of the share capital of FMH pursuant to the Tranche Two Acquisition was to take place on or about 12 months following the completion of the Tranche One. As Tranche One was completed on 31 December 2020, completion of the Tranche Two Acquisition is therefore scheduled to be on or about 31 December 2021.

Notwithstanding the above, SingPost, through SPAI, and the certain other FMH shareholders have entered into a side letter to the Acquisition SPA to amend certain terms of the Acquisition SPA to amend the completion date of the Tranche Two Acquisition to the later of:

- (i) 29 October 2021; and

¹ Unless indicated otherwise, the indicative A\$-to-S\$ exchange rate used for the purposes of this Announcement is A\$1.00 : S\$0.99.

- (ii) the end of the calendar month after obtaining the relevant regulatory approvals as set out in paragraph 2.2(iii) below,

or such other date as may be agreed in writing between SPAI and the FMH shareholders.

Save for the change in the date of completion of the Tranche Two Acquisition, all other terms of the Tranche Two Acquisition remain the same, including the consideration payable and no conditions precedent to such acquisition.

On completion of the Tranche Two Acquisition, the SingPost Group, through SPAI, will hold a 38% equity interest in FMH.

2.2 Revision of the terms of the Call Option

As agreed between SingPost, FMH and certain other FMH shareholders, the Call Option will be exercisable by SingPost at its discretion any time during the one year period commencing from the date of the second anniversary of the completion of Tranche One (“**Call Option Period**”) and as disclosed in the 19 October 2020 Announcement, the consideration payable by SingPost for the Option Shares on the exercise of the Call Option would be based on an agreed multiple of the actual normalized earnings before interest, tax, depreciation and amortisation (“**EBITDA**”) of FMH for its financial year ending 30 June 2023 LESS the actual debt and agreed debt-like items of FMH for its financial year ending 2023. As Tranche One completed on 31 December 2020, the Call Option Period would therefore commence on 31 December 2022 and the Call Option would be exercisable by SingPost at its discretion at any time between 31 December 2022 and 31 December 2023.

SingPost, through SPAI, FMH and the certain other FMH shareholders have entered into a call option deed (the “**Option Deed**”) and a share sale and purchase agreement (the “**Option SPA**”) pursuant to which the parties have agreed that:

- (i) notwithstanding the Call Option Period, SingPost may early exercise and has exercised the Call Option to acquire the Option Shares;
- (ii) the consideration payable for the Option Shares pursuant to the early exercise by SingPost estimated to be A\$84.5 million (equivalent to approximately S\$83.7 million) (the “**Call Option Consideration**”); and
- (iii) completion of the acquisition of the Option Shares (“**Option Shares Acquisition**”) pursuant to the exercise of the Call Option shall be conditional upon and subject to, *inter alia*:
 - (a) the approval of the Foreign Investment Review Board of Australia (“**FIRB**”) for the acquisition by the SingPost Group of the Option Shares;
 - (b) any approvals required pursuant to the Listing Rules of the SGX-ST in connection with the acquisition by the SingPost Group of the Option Shares; and
 - (c) the approval of the shareholders of SingPost (“**SingPost Shareholders**”) at a duly convened extraordinary general meeting of SingPost.

On completion of the Option Shares Acquisition pursuant to the exercise of the Call Option, the SingPost Group, through SPAI, will hold a 51% equity interest in FMH and FMH will be a subsidiary of the SingPost Group.

The Call Option Consideration was arrived at following negotiations on a willing buyer, willing seller basis, taking into consideration, *inter alia*, various factors, including the projected 2022 performance of FMH. The Call Option Consideration will be funded from the SingPost Group's internal cash resources and external borrowings.

2.3 Revised Shareholders Agreement

In connection with the revision of the terms of the Tranche Two Acquisition and the Option Shares Acquisition, SingPost has also entered into a revised shareholders agreement ("**Revised Shareholders Agreement**") with the other shareholders of FMH to regulate their relationship as shareholders of FMH following completion of the Tranche Two Acquisition and the Option Shares Acquisition.

Pursuant to the Revised Shareholders Agreement, SingPost and the other shareholders of FMH have agreed to, *inter alia*, the following terms:

- (i) the negotiation period between SingPost and the other shareholders of FMH for the Balance Interest Acquisition shall be removed, and SingPost shall grant options to certain shareholders of FMH, details of which are more particularly described in paragraph 2.4 below;
- (ii) SingPost shall procure SingPost Logistics Australia Holdings Pty Ltd, a wholly-owned subsidiary of the SingPost Group, to grant FMH a call option to acquire 100% of the issued shares in Courier Please Holdings Pty Limited, details of which are more particularly described in paragraph 2.6 below; and
- (iii) preparations to effect an IPO of FMH in the event that SingPost and the remaining FMH shareholders are unable to agree on the terms for the Balance Interest Acquisition, will no longer be pursued.

2.4 Additional Terms – Offers to Buy

(i) Initial Offers to Buy

Pursuant to the Revised Shareholders Agreement, SingPost has granted each of the non-management shareholders of FMH ("**FMH Non-Management Shareholders**"), and Eight Parkside Pty Ltd (as trustee of Eight Parkside Trust) and DFD Investments Pty. Ltd. (as trustee of DFD Investment Trust) (the "**Degenhardt Shareholders**"), the following options (the "**Initial Offers to Buy**"):

- (a) a first option that may be exercisable by each of the FMH Non-Management Shareholders and each of the Degenhardt Shareholders at any time between 30 June 2022 and 30 June 2023 (the "**First Offer to Buy**"), and if exercised, will require the SingPost Group to purchase 50% of all the FMH shares held by each of the FMH Non-Management Shareholders and each of the Degenhardt Shareholders as at 30 June 2022 (the "**2022 Offered FMH**");

Shares"). The consideration payable by SingPost for the 2022 Offered FMH Shares will be determined based on an agreed multiple of the normalised EBITDA of FMH for its financial year ending on 30 June 2022 (the "**2022 Offer Price**"); and

- (b) a second option that may be exercisable by each of the FMH Non-Management Shareholders and each of the Degenhardt Shareholders at any time between 30 June 2023 and 30 June 2024 (the "**Second Offer to Buy**"), and if exercised, will require the SingPost Group to purchase all the remaining shares held by each of the FMH Non-Management Shareholders and each of the Degenhardt Shareholders as at 30 June 2023 (the "**2023 Offered FMH Shares**"). The consideration payable by SingPost for the 2023 Offered FMH Shares will be determined based on an agreed multiple of the normalised EBITDA of FMH for its financial year ending on 30 June 2023 (the "**2023 Offer Price**"), and

provided that in the event that a FMH Non-Management Shareholder or a Degenhardt Shareholder does not exercise the First Offer to Buy but exercises the Second Offer to Buy, the consideration payable by SingPost for 50% of the 2023 Offered FMH Shares held by such FMH Non-Management Shareholder or Degenhardt Shareholder (as applicable) shall be determined based on the 2022 Offer Price, and the remaining 50% of the 2023 Offered FMH Shares held by such FMH Non-Management Shareholder or a Degenhardt Shareholder (as applicable) shall be determined based on the 2023 Offer Price.

Assuming that the First Offer to Buy is exercised by the FMH Non-Management Shareholders and the Degenhardt Shareholders and the acquisition of the 2022 Offered FMH Shares is completed, the SingPost Group's equity interest in FMH will be **74%** of the issued share capital of FMH, and if both the First Offer to Buy and the Second Offer to Buy are exercised by the FMH Non-Management Shareholders and the Degenhardt Shareholders, the SingPost Group's equity interest in FMH will be **98%** of the issued share capital of FMH.

(ii) **Subsequent Offers to Buy**

SingPost has also granted each of the FMH Non-Management Shareholders and each of the Degenhardt Shareholders, the following options (the "**Subsequent Offers to Buy**"), which may only be exercised upon the occurrence of a Subsequent Offer to Buy Trigger (as defined below):

- (a) a first option that may be exercisable by each of the FMH Non-Management Shareholders and each of the Degenhardt Shareholders at any time between 30 September 2024 and 30 December 2024 (the "**Subsequent First Offer to Buy**"), and if exercised, will require the SingPost Group to purchase 50% of all the FMH shares held by each of the FMH Non-Management Shareholders and each of the Degenhardt Shareholders as at 30 September 2024 (the "**2024 Offered FMH Shares**"). The consideration payable by SingPost for the 2024 Offered FMH Shares will be determined based on an agreed multiple of the normalised EBITDA of FMH for its financial year ending on 30 June 2024 (the "**2024 Offer Price**");

- (b) a second option that may be exercisable by each of the FMH Non-Management Shareholders and each of the Degenhardt Shareholders at any time between 30 September 2025 and 30 December 2025 (the “**Subsequent Second Offer to Buy**”), and if exercised, will require the SingPost Group to purchase 25% of all the FMH shares held by each of the FMH Non-Management Shareholders and each of the Degenhardt Shareholders as at 30 September 2024 (the “**2025 Offered FMH Shares**”). The consideration payable by SingPost for the 2025 Offered FMH Shares will be determined based on an agreed multiple of the normalised EBITDA of FMH for its financial year ending on 30 June 2025 (the “**2025 Offer Price**”); and
- (c) a third option that may be exercisable by each of the FMH Non-Management Shareholders and each of the Degenhardt Shareholders at any time between 30 September 2026 and 30 December 2026 (the “**Subsequent Third Offer to Buy**”), and if exercised, will require the SingPost Group to purchase 25% of all the FMH shares held by each of the FMH Non-Management Shareholders and each of the Degenhardt Shareholders as at 30 September 2024, together with all of the remaining FMH shares held by each of the FMH Non-Management Shareholders and each of the Degenhardt Shareholders as at the date the Subsequent Third Offer to Buy is accepted (the “**2026 Offered FMH Shares**”). The consideration payable by SingPost for the 2026 Offered FMH Shares will be determined based on an agreed multiple of the normalised EBITDA of FMH for its financial year ending on 30 June 2026 (the “**2026 Offer Price**”), and

“**Subsequent Offer to Buy Trigger**” means:

- (1) the completion of the sale and purchase of the 2022 Offered FMH Shares pursuant to the acceptance of the First Offer to Buy and the non-completion of the sale and purchase of the 2023 Offered FMH Shares pursuant to the acceptance of the Second Offer to Buy; or
- (2) the non-completion of both the sale and purchase of the 2022 Offered FMH Shares and the 2023 Offered FMH Shares pursuant to the acceptance of the First Offer to Buy and the Second Offer to Buy respectively.

(iii) **Management Offers to Buy**

SingPost has also granted each of the management shareholders of FMH (“**FMH Management Shareholders**”) the following options (the “**Management Offers to Buy**”):

- (a) a first option that may be exercisable by each of the FMH Management Shareholders at any time between 30 September 2024 and 30 December 2024 (the “**Management First Offer to Buy**”), and if exercised, will require the SingPost Group to purchase 50% of all the FMH shares held by each of the FMH Management Shareholders as at 30 September 2024 (the “**2024 Management Offered FMH Shares**”). The consideration payable by SingPost for the 2024 Management Offered FMH Shares will be determined

based on an agreed multiple of the normalised EBITDA of FMH for its financial year ending on 30 June 2024 (the “**2024 Management Offer Price**”);

- (b) a second option that may be exercisable by each of the FMH Management Shareholders at any time between 30 September 2025 and 30 December 2025 (the “**Management Second Offer to Buy**”), and if exercised, will require the SingPost Group to purchase 25% of all the FMH shares held by each of the FMH Management Shareholders as at **30 September 2024** (the “**2025 Management Offered FMH Shares**”). The consideration payable by SingPost for the 2025 Management Offered FMH Shares will be determined based on an agreed multiple of the normalised EBITDA of FMH for its financial year ending on 30 June 2025 (the “**2025 Management Offer Price**”); and
- (c) a third option that may be exercisable by each of the FMH Management Shareholders at any time between 30 September 2026 and 30 December 2026 (the “**Management Third Offer to Buy**”), and if exercised, will require the SingPost Group to purchase 25% of all the FMH shares held by each of the FMH Management Shareholders as at 30 September 2024, together with all of the remaining FMH shares held by each of the FMH Management Shareholders as at the date the Management Third Offer to Buy is accepted (the “**2026 Management Offered FMH Shares**”). The consideration payable by SingPost for the 2026 Management Offered FMH Shares will be determined based on an agreed multiple of the normalised EBITDA of FMH for its financial year ending on 30 June 2026 (the “**2026 Management Offer Price**”), and

following the completion of the Tranche Two Acquisition and the Option Shares Acquisition, SingPost intends to grant the Management Offers to Buy to any other person or entity who is issued FMH shares pursuant to the implementation of the LTIP (as defined below).

The exercise of the Initial Offers to Buy, the Subsequent Offers to Buy and the Management Offers to Buy are in each case, subject to and conditional upon, *inter alia*, FIRB approval and any approvals required pursuant to the SGX-ST Listing Rules for the acquisition of the 2022 Offered FMH Shares, the 2023 Offered FMH Shares, the 2024 Offered FMH Shares, the 2025 Offered FMH Shares, the 2026 Offered FMH Shares, the 2024 Management Offered FMH Shares, the 2025 Management Offered FMH Shares and/or the 2026 Management Offered FMH Shares (as the case may be), if applicable.

2.5 Long Term Incentive Plan

SingPost and the other shareholders of FMH have also agreed to create a Long Term Incentive Plan (“**LTIP**”) for the management of FMH, based on performance shares with a base award pool of 2 per cent. of the issued share capital of FMH. The terms of the LTIP will also include mechanisms to ensure that following the Tranche Two Acquisition and the Option Shares Acquisition pursuant to the exercise of the Call Option, SingPost’s aggregate equity interest in FMH would not fall below 51% due to the share awards granted under the LTIP.

2.6 Additional Terms – Couriers Please Call Option

In connection with its investment in FMH, SingPost recognises that a key strategic focus for FMH is the acquisition of a business-to-consumer parcel delivery business. To that end, SingPost has procured SingPost Logistics Australia Holdings Pty Ltd (“**SPLA**”), a wholly-owned subsidiary of the SingPost Group, to grant FMH a call option (the “**CP Call Option**”) to acquire 100% of the issued shares in Couriers Please Holdings Pty Limited (the “**CP Shares**”), which will be exercisable by FMH at its discretion any time between 30 September 2022 and 30 September 2023.

Upon the exercise of the CP Call Option by FMH on the exercise date (“**CP Option Exercise Date**”), FMH, SPLA and Damian Degenhardt (in his capacity as the representative for all FMH shareholders other than SPAI) (the “**Other Shareholders’ Representative**”) shall enter into a call option deed (“**CP Option Deed**”) pursuant to which:

- (i) FMH, SPLA and the Other Shareholders’ Representative shall enter into good faith negotiations in respect of the commercial terms of the sale and purchase of the CP Shares, including but not limited to the relevant process for determining the consideration payable for the CP Shares (“**CP Call Option Price**”);
- (ii) FMH, SPLA and the Other Shareholders’ Representative shall use best endeavours for FMH and SPLA to negotiate an acceptable binding sale and purchase agreement in relation to the CP Shares, within 60 days of the CP Option Exercise Date (“**CP Sunset Date**”), which shall be conditional upon and subject to any relevant statutory approvals;
- (iii) where a binding sale and purchase agreement in relation to the CP Shares has not been entered into by the CP Sunset Date:
 - (a) FMH, SPLA and the Other Shareholders’ Representative may agree in writing to extend the CP Sunset Date by a further 60 days, or to such other date as agreed in writing between FMH, SPLA and the Other Shareholders’ Representative (“**CP Extended Sunset Date**”); and
 - (b) where the binding sale and purchase agreement has not been entered into by the CP Sunset Date or the CP Extended Sunset Date (as applicable), the CP Call Option shall be taken to have not been exercised by FMH; and
- (iv) within 20 Business Days² of the CP Option Exercise Date, FMH, SPLA and the Other Shareholders’ Representative shall agree on the process for determining the independent valuation in respect of the CP Call Option Price.

² “**Business Day**” means any day that is not a Saturday or Sunday or a public holiday on which banks are open for general banking business in Melbourne, Australia.

3. Information on FMH

3.1 General

As set out in the 19 October 2020 Announcement, FMH is a leading 4th party logistics (“4PL”) service company incorporated in Victoria, Australia in 2001. The principal activity of FMH is the provision of integrated supply chain and distribution solutions to customers in Australia through a 4PL technology platform. FMH provides these services under the tradename of ‘EFM’ to over 500 businesses across Australia. FMH is an asset-light, technology-driven ‘control tower’ business. Through the use of proprietary technology including its core 4PL technology platform (OneFlo), FMH manages and executes its customers’ supply chain and distribution requirements. Utilising its technology, analytics and network, FMH is able to match customers’ freight profile with the optimal carrier, thereby increasing efficiency, utilisation and profitability for both customer and carrier. FMH has built up a diversified client base across a broad range of industries over the last 21 years. It also has a wide partner carrier base and long-standing relationships with these carriers, with over 150 carriers partnered in the last year. The business was founded in 2000 by Damian Degenhardt, who is currently the majority shareholder and Managing Director of FMH, with over 20 years of industry experience in Australia. FMH also has a long-standing business relationship with the SingPost Group, having been a customer of CouriersPlease, a wholly-owned subsidiary of SingPost, for many years.

3.2 Financial Information on FMH

Based on the audited consolidated financial statements of FMH for its financial year ended 30 June 2021 (“**FMH FY2021**”, and such financial statements, the “**FMH FY2021 Financial Results**”), the profit before tax (“**NPBT**”) of FMH and its subsidiaries for FMH FY2021 was approximately A\$26.1 million (equivalent to approximately S\$25.8 million) and the net asset value (“**NAV**”) and the net tangible assets (“**NTA**”) of FMH as at 30 June 2021 was approximately A\$66.3 million (equivalent to approximately S\$65.6 million) and approximately A\$4.1 million (equivalent to approximately S\$4.1 million), respectively.

Based on the FMH FY2021 Financial Results, the EBITDA of FMH and its subsidiaries for FMH FY2021 is approximately A\$29.4 million (equivalent to approximately S\$29.1 million). Unless indicated otherwise, the indicative A\$-to-S\$ exchange rate used for the purposes of this Announcement is A\$1.00 : S\$0.99.

4. Rationale for the Revised Terms

The acceleration of our investment into FMH is in line with SingPost Group’s strategy to transform into a leading eCommerce logistics solutions provider, focusing on opportunities in the fast-growing Asia-Pacific region. With this investment FMH will be a subsidiary of SingPost Group and this will enable SingPost Group to better derive synergies and build scale to further capitalise on the accelerated growth in eCommerce in Australia. The performance of FMH in the last 12 months has been ahead of expectation. This has given SingPost the confidence in taking this next significant step towards the strategic goal of creating a second home market in Australia, via a measured and calculated pathway to full ownership of FMH in time as well as full integration with our Australian assets. This acquisition will be immediately earnings accretive.

5. Pro Forma Financial Effects

5.1 Bases and Assumptions

The pro forma financial effects of the Tranche Two Acquisition and the Option Shares Acquisition pursuant to the exercise of the Call Option have been prepared based on:

- (i) the audited consolidated financial statements for the SingPost Group for the financial year ended 31 March 2021; and
- (ii) the FMH FY2021 Financial Results,

and are purely for illustrative purposes only and do not reflect the future actual financial position of the SingPost Group following completion of the various transactions.

The pro forma financial effects have also been prepared based on, *inter alia*, the following assumptions:

- (a) Tranche One, the Tranche Two Acquisition, and the Option Shares Acquisition pursuant to the exercise of the Call Option, had been effected on 31 March 2021, being the end of the most recently completed financial year of the SingPost Group and of which the statement of financial position of the SingPost Group has been publicly announced, for illustrating the financial effects on the consolidated NTA of the SingPost Group;
- (b) Tranche One, the Tranche Two Acquisition, and the Option Shares Acquisition pursuant to the exercise of the Call Option, had been effected on 1 April 2020, being the beginning of the most recently completed financial year of the SingPost Group and of which the profit and loss of the SingPost Group has been publicly announced, for illustrating the financial effects on the consolidated earnings of the SingPost Group;
- (c) the pro forma is for a full 12 month trading period, ignoring the differences in financial year ends between the SingPost Group's and FMH's financial statements;
- (d) upon the completion of Tranche One, the Tranche Two Acquisition, and the Option Shares Acquisition pursuant to the exercise of the Call Option, FMH will become a subsidiary of the SingPost Group, and the SingPost Group will consolidate the financials of FMH; and
- (e) assuming a purchase consideration of A\$28.2 million (equivalent to approximately S\$27.9 million) for the Tranche Two Acquisition and a purchase consideration of A\$84.5 million (equivalent to approximately S\$83.7 million) for the Option Shares Acquisition pursuant to the exercise of the Call Option.

5.2 NTA

For illustrative purposes only, assuming that the Tranche Two Acquisition and the Option Shares Acquisition pursuant to the exercise of the Call Option had been completed on 31 March 2021, the pro forma financial effects on the NTA of the SingPost Group are as follows:

	Before the Transactions	After the Transactions
Net assets (S\$ million)	1,671.4	1,702.6
Less : intangibles (S\$ million)	314.5	515.7
NTA (S\$ million)	1,356.9	1,186.9
Number of issued SingPost Shares (excluding treasury shares) as at 31 March 2021 (million)	2,249.6	2,249.6
NTA per SingPost Share (S\$ cents)	60.3	52.8

5.3 Earnings Per Share

For illustrative purposes only and assuming that the Tranche Two Acquisition and the Option Shares Acquisition pursuant to the exercise of the Call Option had been completed on 1 April 2020, the pro forma financial effects on the earnings of the SingPost Group are as follows:

	Before the Transactions	After the Transactions
Net profit attributable to ordinary shareholders (S\$ million) ⁽¹⁾	32.7	40.9
Weighted average number of issued SingPost Shares for the financial year ended on 31 March 2021 (million)	2,249.6	2,249.6
Basic earnings per SingPost Share (S\$ cents)	1.46	1.82

Note:

(1) Figures are arrived after deducting net profit attributable to perpetual securities.

6. Major Transaction

6.1 Rule 1006 Relative Figures

Pursuant to Rule 1005 of the Listing Manual of the SGX-ST (the “Listing Manual”), in determining the classification of a transaction under Rule 1004 of the Listing Manual, the SGX-ST may aggregate separate transactions completed within the last 12 months and treat them as if they were one transaction. As Tranche One was completed on 31 December 2020, the aggregate relative figures computed on the bases set out in Rule 1006 of the Listing Manual for Tranche One, the Tranche Two Acquisition and the Option Shares Acquisition are as follows:

Rule 1006	Bases	Tranche One, Tranche Two Acquisition, Option Shares S\$'million	SingPost Group S\$'million	Relative Figures %
(b)	Net profit ⁽¹⁾⁽²⁾ attributable to the FMH shares acquired pursuant to Tranche One and to be acquired pursuant to the Tranche Two Acquisition, Option Shares to be acquired compared with the SingPost Group's net profit	25.8	60.3	42.8
(c)	Aggregate consideration payable for Tranche One, the Tranche Two Acquisition, the Option Shares to be acquired compared with SingPost's market capitalisation ⁽³⁾	171.2	1428.9	12

Notes:

- (1) Net profit means net profit before income tax and non-controlling interests.
- (2) Based on FMH's net profit for **FY2021** and the net profit of the SingPost Group for **FY2021**.
- (3) SingPost's market capitalisation is based upon **2,249,578,103** ordinary shares in the capital of SingPost (excluding treasury shares) as at 7 October 2021 (“**SingPost Shares**”) at a volume weighted average price of S\$0.6352 per SingPost Share.

6.2 Shareholders' Approval

As the relative figure(s) under Rule 1006(b) of the Listing Manual for the Option Shares Acquisition pursuant to the exercise of the Call Option when aggregated together with Tranche One and the Tranche Two Acquisition, exceeds 20%, such transaction entered into by the SingPost Group with FMH and the other FMH shareholders would, in aggregate, constitute a major transaction for the Company as defined in Chapter 10 of the Listing Manual. Further, pursuant to Rule 1019(1) of the Listing Manual, in the case of an option to acquire or dispose of assets, if the option is not exercisable at the discretion of SingPost, shareholder approval must be obtained at the time of the grant of the option. The Initial Offers to Buy, the Subsequent Offers to Buy and the Management Offers to Buy are therefore subject to Rule 1019(1) of the Listing Manual for which the approval of the shareholders of SingPost is

required, as each of the Initial Offers to Buy and the Subsequent Offers to Buy may be exercisable by the FMH Non-Management Shareholders and the Degenhardt Shareholders at their discretion, and the Management Offers to Buy may be exercisable by the FMH Management Shareholders at their discretion.

A circular to shareholders setting out details of the various transactions above, and enclosing a notice of the extraordinary general meeting to be convened, will be despatched to the shareholders of SingPost in due course. In the meantime, SingPost Shareholders are advised to refrain from taking any action in relation to their SingPost Shares which may be prejudicial to their interests until they or their advisers have considered the information and the recommendations to be set out in the Circular.

7. Further Information

7.1 Directors' Service Contracts

No person is proposed to be appointed as director of SingPost in connection with the various transactions described above. Accordingly no service contract is proposed to be entered into between SingPost and any such person.

7.2 Interests of Directors and Controlling Shareholders

Save as disclosed in this Announcement, other than by virtue of being a director of SingPost or FMH as the SingPost Group's nominee or their shareholding interest in SingPost, none of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in the various transactions described above.

7.3 Documents for Inspection

Copies of the Acquisition SPA, the side letter to the Acquisition SPA, the Option Deed and the Option SPA are available for inspection during normal business hours at the registered office of SingPost at 10 Eunos Road 8, Singapore Post Centre, Singapore 408600, for a period of three months commencing from the date of this Announcement.³

Issued by Singapore Post Limited on 8 October 2021.

³ In view of the current COVID-19 situation in Singapore, the offices of the Company are currently closed. Please make a prior appointment with the Company at the following email address: sp_cosec@singpost.com so that the relevant logistical arrangements can be arranged.