



**SINGAPORE POST LIMITED
AND ITS SUBSIDIARIES**

(Registration number: 199201623M)

**UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SECOND HALF YEAR AND FULL YEAR ENDED
31 MARCH 2022 AND DIVIDEND ANNOUNCEMENT**

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SINGAPORE POST LIMITED AND ITS SUBSIDIARIES

CONDENSED INTERIM CONSOLIDATED INCOME STATEMENT
For the second half year and full year ended 31 March 2022

Group	Note	Second half year ended			Full year ended		
		31 March			31 March		
		2022	2021	Variance	2022	2021	Variance
		S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue	4	934,190	696,900	34.0	1,665,579	1,404,681	18.6
Labour and related expenses		(159,134)	(154,350)	3.1	(309,916)	(304,215)	1.9
Volume-related expenses		(611,609)	(413,010)	48.1	(1,051,023)	(842,225)	24.8
Administrative and other expenses		(60,148)	(58,353)	3.1	(115,267)	(108,677)	6.1
Depreciation and amortisation		(40,573)	(35,669)	13.7	(74,424)	(68,725)	8.3
Selling-related expenses		(3,954)	(6,192)	(36.1)	(7,363)	(9,389)	(21.6)
(Impairment loss) / reversal of impairment loss on trade and other receivables		(2,159)	2,852	N.M.	(2,211)	(1,856)	19.1
Operating expenses		(877,577)	(664,722)	32.0	(1,560,204)	(1,335,087)	16.9
Other income		4,373	7,371	(40.7)	6,699	9,738	(31.2)
Operating profit		60,986	39,549	54.2	112,074	79,332	41.3
Share of profit of associated companies and joint venture		2,106	670	214.3	4,847	989	@
Exceptional items	5	4,210	(11,959)	N.M.	1,858	(12,491)	N.M.
Earnings before interest and tax		67,302	28,260	138.2	118,779	67,830	75.1
Interest income and investment income (net)		2,070	195	@	3,366	3,470	(3.0)
Finance expenses		(7,709)	(5,975)	29.0	(14,779)	(11,031)	34.0
Profit before tax	6	61,663	22,480	174.3	107,366	60,269	78.1
Income tax expense	7	(8,890)	(6,277)	41.6	(19,623)	(13,259)	48.0
Profit after tax		52,773	16,203	225.7	87,743	47,010	86.6
Profit attributable to:							
Equity holders of the Company		48,063	16,680	188.1	83,112	47,620	74.5
Non-controlling interests		4,710	(477)	N.M.	4,631	(610)	N.M.
		52,773	16,203	225.7	87,743	47,010	86.6
Underlying net profit ¹		43,853	28,639	53.1	81,254	60,111	35.2
Earnings per share attributable to ordinary shareholders of the Company							
- Basic and diluted	8	1.86 cents	0.41 cents		3.09 cents	1.46 cents	

Notes

1 Underlying net profit is defined as net profit before exceptional items, net of tax.

N.M. Not meaningful.

@ Denotes variance more than 300%

SINGAPORE POST LIMITED AND ITS SUBSIDIARIES

CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the second half year and full year ended 31 March 2022

Group	Second half year ended			Full year ended		
	31 March			31 March		
	2022	2021	Variance	2022	2021	Variance
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Profit after tax	52,773	16,203	225.7	87,743	47,010	86.6
Other comprehensive income (net of tax):						
Items that may be reclassified subsequently to profit or loss:						
Currency translation differences						
- Gain / (loss) on translation of foreign operations	2,928	5,770	(49.3)	(2,131)	16,706	N.M.
- Disposal / liquidation of foreign subsidiaries	(246)	-	N.M.	(246)	-	N.M.
- Transfer to profit or loss arising from change in ownership interest from an associated company to a subsidiary	(63)	-	N.M.	(63)	-	N.M.
Items that will not be reclassified subsequently to profit or loss:						
Equity investments at fair value through other comprehensive income						
- Fair value (loss) / gain	(13,541)	20,253	N.M.	(10,992)	20,367	N.M.
Revaluation gain on property, plant and equipment upon transfer to investment properties	6,278	672	@	6,412	672	@
Other comprehensive (loss) / income for the period (net of tax)	(4,644)	26,695	N.M.	(7,020)	37,745	N.M.
Total comprehensive income for the period	48,129	42,898	12.2	80,723	84,755	(4.8)
Total comprehensive income attributable to:						
Equity holders of the Company	45,472	36,476	24.7	76,845	78,728	(2.4)
Non-controlling interests	2,657	6,422	(58.6)	3,878	6,027	(35.7)
	48,129	42,898	12.2	80,723	84,755	(4.8)

N.M. Not meaningful.

@ Denotes variance more than 300%

SINGAPORE POST LIMITED AND ITS SUBSIDIARIES

CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION
As at 31 March 2022

	Note	Group		Company	
		As at 31 Mar 2022 S\$'000	As at 31 Mar 2021 S\$'000	As at 31 Mar 2022 S\$'000	As at 31 Mar 2021 S\$'000
ASSETS					
Current assets					
Cash and cash equivalents		280,438	501,212	200,598	418,831
Financial assets	10	8,006	6,505	8,006	6,505
Trade and other receivables		234,060	166,411	101,776	124,048
Derivative financial instruments		391	40	391	40
Inventories		523	558	16	83
Other current assets		35,335	18,669	8,909	7,338
		<u>558,753</u>	<u>693,395</u>	<u>319,696</u>	<u>556,845</u>
Assets classified as held for sale	11	5,499	-	-	-
		<u>564,252</u>	<u>693,395</u>	<u>319,696</u>	<u>556,845</u>
Non-current assets					
Financial assets	10	90,631	111,124	-	12,581
Trade and other receivables		4,945	8,626	212,920	245,919
Investments in associated companies and joint venture		34,072	97,469	21,891	21,891
Investments in subsidiaries		-	-	361,313	322,397
Investment properties	12	956,610	1,010,804	945,274	956,362
Property, plant and equipment	13	412,454	405,448	245,818	251,953
Right-of-use assets		71,266	70,163	19,647	21,816
Intangible assets	14	529,441	314,532	-	-
Deferred income tax assets		8,657	4,248	-	-
Other non-current assets		7,076	5,958	-	-
		<u>2,115,152</u>	<u>2,028,372</u>	<u>1,806,863</u>	<u>1,832,919</u>
Total assets		<u>2,679,404</u>	<u>2,721,767</u>	<u>2,126,559</u>	<u>2,389,764</u>
LIABILITIES					
Current liabilities					
Trade and other payables		667,500	506,011	392,352	447,532
Current income tax liabilities		24,542	19,752	13,161	9,380
Contract liabilities		29,397	34,759	23,597	22,342
Lease liabilities		29,833	23,656	8,288	12,911
Derivative financial instruments		552	1,173	552	1,173
Borrowings	15	77,527	9,466	50,000	-
		<u>829,351</u>	<u>594,817</u>	<u>487,950</u>	<u>493,338</u>
Liabilities directly associated with assets classified as held for sale	11	2,082	-	-	-
		<u>831,433</u>	<u>594,817</u>	<u>487,950</u>	<u>493,338</u>
Non-current liabilities					
Trade and other payables		148,567	22,308	354,948	254,715
Borrowings	15	439,481	312,846	-	-
Contract liabilities		15,394	23,319	15,394	23,319
Lease liabilities		53,612	60,189	12,115	9,649
Deferred income tax liabilities		48,816	36,865	22,478	21,971
		<u>705,870</u>	<u>455,527</u>	<u>404,935</u>	<u>309,654</u>
Total liabilities		<u>1,537,303</u>	<u>1,050,344</u>	<u>892,885</u>	<u>802,992</u>
NET ASSETS		<u>1,142,101</u>	<u>1,671,423</u>	<u>1,233,674</u>	<u>1,586,772</u>
EQUITY					
Capital and reserves attributable to the Company's equity holders					
Share capital	16	638,762	638,762	638,762	638,762
Treasury shares	16	(29,724)	(29,724)	(29,724)	(29,724)
Other reserves		81,841	103,005	37,308	46,836
Retained earnings		616,527	564,708	587,328	584,072
Ordinary equity		<u>1,307,406</u>	<u>1,276,751</u>	<u>1,233,674</u>	<u>1,239,946</u>
Perpetual securities	17	-	346,826	-	346,826
		<u>1,307,406</u>	<u>1,623,577</u>	<u>1,233,674</u>	<u>1,586,772</u>
Non-controlling interests		(165,305)	47,846	-	-
Total equity		<u>1,142,101</u>	<u>1,671,423</u>	<u>1,233,674</u>	<u>1,586,772</u>

SINGAPORE POST LIMITED AND ITS SUBSIDIARIES

CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY
For the full year ended 31 March 2022

Group	Note	Attributable to ordinary shareholders of the Company					Perpetual securities	Total	Non-controlling interests	Total equity
		Share capital	Treasury shares	Retained earnings	Other reserves	Total				
		S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	
Balance at 1 April 2021		638,762	(29,724)	564,708	103,005	1,276,751	346,826	1,623,577	47,846	1,671,423
Total comprehensive income for the year		-	-	83,112	(6,267)	76,845	-	76,845	3,878	80,723
Transactions with owners, recognised directly in equity										
Acquisition of subsidiaries	(a)	-	-	-	-	-	-	-	(214,720)	(214,720)
Transfer of revaluation gain on property, plant and equipment and other capital reserve on loss of control of a subsidiary	5	-	-	6,017	(6,017)	-	-	-	-	-
Adjustment to other reserves		-	-	-	1,139	1,139	-	1,139	-	1,139
Redemption of perpetual securities	17	-	-	(4,397)	-	(4,397)	(345,603)	(350,000)	-	(350,000)
Distribution of perpetual securities	17	-	-	(13,652)	-	(13,652)	13,652	-	-	-
Distribution paid on perpetual securities	17	-	-	-	-	-	(14,875)	(14,875)	-	(14,875)
Dividends paid to shareholders	18	-	-	(24,745)	-	(24,745)	-	(24,745)	-	(24,745)
Dividends paid to non-controlling interests in a subsidiary		-	-	-	-	-	-	-	(2,309)	(2,309)
Employee share option scheme: - Value of employee services		-	-	5,484	(10,019)	(4,535)	-	(4,535)	-	(4,535)
Total		-	-	(31,293)	(14,897)	(46,190)	(346,826)	(393,016)	(217,029)	(610,045)
Balance at 31 March 2022		638,762	(29,724)	616,527	81,841	1,307,406	-	1,307,406	(165,305)	1,142,101

Notes

(a) The non-controlling interest on acquisition of subsidiaries comprises:

- (i) An amount of S\$26,665,000 (Note 22(a)(vi)) measured by reference to the share of fair value of the net identifiable assets and liabilities on acquisition date; less
- (ii) An amount of S\$241,385,000 relating to a reserve for an obligation arising from a put option written with the non-controlling shareholders of Freight Management Holdings Pty Ltd ("FMH"). When exercised under certain conditions, this will require the Group to purchase the remaining 49% ownership interest in FMH.

SINGAPORE POST LIMITED AND ITS SUBSIDIARIES

CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY
For the full year ended 31 March 2022

Group	Note	Attributable to ordinary shareholders of the Company					Perpetual securities	Total	Non-controlling interests	Total equity
		Share capital	Treasury shares	Retained earnings	Other reserves	Total				
		S\$'000	S\$'000	S\$'000	S\$'000	S\$'000				
Balance at 1 April 2020		638,762	(29,724)	570,206	73,310	1,252,554	346,826	1,599,380	42,938	1,642,318
Total comprehensive income for the year		-	-	47,620	31,108	78,728	-	78,728	6,027	84,755
Transactions with owners, recognised directly in equity										
Acquisition of non-controlling interests		-	-	-	(1,867)	(1,867)	-	(1,867)	(429)	(2,296)
Adjustment to other reserves		-	-	-	(2,498)	(2,498)	-	(2,498)	-	(2,498)
Distribution of perpetual securities	17	-	-	(14,875)	-	(14,875)	14,875	-	-	-
Distribution paid on perpetual securities	17	-	-	-	-	-	(14,875)	(14,875)	-	(14,875)
Dividends paid to shareholders	18	-	-	(38,243)	-	(38,243)	-	(38,243)	-	(38,243)
Dividends paid to non-controlling interests in a subsidiary		-	-	-	-	-	-	-	(690)	(690)
Employee share option scheme: - Value of employee services		-	-	-	2,952	2,952	-	2,952	-	2,952
Total		-	-	(53,118)	(1,413)	(54,531)	-	(54,531)	(1,119)	(55,650)
Balance at 31 March 2021		638,762	(29,724)	564,708	103,005	1,276,751	346,826	1,623,577	47,846	1,671,423

SINGAPORE POST LIMITED AND ITS SUBSIDIARIES

CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY
For the full year ended 31 March 2022

Company	Note	Attributable to ordinary shareholders of the Company					Perpetual securities	Total
		Share capital	Treasury shares	Retained earnings	Other reserves	Total		
		S\$'000	S\$'000	S\$'000	S\$'000	S\$'000		
Balance at 1 April 2021		638,762	(29,724)	584,072	46,836	1,239,946	346,826	1,586,772
Total comprehensive income for the year		-	-	40,566	491	41,057	-	41,057
Transactions with owners, recognised directly in equity								
Redemption of perpetual securities	17	-	-	(4,397)	-	(4,397)	(345,603)	(350,000)
Distribution on perpetual securities	17	-	-	(13,652)	-	(13,652)	13,652	-
Distribution paid on perpetual securities	17	-	-	-	-	-	(14,875)	(14,875)
Dividends paid to shareholders	18	-	-	(24,745)	-	(24,745)	-	(24,745)
Employee share option scheme: - Value of employee services		-	-	5,484	(10,019)	(4,535)	-	(4,535)
Total		-	-	(37,310)	(10,019)	(47,329)	(346,826)	(394,155)
Balance at 31 March 2022		638,762	(29,724)	587,328	37,308	1,233,674	-	1,233,674
Balance at 1 April 2020		638,762	(29,724)	592,989	42,859	1,244,886	346,826	1,591,712
Total comprehensive income for the year		-	-	44,201	1,025	45,226	-	45,226
Transactions with owners, recognised directly in equity								
Distribution on perpetual securities	17	-	-	(14,875)	-	(14,875)	14,875	-
Distribution paid on perpetual securities	17	-	-	-	-	-	(14,875)	(14,875)
Dividends paid to shareholders	18	-	-	(38,243)	-	(38,243)	-	(38,243)
Employee share option scheme: - Value of employee services		-	-	-	2,952	2,952	-	2,952
Total		-	-	(53,118)	2,952	(50,166)	-	(50,166)
Balance at 31 March 2021		638,762	(29,724)	584,072	46,836	1,239,946	346,826	1,586,772

SINGAPORE POST LIMITED AND ITS SUBSIDIARIES

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

For the full year ended 31 March 2022

Group	Full year ended 31 March	
	2022 S\$'000	2021 S\$'000
Cash flows from operating activities		
Profit after tax	87,743	47,010
Adjustments for:		
Income tax expense	19,623	13,259
Impairment loss on trade and other receivables	2,211	1,856
Amortisation of contract liabilities	(7,754)	(9,075)
Amortisation of intangible assets	3,148	456
Depreciation	71,276	68,269
Fair value loss on put option redemption liability	1,945	3,501
Gain on change of ownership interest from an associated company to a subsidiary	(32,427)	-
Fair value (gain) / loss on investment properties	(1,279)	6,670
Loss / (gain) on disposal of property, plant and equipment	574	(17)
Gain on disposal of warrants from an associated company	-	(3,356)
(Reversal of provision) / provision for restructuring of overseas operations	(101)	480
Net loss on disposal / liquidation of subsidiaries	6,317	-
(Reversal of) / share-based staff costs	(4,535)	2,952
Finance expenses	14,779	11,031
Interest income	(1,760)	(2,927)
Impairment of property, plant and equipment	4,374	1,209
Impairment of associated companies	2,700	115
Impairment of loans to associated companies	1,644	1,103
Impairment of disposal group classified as held for sale	5,469	-
Share of profit of associated companies and joint venture	(4,847)	(989)
	81,357	94,537
Operating cash flow before working capital changes	169,100	141,547
Changes in working capital, net of effects from		
Inventories	21	(227)
Trade and other receivables	(21,016)	87,868
Trade and other payables	(34,839)	17,222
Contract liabilities	297	4,484
Cash generated from operations	113,563	250,894
Income tax paid	(24,037)	(35,461)
Net cash provided by operating activities	89,526	215,433
Cash flows from investing activities		
Acquisition of subsidiaries, net of cash acquired	(111,484)	-
Disposal / liquidation of subsidiaries, net of cash disposed	71,814	-
Additions to property, plant and equipment, investment properties and intangible assets	(24,258)	(21,861)
Dividends received from associated companies	1,788	430
Interest received	1,881	3,147
Investment in an associated company	-	(59,407)
Loan to an associated company	-	(108)
Proceeds from disposal of property, plant and equipment	448	399
Proceeds on sale / maturity of financial assets	6,500	9,500
Repayment of loans by associated company	8	383
Net cash used in investing activities	(53,303)	(67,517)

SINGAPORE POST LIMITED AND ITS SUBSIDIARIES

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS
For the full year ended 31 March 2022

Group	Full year ended 31 March	
	2022 S\$'000	2021 S\$'000
Cash flows from financing activities		
Acquisition of non-controlling interests	-	(2,296)
Distribution paid to perpetual securities	(14,875)	(14,875)
Dividends paid to shareholders	(24,745)	(38,243)
Dividends paid to non-controlling interests in a subsidiary	(2,309)	(690)
Finance expenses paid	(13,544)	(9,105)
Repayment of principal portion of lease liabilities	(31,841)	(32,588)
Redemption of perpetual securities	(350,000)	-
Proceeds from bank loans and notes	288,286	409,869
Repayment of bank loans and notes	(106,739)	(451,773)
Net cash used in financing activities	(255,767)	(139,701)
Net (decrease) / increase in cash and cash equivalents	(219,544)	8,215
Cash and cash equivalents at beginning of financial year	501,212	492,997
Changes in cash and cash equivalents transferred to assets held for sale (Note 11)	(1,230)	-
Cash and cash equivalents at end of financial year	280,438	501,212

Significant non-cash transactions

Full year ended 31 March 2022

There were no significant non-cash transactions.

Full year ended 31 March 2021

- (a) Contingent consideration amounting to S\$1,508,000 in relation to the acquisition of subsidiaries in prior financial years was settled by way of offset against escrow deposits for the acquisition of those subsidiaries.
- (b) There was an additional investment in an associated company amounting to S\$3,356,000 which was settled with proceeds from the disposal of warrants from the associated company amounting to S\$3,356,000.

SINGAPORE POST LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS For the second half year and full year ended 31 March 2022

1. General information

Singapore Post Limited (the “Company”) is listed on the Singapore Exchange and incorporated and domiciled in Singapore. The address of its registered office and principal place of business is 10 Eunos Road 8, Singapore Post Centre, Singapore 408600.

The principal activities of the Company consist of the operation and provision of post & parcel, eCommerce logistics and property. Its subsidiaries are principally engaged in provision of delivery services and eCommerce logistics solutions, provision of integrated supply chain and distributions services, freight forwarding and investment holding.

2. Significant accounting policies

2.1 Basis of preparation

The condensed interim financial statements for the second half year and full year ended 31 March 2022 have been prepared in accordance with Singapore Financial Reporting Standards (International) (“SFRS(I)”) 1-34 *Interim Financial Reporting* and International Accounting Standard 34 *Interim Financial Reporting* and should be read in conjunction with the Group’s audited financial statements as at and for the year ended 31 March 2021. SFRS(I)s are issued by the Accounting Standards Council and comprise standards and interpretations that are equivalent to International Financial Reporting Standards (“IFRSs”) as issued by the International Accounting Standard Board. All references to SFRS(I)s and IFRSs are subsequently referred to as SFRS(I)s in these condensed interim financial statements unless otherwise stated.

As at 31 March 2022, the Group’s and the Company’s current liabilities exceeded their current assets by S\$267,181,000 and S\$168,254,000 respectively. This was largely due to the timing difference between the full redemption of the Company’s perpetual securities with accrued distributions totalling S\$360,478,000 during the year while the Company’s wholly-owned subsidiary issued S\$250 million SGD Subordinated Perpetual Securities (Note 25) in April 2022, which brought the Group back into a net cash position. Management is of the view that the Group and the Company are able to pay their debts when they fall due. The Group also maintains access to undrawn credit facilities and debt capital markets.

The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last annual financial statements for the year ended 31 March 2021.

The accounting policies applied are consistent with those disclosed in the Group’s financial statements as at and for the year ended 31 March 2021 which were prepared in accordance with SFRS(I)s, except for the below:

Assets classified as held for sale

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell. Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

SINGAPORE POST LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS For the second half year and full year ended 31 March 2022

2. Significant accounting policies (continued)

2.1 Basis of preparation (continued)

Assets classified as held for sale (continued)

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in its former subsidiary after the sale.

When the Group is committed to a sale plan involving disposal of an investment in an associate or, a portion of an investment in an associate, the investment, or the portion of the investment in the associate, that will be disposed of is classified as held for sale when the criteria described above are met. The Group then ceases to apply the equity method in relation to the portion that is classified as held for sale. Any retained portion of an investment in an associate that has not been classified as held for sale continues to be accounted for using the equity method.

The Group adopted various new and amended pronouncements which are effective from 1 April 2021. The adoption of these new and amended pronouncements did not have a material effect on the condensed interim financial statements.

The condensed interim financial statements are presented in Singapore dollars, which is the Company's functional currency. All financial information has been rounded to the nearest thousand, unless otherwise stated.

2.2 Critical accounting estimates, assumptions and judgements

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 March 2021, except for the acquisition of controlling interests in an associated company, Freight Management Holdings Pty Ltd (Note 22).

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

3. Seasonality

The Group's business experiences seasonality which is tied to holiday seasons and eCommerce promotions that could vary from market to market. However, on a Group basis, the performance in the first half of the financial year when compared to the second half of the financial year is not significantly different. This is because the differences between the two periods in the various markets broadly even out on a Group basis.

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4. Revenue

Revenue from external customers is derived from the provision of mail, logistics solution, agency and financial services and front-end ecommerce solutions.

	Second half year ended 31 March		Full year ended 31 March	
	2022 S\$'000	2021 S\$'000	2022 S\$'000	2021 S\$'000
Domestic and International mail services	286,214	338,237	604,784	721,475
Domestic and International distribution and delivery services	613,930	319,537	988,450	608,347
Property ⁽¹⁾	34,046	39,126	72,345	74,859
	934,190	696,900	1,665,579	1,404,681

⁽¹⁾ The Group is required to waive certain number of months of contractual rent for eligible tenants of its properties under the Rental Relief Framework as mandated by the Government. Consequently, for the second half year and full year ended 31 March 2022, the Group recognised variable lease payment of S\$Nil and S\$0.3 million (Second half year and full year ended 31 March 2021: S\$Nil and S\$3.2 million) respectively as a reduction to property revenue in profit or loss and offset the obligation for rental reliefs against the receivables.

A disaggregation of the Group's revenue is as follows:

	Group					
	Second half year ended 31 March					
	2022			2021		
	Revenue from services rendered S\$'000	Sale of products S\$'000	Total S\$'000	Revenue from services rendered S\$'000	Sale of products S\$'000	Total S\$'000
Post and Parcel	285,087	1,127	286,214	336,821	1,416	338,237
Logistics	613,930	-	613,930	319,537	-	319,537
Property	34,046	-	34,046	39,126	-	39,126
	933,063	1,127	934,190	695,484	1,416	696,900

Timing of revenue recognition in respect of revenue from contracts with customers

At a point in time	3,213	1,127	4,340	2,306	1,416	3,722
Over time	905,292	-	905,292	669,636	-	669,636
	908,505	1,127	909,632	671,942	1,416	673,358

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4. Revenue (continued)

	Group					
	Full year ended 31 March					
	2022			2021		
Revenue from services rendered	Sale of products	Total	Revenue from services rendered	Sale of products	Total	
S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	
Post and Parcel	602,498	2,286	604,784	718,603	2,872	721,475
Logistics	988,450	-	988,450	608,347	-	608,347
Property	72,345	-	72,345	74,859	-	74,859
	1,663,293	2,286	1,665,579	1,401,809	2,872	1,404,681
Timing of revenue recognition in respect of revenue from contracts with customers						
At a point in time	5,097	2,286	7,383	4,403	2,872	7,275
Over time	1,616,234	-	1,616,234	1,358,936	-	1,358,936
	1,621,331	2,286	1,623,617	1,363,339	2,872	1,366,211

5. Exceptional items

	Group			
	Second half year ended 31 March		Full year ended 31 March	
	2022	2021	2022	2021
	S\$'000	S\$'000	S\$'000	S\$'000
Disposals:				
- Gain on change of ownership interest from an associated company to a subsidiary	32,427	-	32,427	-
- Gain on disposal of warrants from an associated company	-	3,356	-	3,356
- (Loss) / gain on disposal of property, plant and equipment	(780)	(145)	(574)	17
- Net loss on disposal / liquidation of subsidiaries (Note 23) ⁽¹⁾	(6,135)	-	(6,317)	-
Fair value gain / (loss):				
- Investment properties (Note 12)	1,279	(6,670)	1,279	(6,670)
- Put option redemption liability	(1,945)	(3,501)	(1,945)	(3,501)
Impairment charges ⁽²⁾ :				
- Property, plant and equipment	(4,374)	(1,209)	(4,374)	(1,209)
- Associated company	(2,700)	-	(2,700)	(115)
- Disposal group classified as held for sale ⁽³⁾	(5,469)	-	(5,469)	-
- Loans to associated companies	-	(746)	(1,644)	(1,103)
M&A related expenses	(8,093)	(2,710)	(8,926)	(2,786)
Restructuring of overseas operations	-	(334)	101	(480)
	4,210	(11,959)	1,858	(12,491)

(1) Before considering the effect of transfer of revaluation gain on property, plant and equipment and other capital reserve of S\$6,017,000 directly to retained earnings.

(2) Total impairment charges for the second half year and full year ended 31 March 2022 amounted to S\$12,543,000 and S\$14,187,000 (second half year and full year ended 31 March 2021: S\$1,955,000 and S\$2,427,000) respectively.

(3) Before considering the effect of the reversal of tax provision of S\$5,200,000 (Note 7).

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6. Profit before tax

Other than as disclosed elsewhere in these condensed interim financial statements, profit before tax for the period has been arrived at after charging/(crediting) the following:

	<u>Group</u>			
	Second half year ended		Full year ended	
	31 March		31 March	
	2022	2021	2022	2021
	S\$'000	S\$'000	S\$'000	S\$'000
Depreciation of property, plant and equipment	20,973	20,813	40,163	40,452
Depreciation of right-of-use assets	16,680	14,628	31,113	27,817
Amortisation	2,920	228	3,148	456
Interest expense:				
- Fixed rate notes	1,586	1,560	6,352	2,305
- Bank borrowings	3,249	1,679	2,036	2,937
- Lease liabilities	2,192	2,011	4,043	4,080
- Significant financing component from contracts with customers	223	302	996	1,286
Other borrowing costs	459	423	1,352	423
Currency exchange gains - net	(3,830)	(669)	(4,876)	(3,229)

7. Income tax expense

	<u>Group</u>			
	Second half year ended		Full year ended	
	31 March		31 March	
	2022	2021	2022	2021
	S\$'000	S\$'000	S\$'000	S\$'000
Tax expense attributable to profit is made up of:				
- Current income tax	14,310	7,546	24,486	14,723
- Deferred income tax	155	422	462	225
	14,465	7,968	24,948	14,948
Over provision in preceding financial periods:				
- Current income tax (Note 5)	(5,408)	(536)	(5,325)	(522)
- Deferred income tax	(167)	(1,155)	-	(1,167)
	8,890	6,277	19,623	13,259

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8. Earnings per share

(a) Basic earnings per share

Basic earnings per share is calculated by dividing the net profit attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding, excluding treasury shares, during the financial period.

	Group			
	Second half year ended 31 March	2021	Full year ended 31 March	2021
Net profit attributable to equity holders of the Company (S\$'000)	48,063	16,680	83,112	47,620
Less: Net profit attributable to perpetual securities holders of the Company (S\$'000)	(6,194)	(7,417)	(13,652)	(14,875)
Net profit attributable to ordinary shareholders of the Company (S\$'000)	41,869	9,263	69,460	32,745
Weighted average number of ordinary shares outstanding for basic earnings per share ('000)	2,249,577	2,249,577	2,249,577	2,249,577
Basic earnings per share (cents per share)	1.86	0.41	3.09	1.46

(b) Diluted earnings per share

For the purpose of calculating diluted earnings per share, profit attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding, excluding treasury shares, are adjusted for the effects of all dilutive potential ordinary shares. The Company's dilutive potential ordinary shares are in the form of share options.

For share options, the weighted average number of shares on issue has been adjusted as if all dilutive share options were exercised. The number of shares that could have been issued upon the exercise of all dilutive share options less the number of shares that could have been issued at fair value (determined as the Company's average share price for the financial period) for the same total proceeds is added to the denominator as the number of shares issued for no consideration. No adjustment is made to the net profit.

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8. Earnings per share (continued)

(b) *Diluted earnings per share (continued)*

Diluted earnings per share is calculated as follows:

	<u>Group</u>		<u>Group</u>	
	Second half year ended 31 March	2021	Full year ended 31 March	2021
Net profit attributable to equity holders of the Company (S\$'000)	48,063	16,680	83,112	47,620
Less: Net profit attributable to perpetual securities holders of the Company (S\$'000)	(6,194)	(7,417)	(13,652)	(14,875)
Net profit attributable to ordinary shareholders of the Company (S\$'000)	41,869	9,263	69,460	32,745
Weighted average number of ordinary shares outstanding for basic earnings per share ('000)	2,249,577	2,249,577	2,249,577	2,249,577
Adjustment for share options ('000)	-	-	-	-
Weighted average number of ordinary shares outstanding for diluted earnings per share ('000)	2,249,577	2,249,577	2,249,577	2,249,577
Diluted earnings per share (cents per share)	1.86	0.41	3.09	1.46

9. Net asset value

	<u>Group</u>		<u>Company</u>	
	As at 31 Mar 22	As at 31 Mar 21	As at 31 Mar 22	As at 31 Mar 21
Net asset value per ordinary share (cents)	58.12	72.17	54.84	70.54
Ordinary equity per ordinary share (cents)	58.12	56.76	54.84	55.12

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10. Financial assets

	<u>Group</u>		<u>Company</u>	
	As at 31 Mar 22 S\$'000	As at 31 Mar 21 S\$'000	As at 31 Mar 22 S\$'000	As at 31 Mar 21 S\$'000
<u>Current</u>				
<i>Financial assets at amortised cost</i>				
- Bonds - quoted in Singapore	8,006	6,505	8,006	6,505
	8,006	6,505	8,006	6,505
<u>Non-current</u>				
<i>Financial assets at amortised cost</i>				
- Bonds – quoted in Singapore	-	8,020	-	8,020
<i>Financial assets designated as FVTOCI</i>				
- Equity instrument – unquoted	90,631	101,645	-	4,561
<i>Financial assets at FVTPL</i>				
- Call option	-	1,459	-	-
	90,631	111,124	-	12,581

The debt securities are corporate bonds at fixed rates between 3.2% to 3.7% (2021: 3.1% to 3.7%) per annum and due between 3 June 2022 and 29 August 2022 (2021: 11 February 2022 and 29 August 2022).

The fair values of the financial assets at the end of the reporting period are as follows:

	<u>Group</u>		<u>Company</u>	
	As at 31 Mar 22 S\$'000	As at 31 Mar 21 S\$'000	As at 31 Mar 22 S\$'000	As at 31 Mar 21 S\$'000
<u>Current</u>				
<i>Financial assets at amortised cost</i>				
- Bonds - quoted in Singapore	8,170	6,590	8,170	6,590
	8,170	6,590	8,170	6,590
<u>Non-current</u>				
<i>Financial assets at amortised cost</i>				
- Bonds - quoted in Singapore	-	8,261	-	8,261
<i>Financial assets designated as FVTOCI</i>				
- Equity instrument - unquoted	90,631	101,645	-	4,561
<i>Financial assets at FVTPL</i>				
- Call option	-	1,459	-	-
	90,631	111,365	-	12,822

The fair values of quoted securities are based on published price quotations at the end of the reporting period.

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11. Assets classified as held for sale and Liabilities directly associated with assets classified as held for sale

The Group has entered into various sales and purchase agreements to divest a foreign subsidiary and an associated company. Accordingly, as at 31 March 2022, the Group's assets classified as held for sale and liabilities directly associated with assets classified as held for sale comprise the assets and liabilities of the foreign subsidiary and associated company.

	<u>Group</u> As at 31 Mar 22 S\$'000
Assets classified as held for sale	
Cash and cash equivalents	1,230
Trade and other receivables	2,928
Investment in an associated company	1,341
	<u>5,499</u>
Liabilities directly associated with assets classified as held for sale	
Trade and other payables	1,226
Current income tax liabilities	856
	<u>2,082</u>

The assets and liabilities classified as held for sale were included in Logistics segment for the purpose of segmental reporting.

12. Investment properties

	<u>Group</u>		<u>Company</u>	
	As at 31 Mar 22 S\$'000	As at 31 Mar 21 S\$'000	As at 31 Mar 22 S\$'000	As at 31 Mar 21 S\$'000
Beginning of financial year	1,010,804	1,008,020	956,362	951,501
Additions	70	-	70	-
Reclassification (to) / from property, plant and equipment (net)	(3,172)	9,658	(12,417)	11,689
Reclassification from right-of-use assets	950	-	-	-
Loss of control of a subsidiary (Note 23)	(53,321)	-	-	-
Fair value gain / (loss) recognised in profit or loss	1,279	(6,670)	1,259	(6,828)
Currency translation differences	-	(204)	-	-
End of financial year	<u>956,610</u>	1,010,804	<u>945,274</u>	956,362

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12. Investment properties (continued)

As at 31 March 2022, certain investment properties of the Group with carrying amounts of S\$Nil (2021: S\$50.4 million) were mortgaged to secure bank borrowings (Note 15).

<u>Group</u>	<u>Fair value measurements using</u>		
	<u>Quoted prices in active markets for identical assets (Level 1)</u> S\$'000	<u>Significant other observable inputs (Level 2)</u> S\$'000	<u>Significant unobservable inputs (Level 3)</u> S\$'000
As at 31 March 2022			
- Commercial and retail – Singapore	-	2,484	954,126
As at 31 March 2021			
- Commercial and retail – Singapore	-	2,484	996,377
- Commercial and retail – Malaysia	-	-	11,943

There were no transfers in or out of fair value hierarchy levels.

Valuation techniques and processes

The valuation techniques used to derive Level 2 and 3 fair values and the valuation processes used by the Group were the same as those disclosed in the Group's financial statements as at 31 March 2021.

13. Property, plant and equipment

During the full year ended 31 March 2022,

- The Group acquired assets amounting to S\$22,453,000 (2021: S\$13,586,000) and disposed assets amounting to S\$1,022,000 (2021: S\$382,000).
- The Company acquired assets amounting to S\$6,331,000 (2021: S\$13,495,000) and disposed assets amounting to S\$417,000 (2021: S\$238,000).

As at 31 March 2022, commitments for the purchase of property, plant and equipment amount to S\$21,588,000 (2021: S\$5,622,000) and S\$6,758,000 (2021: S\$5,530,000) for the Group and Company respectively.

14. Intangible assets

	<u>Group</u>	
	<u>As at 31 Mar 22</u> S\$'000	<u>As at 31 Mar 21</u> S\$'000
Goodwill on acquisitions	430,120	270,903
Customer relationships	28,357	-
Preferential rent	-	2,665
Acquired software license	15,028	-
Trademarked brands	55,936	40,964
	529,441	314,532

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15. Borrowings

	<u>Group</u>		<u>Company</u>	
	As at 31 Mar 22 S\$'000	As at 31 Mar 21 S\$'000	As at 31 Mar 22 S\$'000	As at 31 Mar 21 S\$'000
<u>Current</u>				
- Borrowings (secured)	27,527	4,166	-	-
- Borrowings (unsecured)	50,000	5,300	50,000	-
	77,527	9,466	50,000	-
<u>Non-current</u>				
- Borrowings (secured)	-	3,233	-	-
- Borrowings (unsecured)	439,481	309,613	-	-
	439,481	312,846	-	-
Total borrowings	517,008	322,312	50,000	-

Secured borrowings comprise external bank loans and are secured over investment properties with carrying amount of S\$Nil (2021: S\$50.4 million) (Note 12), or trade receivables with carrying amount of S\$64.8 million (2021: S\$Nil), or property, plant and equipment with carrying amount of S\$36.4 million (2021: S\$Nil) at the end of the reporting period.

As at 31 March 2022, the Group's unsecured borrowings consist of S\$250 million 10-year Notes, S\$100 million 5-year Notes, A\$89.4 million (S\$90.6 million) 5-year term loan facility and short-term loan of S\$50.0 million.

As at 31 March 2021, the Group's unsecured borrowings consist of S\$250 million 10-year Notes, A\$59.4 million (S\$60.8 million) 5-year term loan facility and short-term revolving credit facilities of S\$5.3 million.

Fair value of non-current borrowings

	<u>Group</u>	
	As at 31 Mar 22 S\$'000	As at 31 Mar 21 S\$'000
<u>Non-current</u>		
- Borrowings (secured)	-	3,233
- Borrowings (unsecured)	423,988	313,991
	423,988	317,224

The fair value of the Notes above are determined based on the over-the-counter quoted price.

The fair value of external bank loans are computed based on cash flows discounted at market borrowing rates. The fair value is classified within Level 2 of the fair value hierarchy.

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16. Share capital and treasury shares

	<u>Number of ordinary shares</u>		<u>Amount</u>	
	<u>Issued share capital</u> '000	<u>Treasury shares</u> '000	<u>Share capital</u> S\$'000	<u>Treasury shares</u> S\$'000
<u>Group and Company</u>				
As at 1 April 2020,				
31 March 2021				
and 31 March 2022	2,275,089	(25,512)	638,762	(29,724)

All issued ordinary shares are fully paid. There is no par value for these ordinary shares.

Treasury shares

During the financial years ended 31 March 2022 and 2021, no treasury shares were re-issued pursuant to the Singapore Post Share Option Scheme.

Share options

During the financial years ended 31 March 2022 and 2021, no share was issued under the Singapore Post Share Option Scheme.

As at 31 March 2022, there were unexercised options for 6,807,000 (2021: 12,116,000) unissued ordinary shares under the Singapore Post Share Option Scheme (including Performance Option Plan but excluding Restricted Share Plan) and unvested shares for 5,543,255 (2021: 13,592,092) unissued ordinary shares under the Restricted Share Plan.

17. Perpetual securities

On 2 March 2012, the Company issued senior perpetual cumulative securities (the "perpetual securities") with an aggregate principal amount of S\$350,000,000. Incremental cost incurred amounting to S\$4,397,000 were recognised in equity as a deduction from proceeds. The perpetual securities were fully redeemed on 2 March 2022.

Such perpetual securities bore distributions at a rate of 4.25% per annum, payable semi-annually. Subject to the relevant terms and conditions in the offering memorandum, the Company might elect to defer making distributions on the perpetual securities, and was not subject to any limits as to the number of times a distribution could be deferred.

As a result, the Company was considered to have no contractual obligations to repay its principal or to pay any distributions and the perpetual securities did not meet the definition for classification as a financial liability under SFRS(I) 1-32 *Financial Instruments: Presentation*. The whole instrument was presented within equity, and distributions were treated as dividends.

During the financial year, distributions to perpetual securities holders amounted to S\$13,652,000 (2021: S\$14,875,000).

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18. Dividends

	<u>Group and Company</u>	
	Full year ended	
	31 March	
	2022	2021
	S\$'000	S\$'000
<i>Ordinary dividends paid</i>		
Final exempt (one-tier) dividend paid in respect of the previous financial year of 0.6 cent per share (2021: 1.2 cents)	13,497	26,995
Interim exempt (one-tier) dividend paid in respect of the first half of the current financial year of 0.5 cent per share (2021: 0.5 cent)	11,248	11,248
	<u>24,745</u>	<u>38,243</u>

Final dividend

At the Annual General Meeting on 21 July 2022, a final exempt (one-tier) dividend of 1.3 cents per ordinary share amounting to S\$29.2 million will be recommended. These condensed interim financial statements do not reflect this dividend, which will be accounted for in shareholders' equity as an appropriation of retained earnings in the financial year ending 31 March 2023.

The date payable and record date of the final dividend will be announced at a later date.

For the financial year ended 31 March 2021, a final exempt (one-tier) dividend of 0.6 cent per ordinary share was approved at the Annual General Meeting on 15 July 2021 and paid on 11 August 2021.

19. Fair value measurement

The following table presents financial assets and liabilities measured at fair value and classified by level of the following fair value measurement hierarchy:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2); and
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

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19. Fair value measurement (continued)

<u>Group</u>	<u>Level 1</u> S\$'000	<u>Level 2</u> S\$'000	<u>Level 3</u> S\$'000	<u>Total</u> S\$'000
As at 31 March 2022				
Assets				
Financial assets designated as at FVTOCI	-	-	90,631	90,631
Derivative financial instruments	-	391	-	391
Liabilities				
Derivative financial instruments	-	552	-	552
Put option redemption liability	-	-	249,215	249,215
As at 31 March 2021				
Assets				
Financial assets at FVTPL				
- call option	-	-	1,459	1,459
Financial assets designated as at FVTOCI	-	-	101,645	101,645
Derivative financial instruments	-	40	-	40
Liabilities				
Derivative financial instruments	-	1,173	-	1,173
Put option redemption liability	-	-	5,966	5,966
 <u>Company</u>				
As at 31 March 2022				
Assets				
Derivative financial instruments	-	391	-	391
Liabilities				
Derivative financial instruments	-	552	-	552
As at 31 March 2021				
Assets				
Financial assets designated as at FVTOCI	-	-	4,561	4,561
Derivative financial instruments	-	40	-	40
Liabilities				
Derivative financial instruments	-	1,173	-	1,173

There were no transfers between Levels 1, 2 and 3 during the full years ended 31 March 2022 and 2021.

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20. Related party transactions

The Group had the following significant transactions with its related parties at terms agreed between the parties:

Sales and purchases of goods and services

	Second half year ended		Full year ended	
	31 March		31 March	
	2022	2021	2022	2021
	S\$'000	S\$'000	S\$'000	S\$'000
Services rendered to an associated company	1,314	494	2,677	494
Services received from associated companies	(1,814)	(1,150)	(3,072)	(1,786)
Services rendered to related companies of a substantial shareholder	6,948	8,200	13,901	16,285
Services received from related companies of a substantial shareholder	(8,136)	(13,777)	(16,926)	(31,246)
Interest received from loans to associated companies	45	48	92	103

During the full year ended 31 March 2022, the Company made payments on behalf of subsidiaries totalling S\$5.2 million (2021: S\$4.4 million) which were subsequently reimbursed.

21. Segment information

Management has determined the operating segments based on the reports reviewed by the Group Chief Executive Officer and Group Chief Financial Officer ("Chief Operating Decision Maker" or "CODM") that are used to make strategic decisions.

SingPost Group classifies the reporting of business units into three key business segments, namely Post and Parcel, Logistics and Property.

- **Post and Parcel** segment comprises the core postal and parcel delivery business of the Group. This includes Domestic post and parcels, International post and parcels, as well as products and services transacted at the post offices.
- **Logistics** segment comprises the logistics businesses of the Group. The services are divided into Freight forwarding and eCommerce logistics, which includes front-end related eCommerce solutions, warehousing, fulfilment, delivery and other value-added services in Asia Pacific.
- **Property** segment includes the provision of commercial property rental, as well as the self-storage business.

All other segments comprising of unallocated corporate overhead items are categorised as Others.

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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
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21. Segment information (continued)

(a) Segment revenues and results

The following is an analysis of the Group's revenues and results by reportable segments that were provided to the CODM for the second half years and full years ended 31 March 2022 and 2021.

<u>Group</u>	Post and				<u>Total</u>	All other	
	<u>Parcel</u>	<u>Logistics</u>	<u>Property</u>	<u>Eliminations</u>		<u>segments</u>	<u>Total</u>
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Second half							
year ended							
31 March 2022							
Revenue:							
- External	286,214	613,930	34,046	-	934,190	-	934,190
- Inter-segment	10,580	5,072	21,100	(36,752)	-	-	-
	<u>296,794</u>	<u>619,002</u>	<u>55,146</u>	<u>(36,752)</u>	<u>934,190</u>	<u>-</u>	<u>934,190</u>
Operating profit	<u>13,542</u>	<u>28,068</u>	<u>26,249</u>	<u>-</u>	<u>67,859</u>	<u>(6,873)</u>	<u>60,986</u>

Second half							
year ended							
31 March 2021							
Revenue:							
- External	338,237	319,537	39,126	-	696,900	-	696,900
- Inter-segment	10,887	5,801	20,927	(37,615)	-	-	-
	<u>349,124</u>	<u>325,338</u>	<u>60,053</u>	<u>(37,615)</u>	<u>696,900</u>	<u>-</u>	<u>696,900</u>
Operating profit	<u>19,638</u>	<u>5,551</u>	<u>26,561</u>	<u>-</u>	<u>51,750</u>	<u>(12,201)</u>	<u>39,549</u>

<u>Group</u>	Post and				<u>Total</u>	All other	
	<u>Parcel</u>	<u>Logistics</u>	<u>Property</u>	<u>Eliminations</u>		<u>segments</u>	<u>Total</u>
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Full year ended							
31 March 2022							
Revenue:							
- External	604,784	988,450	72,345	-	1,665,579	-	1,665,579
- Inter-segment	17,550	10,080	42,561	(70,191)	-	-	-
	<u>622,334</u>	<u>998,530</u>	<u>114,906</u>	<u>(70,191)</u>	<u>1,665,579</u>	<u>-</u>	<u>1,665,579</u>
Operating profit	<u>24,851</u>	<u>44,295</u>	<u>52,867</u>	<u>-</u>	<u>122,013</u>	<u>(9,939)</u>	<u>112,074</u>

Full year ended							
31 March 2021							
Revenue:							
- External	721,475	608,347	74,859	-	1,404,681	-	1,404,681
- Inter-segment	22,407	9,728	40,569	(72,704)	-	-	-
	<u>743,882</u>	<u>618,075</u>	<u>115,428</u>	<u>(72,704)</u>	<u>1,404,681</u>	<u>-</u>	<u>1,404,681</u>
Operating profit	<u>43,502</u>	<u>11,256</u>	<u>50,013</u>	<u>-</u>	<u>104,771</u>	<u>(25,439)</u>	<u>79,332</u>

Sales between segments are carried out at arm's length. The revenue from external parties reported to the CODM is measured in a manner consistent with that in the statement of comprehensive income.

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21. Segment information (continued)

(a) Segment revenues and results (continued)

Reconciliation of Segment profits

The CODM assesses the performance of the operating segments based on a measure of operating profit, which is profit before interest, tax and share of results of associated companies and joint venture. Interest income and finance expenses are not allocated to segments.

A reconciliation of operating profit to profit after tax is provided as follows:

	<u>Group</u>			
	Second half year ended		Full year ended	
	31 March		31 March	
	2022	2021	2022	2021
	S\$'000	S\$'000	S\$'000	S\$'000
Operating profit for reportable segments	67,859	51,750	122,013	104,771
Operating loss for all other segments	(6,873)	(12,201)	(9,939)	(25,439)
Exceptional items	4,210	(11,959)	1,858	(12,491)
Finance expenses	(7,709)	(5,975)	(14,779)	(11,031)
Interest income and investment income (net)	2,070	195	3,366	3,470
Share of profit of associated companies and joint venture	2,106	670	4,847	989
Profit before tax	61,663	22,480	107,366	60,269
Tax expense	(8,890)	(6,277)	(19,623)	(13,259)
Profit after tax	52,773	16,203	87,743	47,010

(b) Segment assets

The following is an analysis of the Group's segment assets as at 31 March 2022 and 2021 that were provided to the CODM:

<u>Group</u>	<u>Post and Parcel</u>				<u>All other segments</u>	
	<u>Parcel</u>	<u>Logistics</u>	<u>Property</u>	<u>Total</u>	<u>segments</u>	<u>Total</u>
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
31 March 2022						
Segment assets	140,154	1,008,165	1,274,804	2,423,123	48,390	2,471,513
Segment assets include:						
Investment in associated companies	-	2,575	-	2,575	31,497	34,072
Intangible assets	-	529,441	-	529,441	-	529,441
31 March 2021						
Segment assets	182,720	660,137	1,400,006	2,242,863	43,121	2,285,984
Segment assets include:						
Investment in associated companies	-	66,490	-	66,490	30,979	97,469
Intangible assets	-	283,665	30,867	314,532	-	314,532

SINGAPORE POST LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS For the second half year and full year ended 31 March 2022

21. Segment information (continued)

(b) Segment assets (continued)

Reconciliation of segment assets

Reportable segments' assets are reconciled to total assets as follows:

Segment assets are measured in a manner consistent with that of the financial statements. The CODM does not review statement of financial position items by reportable segments, but rather monitors them at the Group level. All assets are allocated to reportable segments other than derivative financial instruments and financial assets. Cash and cash equivalents are allocated to reportable segments where applicable.

	<u>Group</u>	
	As at 31 Mar 22 S\$'000	As at 31 Mar 21 S\$'000
Segment assets for reportable segments	2,423,123	2,242,863
Segment assets for all other segments	48,390	43,121
Unallocated:		
Cash and cash equivalents	199,494	416,657
Financial assets	8,006	19,086
Derivative financial instruments	391	40
Total assets	2,679,404	2,721,767

(c) Geographical information

The Group's three business segments operate in two main geographical areas:

- Singapore - the Company is headquartered and has operations in Singapore where 43% (2021: 59%) of its revenues are generated. The operations in this area comprise principally of the core postal business, post office products and services, courier activities and investment holding.
- Australia - the operations in this area are principally delivery services and e-commerce logistics solutions.
- Other countries - the operations include warehousing and logistics delivery in Japan and Hong Kong, and freight forwarding businesses in Europe and New Zealand.

	<u>Group</u>			
	Second half year ended 31 March		Full year ended 31 March	
	2022 S\$'000	2021 S\$'000	2022 S\$'000	2021 S\$'000
Revenue:				
Singapore	345,278	394,644	717,076	832,156
Australia	321,165	130,501	460,962	252,484
Other countries	267,747	171,755	487,541	320,041
	934,190	696,900	1,665,579	1,404,681

The geographical information on the Group's non-current assets is not presented as it is not used for segmental reporting purposes.

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For the second half year and full year ended 31 March 2022

22. Acquisition of subsidiaries

(a) Freight Management Holdings Pty Ltd

On 30 November 2021, the Group acquired 23% shares and voting interests in Freight Management Holdings Pty Ltd (“FMH”). As a result, the Group’s interest in FMH increased from 28% to 51%, granting it control of FMH.

The principal activity of FMH is the provision of integrated supply chain and distribution solutions to customers in Australia through a 4th party logistics technology platform. Having FMH as a subsidiary will enable the Group to better derive synergies and build scale to further capitalise on the accelerated growth in eCommerce in Australia.

Details at the acquisition date of the consideration paid, the fair value amounts of assets acquired and liabilities assumed, and the effects on the cash flows of the Group, are as follows:

	Group S\$'000
(i) <u>Purchase consideration</u>	
Cash paid to vendor	109,594
Contingent consideration (Note (iv))	6,101
Total purchase consideration	115,695
(ii) <u>Effect on cash flows of the Group</u>	
Effect on cash flows of the Group	109,594
Less: Cash and cash equivalent balances acquired	-
Cash outflow on acquisition	109,594

SINGAPORE POST LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
For the second half year and full year ended 31 March 2022

22. Acquisition of subsidiaries (continued)

(a) Freight Management Holdings Pty Ltd (continued)

(iii) Identifiable assets acquired and liabilities assumed, at fair value

	At fair value S\$'000
Current assets	
Trade and other receivables	75,152
	<u>75,152</u>
Non-current assets	
Property, plant and equipment	31,613
Right-of-use assets	23,392
Intangible assets	57,620
Deferred income tax assets	5,086
Other non-current assets	98
	<u>117,809</u>
Current liabilities	
Trade and other payables	68,245
Current income tax liabilities	10,979
Lease liabilities	9,146
Borrowings	14,455
	<u>102,825</u>
Non-current liabilities	
Lease liabilities	18,504
Borrowings	3,447
Deferred tax liabilities	13,768
	<u>35,719</u>
Total identifiable assets acquired and liabilities assumed	54,417
Add: Goodwill arising on acquisition (Note (v))	181,812
Less: Fair value of previously held interest	(93,869)
Less: Non-controlling interest (Note (vi))	(26,665)
Consideration	<u>115,695</u>

The fair value of the financial assets includes receivables acquired (which principally comprised of trade receivables) with a fair value of S\$55,895,000 and a gross contractual value of S\$56,723,000. The best estimate at acquisition date of the contractual cash flows not expected to be collected is S\$828,000.

(iv) Contingent consideration

The contingent consideration is dependent on the Earnings before Interest, Taxes, Depreciation and Amortisation ("EBITDA") of FMH for the period from 1 July 2021 to 30 June 2022.

SINGAPORE POST LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS For the second half year and full year ended 31 March 2022

22. Acquisition of subsidiaries (continued)

(a) Freight Management Holdings Pty Ltd (continued)

(v) Goodwill arising on acquisition

The goodwill of S\$181,812,000 arising on acquisition is attributable to the synergies expected to arise from economies of scale in combining the operations of the Group to strengthen the Group's capability to provide an end-to-end Business-to-Business-to-Consumer logistics solution for customers and a seamless logistics service within Australia.

None of the goodwill is expected to be deductible for tax purposes.

(vi) Non-controlling interest

The non-controlling interest (49% ownership interest in FMH) recognised amounted to S\$26,665,000 and was measured by reference to the share of fair value of the net identifiable assets and liabilities on acquisition date

(vii) Acquisition-related cost

Acquisition-related costs of S\$414,000 are included in "exceptional items" in the consolidated statement of comprehensive income and in operating cash flows in the consolidated statement of cash flows.

(viii) Impact of acquisition on the results of the Group

FMH contributed S\$178,662,000 revenue and S\$4,769,000 to the Group's profit for the period between the date of acquisition and the reporting date.

If the acquisition of FMH had been completed on the first day of the financial year, consolidated revenue and consolidated net profit for the year ended 31 March 2022 would have increased by S\$291,454,000 and S\$8,850,000 respectively.

(b) Andromeda Nominees Pty Ltd

On 28 February 2022, Freight Management Holdings Pty Ltd, a subsidiary of the Group, acquired 100% shares and voting interests in Andromeda Nominees Pty Ltd ("Andromeda"). The principal activity of Andromeda is the provision of logistics services in Australia.

Details at the acquisition date of the consideration paid, the provisional fair value amounts of assets acquired and liabilities assumed, and the effects on the cash flows of the Group, are as follows:

	Group S\$'000
(i) <u>Purchase consideration</u>	
Cash paid to vendor	1,984
Contingent consideration (Note (iv))	1,641
Total purchase consideration	3,625
(ii) <u>Effect on cash flows of the Group</u>	
Effect on cash flows of the Group	1,984
Less: Cash and cash equivalent balances acquired	(94)
Cash outflow on acquisition	1,890

SINGAPORE POST LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
For the second half year and full year ended 31 March 2022

22. Acquisition of subsidiaries (continued)

(b) Andromeda Nominees Pty Ltd (continued)

(iii) Identifiable assets acquired and liabilities assumed, at provisional fair value

	At provisional fair value S\$'000
Current assets	
Cash and cash equivalents	94
Trade and other receivables	1,631
	<u>1,725</u>
Non-current assets	
Property, plant and equipment	784
Right-of-use assets	1,248
	<u>2,032</u>
Current liabilities	
Trade and other payables	2,513
Borrowings	9
	<u>2,522</u>
Total identifiable assets acquired and liabilities assumed	1,235
Add: Goodwill arising on acquisition (Note (v))	2,390
Consideration	<u><u>3,625</u></u>

(iv) Contingent consideration

Out of the total contingent consideration of S\$1,641,000, S\$661,000 is dependent on the finalisation of the net assets of Andromeda as at 28 February 2022. The remaining balance of S\$980,000 is dependent on the EBITDA of Andromeda for the period from 1 July 2022 to 30 June 2023.

(v) Goodwill arising on acquisition

The goodwill of S\$2,390,000 arising on acquisition is attributable to the synergies expected to arise from economies of scale in combining the business processes and marketing with those of Andromeda.

None of the goodwill is expected to be deductible for tax purposes.

SINGAPORE POST LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS For the second half year and full year ended 31 March 2022

23. Loss of control of subsidiaries

(a) General Storage Company Pte. Ltd.

On 22 December 2021, the Group disposed its entire interests in a wholly-owned subsidiary, General Storage Company Pte. Ltd. ("GSC") to an external party.

The net assets of GSC and its subsidiaries at the date of disposal were as follows:

Carrying amounts of net assets over which control was lost

	S\$'000
Current assets	
Cash and cash equivalents	14,766
Trade and other receivables	322
Inventories	14
Other current assets	1,585
	<u>16,687</u>
Non-current assets	
Investment properties	53,321
Property, plant and equipment	12,369
Right-of-use assets	20,922
Intangible assets	30,697
Other non-current assets	16
	<u>117,325</u>
Total assets	<u>134,012</u>
Current liabilities	
Trade and other payables	3,806
Current income tax liabilities	719
Lease liabilities	7,258
Contract liabilities	5,762
Borrowings	1,454
	<u>18,999</u>
Non-current liabilities	
Trade and other payables	1,043
Lease liabilities	19,380
Borrowings	4,509
Deferred tax liabilities	1,879
	<u>26,811</u>
Total liabilities	<u>45,810</u>
Net assets derecognised	<u>88,202</u>

SINGAPORE POST LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
For the second half year and full year ended 31 March 2022

23. Loss of control of subsidiaries (continued)

(a) General Storage Company Pte. Ltd. (continued)

Net financial impact on disposal	S\$'000
Consideration received	87,205
Net assets derecognised	(88,202)
Cumulative exchange differences in respect of the net assets of the subsidiary reclassified from equity on loss of control of subsidiary	872
Legal fees and other related expenses for disposal of subsidiary	<u>(5,714)</u>
Net financial impact on disposal ⁽¹⁾	<u>(5,839)</u>

⁽¹⁾ Before considering the effect of transfer of revaluation gain on property, plant and equipment and other capital reserve of S\$6,017,000 directly to retained earnings (Note 5).

(b) Other subsidiaries

The net assets of other subsidiaries at the date of disposal / deconsolidation were as follows:

Carrying amounts of net assets over which control was lost

	S\$'000
Current assets	
Cash and cash equivalents	625
Trade and other receivables	<u>744</u>
	<u>1,369</u>
Current liabilities	
Trade and other payables	1,449
Contract liabilities	<u>68</u>
	<u>1,517</u>
Net liabilities derecognised	<u>(148)</u>
Net financial impact on disposal	
Consideration received	-
Net liabilities derecognised	148
Cumulative exchange differences in respect of the net assets of the subsidiary reclassified from equity on loss of control of subsidiaries	<u>(626)</u>
Net financial impact on disposal	<u>(478)</u>

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
For the second half year and full year ended 31 March 2022

24. Contingent liabilities

A non-controlling shareholder (the “**Claimant**”) of Famous Holdings Pte Ltd (“**FHPL**”), a subsidiary of the Company, had exercised his put option in respect of his remaining 37.5% shares in FHPL in September 2016. As there were differences between the parties on the final valuation of the put option, the Claimant commenced arbitration proceedings against the Company in 2017 (the “**1st Arbitration**”).

On 3 June 2020, the arbitral tribunal issued its partial award with respect to the 1st Arbitration (the “**1st Partial Award for the 1st Arbitration**”) and dismissed the Claimant’s various claims against the Company for damages for breach of a shareholders’ agreement (the “**SHA**”), conspiracy and inducement of breach of contract. The tribunal also ruled in the Company’s favour on material accounting and computational issues under the SHA, which are the most significant determinants of what sums, if any, are due to be paid either by the Company to the Claimant, or by the Claimant to the Company, for the transfer of the Claimant’s remaining 37.5% shares in FHPL to the Company. Based on its findings, the tribunal directed the parties to see if they can agree on the final amount payable for the transfer of the Claimant’s 37.5% shares in FHPL to the Company, failing which the tribunal will make a final determination.

As there was divergence between the Company and the Claimant on the precise computation for the final amount payable, on 19 January 2022, the tribunal issued a further partial award in respect of the 1st Arbitration that, amongst others, applies one out of several computation methodologies that were submitted by the parties within the parameters of the 1st Partial Award for the 1st Arbitration. The tribunal has not ruled on the final amount, but the tribunal’s determination on the computation methodology, which remains subject to tax and minority interest adjustments, would entail the Company paying the Claimant for his 37.5% shares in FHPL at a fair value that would not have a material impact on the Group’s net tangible assets or earnings per share for the financial year ended 31 March 2022.

In addition to the 1st Arbitration, a second arbitration was commenced by the Claimant against FHPL and SingPost Logistics Investments Pte Ltd (“**SPLI**”), the Group’s investment holding company of FHPL, on 15 and 16 September 2021 (the “**2nd Arbitration**”), in which the Claimant alleged breaches of the SHA, the existence of a conspiracy, and his purported entitlement to dividends. A third arbitration was separately commenced by the Claimant against SPLI on 22 February 2022 (the “**3rd Arbitration**”), in which the Claimant alleged breaches of the SHA which impacted the final amount payable by the Company for the Claimant’s remaining 37.5% shares in FHPL which are the subject of the 1st Arbitration.

The potential financial impact of the claims of the Claimant in the 2nd Arbitration and 3rd Arbitration cannot yet be quantified as the claims were lacking in particulars and no quantification of the claims was provided in any of the notices of the new arbitrations.

Apart from the above, the Group has an outstanding loan to the Claimant amounting to S\$4,810,000 (2021: S\$4,810,000) as at 31 March 2022 (the “**Claimant Loan**”). Management is of the view that the Claimant Loan is recoverable.

The Company will, in consultation with its advisors, continue to evaluate the various courses of action available to the Group.

SINGAPORE POST LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the second half year and full year ended 31 March 2022

25. Subsequent events

In April 2022, the Company announced that SingPost Group Treasury Pte. Ltd., a wholly-owned subsidiary of the Company, has issued S\$250 million SGD Subordinated Perpetual Securities (the "Perpetual Securities"). The Perpetual Securities were issued under the S\$1 billion Multicurrency Debt Issuance Programme established by SingPost Group Treasury Pte. Ltd. which is unconditionally and irrevocably guaranteed by the Company.

In April 2022, the Group completed the acquisition of 100% of the share capital of Parcel Santa Pte. Ltd. ("Parcel Santa"), for an aggregate cash consideration of S\$5,250,000. Parcel Santa is the sole provider of smart locker systems for private residences in Singapore.

SINGAPORE POST LIMITED AND ITS SUBSIDIARIES

OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2 For the second half year and full year ended 31 March 2022

Other Information Required by Listing Rule Appendix 7.2

(1) Audit / Review

The condensed interim financial statements of Singapore Post Limited and its subsidiaries (the "Group") as at and for the second half year and full year ended 31 March 2022 have not been audited nor reviewed.

(2) Review of the performance of the group

Revenue

	FY21/22	FY20/21		FY21/22	FY20/21	
	H2	H2	Variance	Full Year	Full Year	Variance
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Post and Parcel	296,794	349,124	(15.0)	622,334	743,882	(16.3)
Logistics	619,002	325,338	90.3	998,530	618,075	61.6
Property	55,146	60,053	(8.2)	114,906	115,428	(0.5)
Inter-segment eliminations*	(36,752)	(37,615)	2.3	(70,191)	(72,704)	3.5
Total	934,190	696,900	34.0	1,665,579	1,404,681	18.6

* Inter-segment eliminations relate to the elimination of inter-segment billings for internal services to better reflect the profitability of each business segment.

Operating profit

	FY21/22	FY20/21		FY21/22	FY20/21	
	H2	H2	Variance	Full Year	Full Year	Variance
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Post and Parcel	13,542	19,638	(31.0)	24,851	43,502	(42.9)
Logistics	28,068	5,551	@	44,295	11,256	293.5
Property	26,249	26,561	(1.2)	52,867	50,013	5.7
Others*	(6,873)	(12,201)	43.7	(9,939)	(25,439)	60.9
Operating profit	60,986	39,549	54.2	112,074	79,332	41.3

* Others refer to unallocated corporate overhead items.

@ Denotes variance more than 300%

Group

Group revenue rose 34.0% for the half year ended 31 March 2022 ("H2") and 18.6% for the full year ended 31 March 2022. This was largely driven by higher revenue from the Logistics segment, including FMH which became a subsidiary after we increased our stake to 51% in November 2021, offsetting a decline in revenue from the Post and Parcel segment.

Group operating profit increased 54.2% in H2 and 41.3% for the full year, despite the absence of approximately S\$11.5 million and S\$24.5 million in Jobs Support Scheme ("JSS") reliefs recognised in the corresponding periods last year. This was mainly due to higher contributions from the Logistics segment and lower corporate overhead expenses.

More details are provided below.

SINGAPORE POST LIMITED AND ITS SUBSIDIARIES

OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2 For the second half year and full year ended 31 March 2022

Post and Parcel

In the Post and Parcel segment, revenue declined 15.0% in H2 and 16.3% for the full year, due to the continued impact of COVID-19 on air freight capacity which resulted in lower International Post and Parcel volumes.

In Domestic Post and Parcel, eCommerce logistics volume grew 19% in H2 and 24% for the full year, which largely offset the continued decline in volumes of letters and printed papers. As a result, Domestic revenue was relatively stable in H2 and the full year.

With the lower International revenue and the absence of significant JSS relief recognised by Post and Parcel last year, operating profit declined 31.0% in H2 and 42.9% for the full year.

Logistics

In the Logistics segment, revenue rose 90.3% in H2 and 61.6% for the full year, mainly driven by strong international freight forwarding volume growth and the first-time consolidation of FMH with effect from December 2021. FMH has continued to perform well since our acquisition in November 2021 and was less affected by these disruptions given its focus on B2B and interstate deliveries.

Famous Holdings continued to benefit from higher sea freight volume and rates on the back of global supply chain logistics disruptions, leading to revenue growth of 74.8% in H2 and 69.6% for the full year.

In Australia, CouriersPlease recorded revenue growth of 1.6% in H2 and 7.5% for the full year, but incurred higher costs due to COVID-19 related disruptions, as well as extreme weather events in eastern Australia.

With higher freight forwarding revenue and significant new contributions from FMH, Logistics operating profit grew to S\$44.3 million for the full year, up from S\$11.3 million last year.

Property

Despite a challenging leasing market due to the economic environment and COVID-19 related restrictions, occupancy in the SingPost Centre retail mall and office remained high at 100% and 93.5% respectively as at 31 March 2022.

Property revenue fell 8.2% in H2 due to the divestment of the self-storage business GSC in December 2021. For the full year, Property revenue was stable due to lower rental rebates provided for eligible tenants as well as higher receipts from carpark and other service charges, offsetting the GSC divestment. Correspondingly, operating profit was stable in H2 and grew 5.7% for the full year.

Others

The Others segment refers to unallocated corporate overhead expenses.

Expenses under this segment were lower by 43.7% in H2 and 60.9% for the full year, mainly due to stringent control of corporate costs, lower leave provisions as well as reversal of share option costs.

Operating Expenses

Total operating expenses rose 32.0% in H2 and 16.9% for the full year, on the back of higher international freight forwarding volume and higher delivery volume in Singapore and Australia.

Volume-related expenses, which include conveyancing costs and outpayments for international postal terminal dues, rose 48.1% in H2 and 24.8% for the full year. This was in line with the higher volumes as described above, partly offset by lower International Post and Parcel volume.

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OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2 For the second half year and full year ended 31 March 2022

Labour and related expenses rose 3.1% in H2 and 1.9% for the full year. This was mainly due to the absence of JSS reliefs, the consolidation of FMH and higher costs incurred by CouriersPlease due to COVID-19 related disruptions, partly offset by the reversal of share option costs.

Administrative expenses rose 3.1% in H2 and 6.1% for the full year mainly due to higher utilities expenses and the consolidation of FMH.

Depreciation and amortisation expenses rose 13.7% in H2 and 8.3% for the full year with the consolidation of FMH.

Selling-related expenses fell 36.1% in H2 and 21.6% for the full year. The higher expenses last year were due to increased compensation for delayed deliveries caused by COVID-19 disruptions.

Other Income

Other income fell 40.7% in H2 and 31.2% for the full year, mainly because the prior period had included settlement of a late payment interest from a customer.

Share of Results of Associated Companies and Joint Venture

The share of profit from associated companies and joint venture rose to S\$4.8 million for the full year compared to S\$1.0 million last year, largely due to higher contribution from FMH as an associate from April to November 2021.

Exceptional items

The Group recorded an exceptional gain of S\$1.9 million for the full year, largely due to fair value gain upon gaining control of FMH when we increased our stake from 28% to 51%, offset by impairment charges, provisions and loss on disposal/liquidation of subsidiaries.

Refer to Note 5 for details on exceptional items.

Interest Income and Finance Expense

Interest income and investment income increased to S\$2.1 million in H2 compared to S\$0.2 million in the corresponding period last year, mainly due to higher foreign exchange gain. For the full year, interest income and investment income fell 3% to S\$3.4 million as a result of lower interest income.

Finance expenses rose 29.0% in H2 and 34.0% for the full year due to higher interest expenses and higher borrowing costs.

Income Tax Expense

Income tax expense increased 41.6% in H2 and 48.0% for the full year largely due to higher profit before tax in line with higher revenue as well as higher tax expenses from income generated by foreign subsidiaries.

Non-controlling Interest

Non-controlling interest increased to S\$4.6 million for the full year largely attributable to FMH.

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Net Profit

Net profit attributable to equity holders of the Company rose 188.1% to S\$48.1 million in H2 and 74.5% to S\$83.1 million for the full year, despite the absence of JSS reliefs that were recognised last year. This was predominantly driven by higher contribution from the Logistics segment, including new contributions from the consolidation of FMH.

Excluding exceptional items, underlying net profit rose 53.1% to S\$43.9 million in H2 and 35.2% to S\$81.3 million for the full year.

Statement of Financial Position

Assets

The Group's total assets amounted to S\$2.7 billion as at 31 March 2022, fairly stable compared to 31 March 2021.

Current assets were lower at S\$564.3 million as at 31 March 2022, compared to S\$693.4 million as at 31 March 2021, mainly due to lower cash balance partly offset by higher trade and other receivables.

Cash and cash equivalents fell to S\$280.4 million from S\$501.2 million mainly due to the redemption of S\$350 million in perpetual securities in March 2022, offset by cash generated from operations, new borrowings and the divestment of GSC. Subsequent to the financial year end, S\$250 million of new perpetual securities were issued in April 2022, increasing the Group's cash balance.

Trade and other receivables increased to S\$234.1 million as at 31 March 2022, from S\$166.4 million as at 31 March 2021, due to higher sales as well as the consolidation of FMH.

Current financial assets, which comprise SingPost's investments in corporate bonds, increased to S\$8.0 million from S\$6.5 million mainly due to the reclassification of assets from long term to short term, partly offset by bond redemptions upon maturity.

Current derivative financial instruments increased to S\$0.4 million from S\$40,000, due to mark-to-market gains on foreign exchange hedges.

Current inventories decreased to S\$0.5 million from S\$0.6 million, mainly due to increased postal product sales and the divestment of GSC.

Other current assets rose to S\$35.3 million from S\$18.7 million, mainly due to higher prepayments following the consolidation of FMH. These prepayments were for items including insurance, rental, and maintenance.

Non-current assets increased to S\$2.1 billion from S\$2.0 billion mainly due to the consolidation of FMH, partly offset by the divestment of GSC.

Property, plant and equipment ("PPE") increased to S\$412.5 million from S\$405.4 million as a result of the consolidation of FMH and PPE additions, partly offset by depreciation charges and the divestment of GSC.

Right-of-use assets increased to S\$71.3 million from S\$70.2 million mainly due to additions and the consolidation of FMH, partly offset by the divestment of GSC.

Intangible assets increased to S\$529.4 million from S\$314.5 million mainly due to higher goodwill and other intangible assets following the consolidation of FMH, partly offset by the divestment of GSC.

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Investment properties fell to S\$956.6 million from S\$1.0 billion, mainly due to the divestment of GSC.

Investments in associated companies and joint venture fell to \$34.1 million from S\$97.5 million mainly due to the reclassification of FMH from an associate to a subsidiary.

Non-current financial assets fell to S\$90.6 million from S\$111.1 million mainly due to the reclassification of bonds from long term to short term and fair value losses.

Non-current trade and other receivables fell to S\$4.9 million from S\$8.6 million mainly due to reclassifications to assets held for sale.

Deferred income tax assets increased to S\$8.7 million from S\$4.2 million mainly due to the consolidation of FMH.

Other non-current assets increased to S\$7.1 million from S\$6.0 million mainly due higher prepayments.

Liabilities

The Group's total liabilities were S\$1.5 billion as at 31 March 2022, compared to S\$1.1 billion as at 31 March 2021.

Current liabilities increased to S\$831.4 million from S\$594.8 million mainly due to higher borrowings as well as higher trade and other payables.

Current borrowings increased to S\$77.5 million from S\$9.5 million mainly due to a short-term loan taken to partially fund the redemption of perpetual securities, as well as due to the consolidation of FMH.

Current trade and other payables increased to S\$667.5 million from S\$506.0 million mainly due to higher trade and other creditors following the consolidation of FMH and the recognition of the redemption liability from a put option written with the non-controlling shareholders of FMH, partly offset by lower payables in line with lower International Post and Parcel volume.

Current contract liabilities, which include advance collections and deferred income, decreased to S\$29.4 million from S\$34.8 million mainly due to the divestment of GSC.

Current lease liabilities increased to S\$29.8 million from S\$23.7 million mainly due to reclassification from non-current lease liabilities and the consolidation of FMH, partly offset by lease repayments and the divestment of GSC.

Current income tax liabilities increased to S\$24.5 million from S\$19.8 million mainly due to the consolidation of FMH.

Derivative financial instruments fell to S\$0.6 million from S\$1.2 million after being marked to market.

Non-current liabilities increased to S\$705.9 million from S\$455.5 million mainly due to higher borrowings and higher trade and other payables.

Non-current borrowings increased to S\$439.5 million from S\$312.8 million mainly due to the issuance of S\$100 million in senior notes and higher borrowings for the FMH acquisition.

Non-current lease liabilities fell to S\$53.6 million from S\$60.2 million mainly due to reclassification to current lease liabilities and divestment of GSC, partly offset by new leases and the consolidation of FMH.

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Non-current trade and other payables increased to S\$148.6 million from S\$22.3 million mainly due to the recognition of the redemption liability from a put option written with the non-controlling shareholders of FMH.

Non-current contract liabilities mainly relate to upfront payments received from our postassurance collaboration with AXA Life Insurance Singapore Private Limited for which a financing component exists. The decline to S\$15.4 million from S\$23.3 million was mainly due to amortisation for the period.

Deferred income tax liabilities increased to S\$48.8 million from S\$36.9 million mainly due to deferred tax on intangible assets arising from the FMH acquisition.

Cash Flow

For the year ended 31 March 2022, operating cash flow before working capital changes was S\$169.1 million, compared to S\$141.5 million last year, mainly due to higher profit.

Changes in net working capital of S\$55.5 million was mainly due to movements in trade receivables and trade payables, resulting in net cash inflow of S\$89.5 million from operating activities for the full year. Cash generated from operating activities was lower compared against S\$215.4 million last year, due to movement in trade receivables for eCommerce deliveries from China in the prior period.

Net cash outflow for investing activities was S\$53.3 million for the full year, mainly due to capital expenditure and the acquisition of FMH, partly offset by the divestment of GSC. This was lower than the outflow of S\$67.5 million last year which was mainly due to the initial investment in FMH in December 2020.

Net cash outflow from financing activities amounted to S\$255.8 million, compared to outflow of S\$139.7 million last year. This was mainly due to the redemption of S\$350 million in perpetual securities, offset by net proceeds from bank loans and the issuance of S\$100 million in senior notes.

Financial Position

The Group was in a net debt position of S\$236.6 million as at 31 March 2022, compared to a net cash position of S\$178.9 million as at 31 March 2021, mainly due to the redemption of perpetual securities and issuance of senior notes in March 2022.

Subsequent to financial year end, S\$250 million of new perpetual securities were issued in April 2022 which would bring the Group back to a net cash position on a pro forma basis based on the Group's balance sheet as at 31 March 2022. The restructuring of the Group's debt and equity profile was undertaken to manage overall financing costs and optimise the balance sheet to support future growth and investment.

Ordinary shareholders' equity stood at S\$1.3 billion as at 31 March 2022, similar to 31 March 2021.

Total shareholders' equity stood at S\$1.3 billion as at 31 March 2022, lower compared to S\$1.6 billion as at 31 March 2021, mainly due to the redemption of perpetual securities in March 2022. Following the issuance of new perpetual securities, total shareholders' equity increased in April 2022.

Non-controlling interests decreased by S\$213.1 million compared to 31 March 2021, mainly due to a put option written with the non-controlling shareholders of FMH.

- (3) **Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

Not applicable.

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(4) A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The COVID-19 pandemic situation has shown improvements as safe management measures have been eased and more borders reopened. However, disruptions in global supply chain logistics persist due to the pandemic as well as geopolitical tensions around the world. Inflationary cost pressures have also increased across our markets.

Notwithstanding, we continue with our transformation initiatives to reposition the Group as a leading logistics solutions provider in the Asia Pacific region, tapping on the accelerated eCommerce growth brought on by the pandemic. We are committed to our Purpose - Making Every Delivery Count for People and Planet.

Given the developments in sustainability trends globally, we are enhancing our approach to sustainability guided by material factors identified in consultation with our stakeholders. This includes a net zero carbon emissions target for Singapore operations by 2030 for scopes 1 and 2, and for our global operations by 2050 for scopes 1, 2 and 3.

In Singapore, while the pace of eCommerce growth may moderate post pandemic, the long-term market outlook remains positive. However, the eCommerce logistics market is highly competitive. We continue to invest in enhancing service quality and customer experience to offer higher value delivery solutions. This is part of our transformation initiative to develop a smart and environmentally sustainable urban logistics ecosystem that will create value for businesses, customers and residents in Singapore. The property business is expected to remain resilient despite a challenging leasing market.

With the acquisition of a majority interest in FMH in November 2021, we are well positioned to capitalise on the growing logistics market in Australia. The Group will focus on driving synergies among its Australian businesses, particularly CouriersPlease and FMH, as well as explore opportunities to build scale and a comprehensive logistics platform.

We are taking measures to strengthen our capabilities as well as to improve cost efficiency with the integration of the Group's various international businesses to provide better cross-border solutions for our customers.

With the relaxation of Singapore's travel restrictions from 1 April 2022 and as more borders reopen globally, increased international air freight out of Changi Airport over the year is expected to support a recovery in the Group's International business. On the other hand, any improvement in the global supply chain logistics bottleneck situation is expected to lower sea freight rates in our freight-forwarding business.

The Group remains prudent in managing its costs and liquidity. Capital expenditure is expected to be higher with the investment into the electrification of its delivery fleet in Singapore over the next five years and infrastructure investment in both Singapore and Australia. We continually review our asset portfolio to assess strategic fit with core business, and invest in strategic initiatives that support long-term growth.

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(5) A breakdown of sales

	<u>Group</u>	
	FY21/22 S\$'000	FY20/21 S\$'000
(a) Sales reported for the first half year	731,389	707,781
(b) Total profit after tax before deducting non-controlling interest reported for the first half year	34,970	30,807
(c) Sales reported for the second half year	934,190	696,900
(d) Total profit after tax before deducting non-controlling interest reported for the second half year	52,773	16,203

(6) Interested Person Transactions

During the second half year and full year ended 31 March 2022, the following interested person transactions were entered into by the Group:

	Nature of Relationship	Aggregate value of all interested person transactions during the financial period (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)		Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)	
		Second half year ended 31 March		Second half year ended 31 March	
		2022 S\$'000	2021 S\$'000	2022 S\$'000	2021 S\$'000
Sales					
Singapore Telecommunications Group	Each interested person is an associate of	-	-	-	431
SP Group	Singapore Post Limited's controlling	-	-	848*	317
Starhub Group	shareholder, Temasek Holdings (Private) Limited	-	-	176	-
		-	-	1,024	748
Purchases					
Sembcorp Group	Each interested person is an associate of Singapore Post Limited's controlling shareholder, Temasek Holdings (Private) Limited	-	-	9,390	-
		-	-	9,390	-
Total interested person transactions		-	-	10,414	748

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(6) Interested Person Transactions (continued)

	Nature of Relationship	Aggregate value of all interested person transactions during the financial period (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)		Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)	
		Full year ended 31 March		Full year ended 31 March	
		2022 S\$'000	2021 S\$'000	2022 S\$'000	2021 S\$'000
Sales					
Singapore Telecommunications Group	Each interested person is an associate of	-	-	-	1,338*
SP Group	Singapore Post Limited's controlling shareholder,	-	-	848*	696*
Starhub Group	Temasek Holdings (Private) Limited	-	-	366	266
		-	-	1,214	2,300
Purchases					
CapitaLand Group	Each interested person is an associate of	-	-	1,327*	1,686*
Harbourfront Centre Pte Ltd	Singapore Post Limited's controlling shareholder,	-	-	-	524*
Mapletree Industrial Trust	Temasek Holdings (Private) Limited	-	-	1,407*	-
PSA Corporation		-	-	2,378*	-
Sembcorp Group		-	-	9,390	-
Singapore Airlines Group		-	-	21,266	12,236
Singapore Technologies Telemedia Pte Ltd		-	-	216*	-
Singapore Telecommunications Group		-	-	-	109
SMRT Corporation		-	-	741*	267
Starhub Group		-	-	193*	-
		-	-	36,918	14,822
Total interested person transactions		-	-	38,132	17,122

Note

All the transactions set out in the above table were based on the Group's interested person transactions register. They were either based on contractual values for the duration of the contracts (which vary from 3 months to 5 years) or annual values for open-ended contracts.

*Include contracts of duration exceeding one year.

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(7) Confirmation by the Board pursuant to rule 720(1) of the Listing Manual

The Board had received undertakings from all its directors and executive officers in the format as set out in Appendix 7.7 in pursuant to Rule 720(1) of the listing manual of the Singapore Exchange Securities Trading Limited.

(8) Report of persons occupying managerial positions who are related to a director, chief executive officer or substantial shareholder

Pursuant to Rule 704(13) of the Listing Manual of the Singapore Exchange Securities Trading Limited, the Company confirms that there is no person occupying a managerial position in the Company or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the Company.