SINGAPORE POST LIMITED
AND ITS SUBSIDIARIES

(Registration number: 199201623M)

SGXNET ANNOUNCEMENT
UNAUDITED RESULTS FOR THE SECOND QUARTER AND HALF YEAR ENDED 30 SEPTEMBER 2018

PART I INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF YEAR AND FULL YEAR RESULTS

(1)(a)(i) Statement of comprehensive income for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Consolidated Income Statement

	FY2018/19 Q2 S$'000	FY2017/18 Q2 S$'000 (Restated)*	Variance %	**FY2018/19 H1 S$'000**	FY2017/18 H1 S$'000 (Restated)*	Variance %
Revenue	**368,672**	360,571	2.2%	**741,256**	721,118	2.8%
Labour and related expenses	**(76,771)**	(81,841)	(6.2%)	**(155,022)**	(164,612)	(5.8%)
Volume-related expenses[1]	**(200,228)**	(190,940)	4.9%	**(400,569)**	(379,561)	5.5%
Administrative and other expenses	**(38,676)**	(38,907)	(0.6%)	**(77,063)**	(73,571)	4.7%
Depreciation and amortisation	**(14,338)**	(14,740)	(2.7%)	**(28,678)**	(28,855)	(0.6%)
Selling expenses	**(1,710)**	(6,542)	(73.9%)	**(4,077)**	(9,600)	(57.5%)
Operating expenses	**(331,723)**	(332,970)	(0.4%)	**(665,409)**	(656,199)	1.4%
Other income	**3,004**	2,328	29.0%	**3,286**	3,779	(13.0%)
Profit on operating activities	**39,953**	29,929	33.5%	**79,133**	68,698	15.2%
Share of (loss) / profit of associated companies and joint venture	**(3,632)**	4,921	N.M.	**(7,109)**	2,118	N.M.
Exceptional items[2]	**(2,944)**	890	N.M.	**(8,906)**	4,917	N.M.
Interest income and investment income (net)	**1,020**	900	13.3%	**2,150**	651	230.3%
Finance expenses	**(2,475)**	(2,893)	(14.4%)	**(4,844)**	(5,732)	(15.5%)
Profit before tax	**31,922**	33,747	(5.4%)	**60,424**	70,652	(14.5%)
Income tax expense	**(9,251)**	(8,461)	9.3%	**(20,877)**	(16,838)	24.0%
Profit after tax	**22,671**	25,286	(10.3%)	**39,547**	53,814	(26.5%)
Attributable to:						
Equity holders of the Company	**25,149**	28,873	(12.9%)	**43,864**	60,248	(27.2%)
Non-controlling interests	**(2,478)**	(3,587)	(30.9%)	**(4,317)**	(6,434)	(32.9%)
Underlying Net Profit [3]	**28,093**	27,983	0.4%	**52,770**	55,331	(4.6%)
Earnings per share for profit attributable to the equity holders of the Company during the period / year: [4]						
- Basic	**0.95₵**	1.11₵		**1.61₵**	2.32₵	
- Diluted	**0.95₵**	1.11₵		**1.61₵**	2.32₵	

Notes
1 Volume-related expenses comprise mainly of traffic expenses and cost of sales.
2 Exceptional items comprised one-off items such as asset impairment, fair value changes on investment properties, gains or losses on sale of investments and property, plant and equipment and M&A related professional fees. With effect from Q2 FY2018/19, exceptional items are excluded from profit on operating activities ("Operating Profit") but included in profit before tax to better reflect the performance of the underlying business.
3 Underlying net profit is defined as net profit before exceptional items, net of tax.
4 Earnings per share were calculated based on net profit attributable to equity holders of the Company less distribution attributable to perpetual securities holders, divided by the weighted average number of ordinary shares outstanding (excluding treasury shares).

N.M. Not meaningful.

* Prior year comparatives are restated. Please see paragraph 5 for more details.

Consolidated Statement of Comprehensive Income

	FY2018/19 Q2 S$'000	FY2017/18 Q2 S$'000 (Restated)	Variance %	FY2018/19 H1 S$'000	FY2017/18 H1 S$'000 (Restated)	Variance %
Profit after tax	**22,671**	25,286	(10.3%)	**39,547**	53,814	(26.5%)
Other comprehensive (loss) / income (net of tax):						
Items that may be reclassified subsequently to profit or loss:						
Available for sale financial assets - fair value gains / (losses)	**137**	(129)	N.M.	**129**	(210)	N.M.
Currency translation differences arising from consolidation						
- (losses) / (gains	**(4,686)**	581	N.M.	**(2,154)**	(632)	(240.8%)
Other comprehensive (loss) / income for the period (net of tax)	**(4,549)**	452	N.M.	**(2,025)**	(842)	(140.5%)
Total comprehensive income for the period*	**18,122**	25,738	(29.6%)	**37,522**	52,972	(29.2%)
Total comprehensive income attributable to:						
Equity holders of the Company	**20,925**	29,207	(28.4%)	**42,466**	59,586	(28.7%)
Non-controlling interests	**(2,803)**	(3,469)	19.2%	**(4,944)**	(6,614)	25.2%
	18,122	25,738	(29.6%)	**37,522**	52,972	(29.2%)

* As shown in the Statement of changes in equity on pages 8 and 9.

Underlying Net Profit Reconciliation Table

	FY2018/19 Q2 S$'000	FY2017/18 Q2 S$'000 (Restated)	Variance %	FY2018/19 H1 S$'000	FY2017/18 H1 S$'000 (Restated)	Variance %
Profit attributable to equity holders of the Company	**25,149**	28,873	(12.9%)	**43,864**	60,248	(27.2%)
Losses on disposal of property, plant and equipment	**67**	76	(11.8%)	**43**	15	186.7%
Professional fees	**138**	764	(81.9%)	**166**	1,482	(88.8%)
Fair value loss / (gain) on warrants from an associated company	**2,739**	(1,730)	N.M.	**8,697**	(7,405)	N.M.
Provision for the restructuring of operation	**-**	-	-	**-**	991	N.M.
Underlying Net Profit	**28,093**	27,983	0.4%	**52,770**	55,331	(4.6%)

N.M. Not meaningful.

(1)(a)(ii) The following items have been included in arriving at profit before income tax:

	FY2018/19 Q2 S$'000	FY2017/18 Q2 S$'000 (Restated)*	Variance %	**FY2018/19 H1 S$'000**	FY2017/18 H1 S$'000 (Restated)*	Variance %
Other operating income and interest income	**4,405**	3,682	19.6%	**6,111**	6,437	(5.1%)
Interest on borrowings	**2,475**	2,893	(14.4%)	**4,844**	5,732	(15.5%)
Depreciation and amortisation	**14,338**	14,626	(2.0%)	**28,678**	28,855	(0.6%)
Allowance for doubtful debts and bad debts written off	**279**	5,480	(94.9%)	**576**	5,781	(90.0%)
Foreign exchange gains / (losses)	**876**	387	126.4%	**521**	(235)	N.M.
Losses on disposal of property, plant and equipment	**(67)**	(76)	11.8%	**(43)**	(15)	(186.7%)

N.M. Not meaningful.

* Prior year comparatives are restated. Please see paragraph 5 for more details.

(1)(b)(i) Statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	The Group				The Company			
	Sep-18	Mar-18	Sep-17	1 Apr 17	**Sep-18**	Mar-18	Sep-17	1 Apr 17
	S$'000	S$'000	S$'000	S$'000	**S$'000**	S$'000	S$'000	S$'000
ASSETS		(Restated)*	(Restated)*	(Restated)*		(Restated)*	(Restated)*	(Restated)*
Current assets								
Cash and cash equivalents	**285,223**	314,050	282,342	366,614	**231,502**	258,112	220,324	303,179
Financial assets	**7,301**	1,921	3,745	4,301	**7,301**	1,921	3,745	3,954
Assets held for sale#	**45,265**	-	-	-	**-**	-	-	-
Trade and other receivables	**267,932**	271,583	227,886	199,007	**220,043**	231,983	201,703	173,304
Derivative financial instruments	**11,991**	19,856	25,546	16,079	**11,983**	19,856	25,597	16,142
Inventories	**961**	959	4,442	4,450	**52**	66	58	107
Other current assets	**22,728**	18,204	19,104	17,174	**8,978**	7,867	6,873	5,180
	641,401	626,573	563,065	607,625	**479,859**	519,805	458,300	501,866
Non-current assets								
Financial assets	**29,929**	35,460	35,977	36,010	**29,676**	35,201	35,723	35,748
Trade and other receivables	**7,127**	7,087	7,151	7,091	**362,091**	391,821	400,660	405,122
Investments in associated companies and joint venture	**61,837**	114,925	119,543	117,783	**15,366**	15,366	14,849	14,849
Investments in subsidiaries	**-**	-	-	-	**340,533**	340,533	340,533	340,533
Investment properties	**1,015,425**	1,014,315	998,876	970,392	**971,816**	970,378	955,792	927,538
Property, plant and equipment	**482,444**	491,711	504,391	515,719	**236,970**	241,463	241,399	240,371
Intangible assets	**382,737**	385,730	397,506	400,683	**-**	-	-	-
Deferred income tax assets	**3,658**	3,197	5,648	6,218	**-**	-	-	-
Other non-current asset	**1,987**	5,137	4,494	5,198	**-**	-	-	-
	1,985,144	2,057,562	2,073,586	2,059,094	**1,956,452**	1,994,762	1,988,956	1,964,161
Total assets	**2,626,545**	2,684,135	2,636,651	2,666,719	**2,436,311**	2,514,567	2,447,256	2,466,027
LIABILITIES								
Current liabilities								
Trade and other payables	**450,124**	525,791	432,224	395,084	**378,408**	458,762	366,172	353,681
Current income tax liabilities	**43,388**	39,172	37,291	34,774	**33,674**	30,926	31,267	30,367
Contract liabilities	**7,090**	7,140	7,091	7,043	**6,983**	6,858	6,736	6,614
Deferred income	**-**	-	87	175	**-**	-	87	175
Derivative financial instruments	**2,522**	465	-	1,055	**2,522**	451	-	1,055
Borrowings	**86,546**	23,475	77,857	148,786	**-**	-	57,743	117,743
	589,670	596,043	554,550	586,917	**421,587**	496,997	462,005	509,635
Non-current liabilities								
Trade and other payables	**20,325**	23,468	23,960	44,462	**1,358**	1,358	1,935	2,070
Borrowings	**207,176**	220,503	229,072	215,199	**201,181**	201,569	201,942	202,318
Contract liabilities	**41,933**	45,484	49,054	52,624	**41,921**	45,444	48,873	52,302
Deferred income tax liabilities	**52,411**	52,392	60,180	62,547	**22,735**	23,253	22,433	22,603
	321,845	341,847	362,266	374,832	**267,195**	271,624	275,183	279,293
Total liabilities	**911,515**	937,890	916,816	961,749	**688,782**	768,621	737,188	788,928
NET ASSETS	**1,715,030**	1,746,245	1,719,835	1,704,970	**1,747,529**	1,745,946	1,710,068	1,677,099
EQUITY								
Capital and reserves attributable to the Company's equity holders								
Share capital	**638,762**	638,762	638,762	638,756	**638,762**	638,762	638,762	638,756
Treasury shares	**(20,760)**	(16,023)	(7,516)	(1,227)	**(20,760)**	(16,023)	(7,516)	(1,227)
Other reserves	**80,617**	81,667	87,354	89,628	**38,581**	38,104	36,566	37,249
Retained earnings	**634,496**	654,667	609,495	579,418	**744,161**	738,277	695,471	655,495
Ordinary equity	**1,333,115**	1,359,073	1,328,095	1,306,575	**1,400,744**	1,399,120	1,363,283	1,330,273
Perpetual securities	**346,785**	346,826	346,785	346,826	**346,785**	346,826	346,785	346,826
	1,679,900	1,705,899	1,674,880	1,653,401	**1,747,529**	1,745,946	1,710,068	1,677,099
Non-controlling interests	**35,130**	40,346	44,955	51,569	**-**	-	-	-
Total equity	**1,715,030**	1,746,245	1,719,835	1,704,970	**1,747,529**	1,745,946	1,710,068	1,677,099

* Prior year comparatives are restated. Please see paragraph 5 for more details.

\# Reclassification from Investments in associated companies and joint venture, due to the intention of divestment for some of our stake in associated companies.

As at 30 September 2018, the Group has capital and investment commitments amounting to S$32.8 million not provided for in the financial statements.

(1)(b)(ii) In relation to the aggregate amount of the group's borrowings and debt securities.

	Sep-18	Mar-18	Sep-17
	S$'000	S$'000	S$'000
Amount repayable in one year or less, or on demand			
- Borrowings (secured)	**7,694**	6,475	3,114
- Borrowings (unsecured)	**78,852**	17,000	74,743
Amount repayable after one year:			
- Borrowings (secured)	**5,995**	18,934	27,130
- Borrowings (unsecured)	**201,181**	201,569	201,942
	293,722	243,978	306,929

The Group's unsecured borrowings comprised mainly S$200 million 10-year Fixed Rate Notes issued in March 2010. The Fixed Rate Notes is listed on the SGX-ST and carry a fixed interest rate of 3.5% per annum.

Details of any collateral.

Secured borrowings comprised bank loans and are secured over investment properties, asset of a subsidiary or guaranteed by a director of a subsidiary with non-controlling interests.

(1)(c) Statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	The Group			
	FY2018/19	FY2017/18	**FY2018/19**	FY2017/18
	Q2	Q2	**H1**	H1
	S$'000	S$'000	**S$'000**	S$'000
Cash flows from operating activities		(Restated)*		(Restated)*
Profit after tax	**22,671**	25,286	**39,547**	53,814
Adjustments for:				
Income tax expense	**9,251**	8,461	**20,877**	16,838
Allowance for doubtful debts and bad debts written off	**279**	5,480	**576**	5,781
Amortisation of contract liabilities	**(1,807)**	(2,268)	**(3,601)**	(4,534)
Amortisation of deferred income	**-**	(43)	**-**	(88)
Amortisation of intangible assets	**2,655**	2,399	**5,284**	4,768
Depreciation	**11,683**	12,227	**23,394**	24,087
Losses on sale of investments, property, plant and equipment	**67**	76	**43**	15
Loss / (gain) on derivative instrument	**2,739**	(1,730)	**8,697**	(7,405)
Share-based staff costs	**573**	82	**1,043**	467
Interest expense	**2,475**	2,893	**4,844**	5,732
Interest income	**(1,376)**	(1,354)	**(2,749)**	(2,658)
Share of loss / (profit) of associated companies and joint venture	**3,632**	(4,921)	**7,109**	(2,118)
	30,171	21,302	**65,517**	40,885
Operating cash flow before working capital changes	**52,842**	46,588	**105,064**	94,699
Changes in working capital, net of effects from acquisition and disposal of subsidiaries				
Inventories	**(58)**	(139)	**(2)**	8
Trade and other receivables	**(4,092)**	(15,482)	**3,048**	(38,350)
Trade and other payables	**(92,214)**	(24,696)	**(79,017)**	9,050
Cash (used in) / generated from operations	**(43,522)**	6,271	**29,093**	65,407
Income tax paid	**(15,932)**	(14,187)	**(17,294)**	(14,902)
Net cash (used in) / provided by operating activities	**(59,454)**	(7,916)	**11,799**	50,505
Cash flows from investing activities				
Additions to property, plant and equipment, investment properties and intangible assets	**(9,643)**	(12,481)	**(18,798)**	(38,872)
Contingent consideration paid in relation to acquisition of subsidiaries	**-**	(3,730)	**-**	(3,730)
Interest received	**1,660**	2,096	**2,701**	3,104
Proceeds from sale of financial assets	**-**	-	**106**	-
Proceeds from disposal of property, plant and equipment	**33**	161	**76**	236
Net cash used in investing activities	**(7,950)**	(13,954)	**(15,915)**	(39,262)
Cash flows from financing activities				
Distribution paid to perpetual securities	**(7,499)**	(7,499)	**(7,499)**	(7,499)
Dividends paid to shareholders	**(56,577)**	(22,713)	**(56,577)**	(22,713)
Dividends paid to non-controlling interests in a subsidiary	**(272)**	-	**(272)**	-
Interest paid	**(655)**	(1,307)	**(4,675)**	(1,743)
Proceeds from issuance of ordinary shares	**-**	6	**-**	6
Proceeds from re-issuance of treasury shares	**28**	-	**281**	-
Purchase of treasury shares	**(5,713)**	(4,323)	**(5,713)**	(7,229)
Proceeds from bank term loan	**106,553**	209,708	**149,280**	232,000
Repayment of bank term loan	**(60,821)**	(234,021)	**(99,536)**	(288,337)
Net cash used in financing activities	**(24,956)**	(60,149)	**(24,711)**	(95,515)
Net decrease in cash and cash equivalents	**(92,360)**	(82,019)	**(28,827)**	(84,272)
Cash and cash equivalents at beginning of financial period	**377,583**	364,361	**314,050**	366,614
Cash and cash equivalents at end of financial period	**285,223**	282,342	**285,223**	282,342

* Prior year comparatives are restated. Please see paragraph 5 for more details.

(1)(d)(i) Statement of changes in equity (for the issuer and group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

The Group – Q2

	Attributable to ordinary shareholders of the Company								
	Share capital S$'000	Treasury shares S$'000	Retained earnings S$'000	Other reserves S$'000	Total S$'000	Perpetual securities S$'000	Total S$'000	Non-controlling interests S$'000	Total equity S$'000
Balance at 1 July 2018	**638,762**	**(15,079)**	**669,673**	**84,272**	**1,377,628**	**350,535**	**1,728,163**	**38,205**	**1,766,368**
Total comprehensive income / (loss) for the period	**-**	**-**	**25,149**	**(4,224)**	**20,925**	**-**	**20,925**	**(2,803)**	**18,122**
Transactions with owners, recognised directly in equity									
Distribution of perpetual securities	**-**	**-**	**(3,749)**	**-**	**(3,749)**	**3,749**	**-**	**-**	**-**
Distribution paid on perpetual securities	**-**	**-**	**-**	**-**	**-**	**(7,499)**	**(7,499)**	**-**	**(7,499)**
Dividends paid to shareholders	**-**	**-**	**(56,577)**	**-**	**(56,577)**	**-**	**(56,577)**	**-**	**(56,577)**
Dividends paid to non-controlling interests in a subsidiary	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(272)**	**(272)**
Employee share option scheme:									
- Value of employee services	**-**	**-**	**-**	**573**	**573**	**-**	**573**	**-**	**573**
- Treasury shares re-issued	**-**	**32**	**-**	**(4)**	**28**	**-**	**28**	**-**	**28**
Purchase of new treasury shares	**-**	**(5,713)**	**-**	**-**	**(5,713)**	**-**	**(5,713)**	**-**	**(5,713)**
Total	**-**	**(5,681)**	**(60,326)**	**569**	**(65,438)**	**(3,750)**	**(69,188)**	**(272)**	**(69,460)**
Balance at 30 September 2018	**638,762**	**(20,760)**	**634,496**	**80,617**	**1,333,115**	**346,785**	**1,679,900**	**35,130**	**1,715,030**
Balance at 1 July 2017 (restated)	638,756	(3,193)	607,084	88,077	1,330,724	350,535	1,681,259	48,424	1,729,683
Total comprehensive income / (loss) for the period (restated)	-	-	28,873	334	29,207	-	29,207	(3,469)	25,738
Transactions with owners, recognised directly in equity									
Adjustment to other reserves	-	-	-	(1,139)	(1,139)	-	(1,139)	-	(1,139)
Distribution of perpetual securities	-	-	(3,749)	-	(3,749)	3,749	-	-	-
Distribution paid on perpetual securities	-	-	-	-	-	(7,499)	(7,499)	-	(7,499)
Dividends paid to shareholders	-	-	(22,713)	-	(22,713)	-	(22,713)	-	(22,713)
Employee share option scheme:									
- Value of employee services	-	-	-	82	82	-	82	-	82
- New shares issued	6	-	-	-	6	-	6	-	6
Purchase of new treasury shares	-	(4,323)	-	-	(4,323)	-	(4,323)	-	(4,323)
Total	6	(4,323)	(26,462)	(1,057)	(31,836)	(3,750)	(35,586)	-	(35,586)
Balance at 30 September 2017	638,762	(7,516)	609,495	87,354	1,328,095	346,785	1,674,880	44,955	1,719,835

Group – H1

	Attributable to ordinary shareholders of the Company							Non-	
	Share capital	Treasury shares	Retained earnings	Other reserves	Total	Perpetual securities	Total	controlling interests	Total equity
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Balance at 1 April 2018									
As previously reported	**638,762**	**(16,023)**	**716,159**	**63,826**	**1,402,724**	**346,826**	**1,749,550**	**40,346**	**1,789,896**
Effects of changes from adoption of SFRS(I)s	**-**	**-**	**(61,492)**	**17,841**	**(43,651)**	**-**	**(43,651)**	**-**	**(43,651)**
Restated	**638,762**	**(16,023)**	**654,667**	**81,667**	**1,359,073**	**346,826**	**1,705,899**	**40,346**	**1,746,245**
Total comprehensive income / (loss) for the period	**-**	**-**	**43,864**	**(1,398)**	**42,466**	**-**	**42,466**	**(4,944)**	**37,522**
Transactions with owners, recognised directly in equity									
Distribution of perpetual securities	**-**	**-**	**(7,458)**	**-**	**(7,458)**	**7,458**	**-**	**-**	**-**
Distribution paid on perpetual securities	**-**	**-**	**-**	**-**	**-**	**(7,499)**	**(7,499)**	**-**	**(7,499)**
Dividends paid to shareholders	**-**	**-**	**(56,577)**	**-**	**(56,577)**	**-**	**(56,577)**	**-**	**(56,577)**
Dividends paid to non-controlling interests in a subsidiary	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(272)**	**(272)**
Employee share option scheme:									
- Value of employee services	**-**	**-**	**-**	**1,043**	**1,043**	**-**	**1,043**	**-**	**1,043**
- Treasury shares re-issued	**-**	**976**	**-**	**(695)**	**281**	**-**	**281**	**-**	**281**
Purchase of new treasury shares	**-**	**(5,713)**	**-**	**-**	**(5,713)**	**-**	**(5,713)**	**-**	**(5,713)**
Total	**-**	**(4,737)**	**(64,035)**	**348**	**(68,424)**	**(41)**	**(68,465)**	**(272)**	**(68,737)**
Balance at 30 September 2018	**638,762**	**(20,760)**	**634,496**	**80,617**	**1,333,115**	**346,785**	**1,679,900**	**35,130**	**1,715,030**
Balance at 1 April 2017									
As previously reported	638,756	(1,227)	650,007	71,787	1,359,323	346,826	1,706,149	51,569	1,757,718
Effects of changes from adoption of SFRS(I)s	-	-	(70,589)	17,841	(52,748)	-	(52,748)	-	(52,748)
Restated	638,756	(1,227)	579,418	89,628	1,306,575	346,826	1,653,401	51,569	1,704,970
Total comprehensive income / (loss) for the period (restated)	-	-	60,248	(662)	59,586	-	59,586	(6,614)	52,972
Transactions with owners, recognised directly in equity									
Adjustment to other reserves	-	-	-	(1,139)	(1,139)	-	(1,139)	-	(1,139)
Distribution of perpetual securities	-	-	(7,458)	-	(7,458)	7,458	-	-	-
Distribution paid on perpetual securities	-	-	-	-	-	(7,499)	(7,499)	-	(7,499)
Dividends paid to shareholders	-	-	(22,713)	-	(22,713)	-	(22,713)	-	(22,713)
Employee share option scheme:									
- Value of employee services	-	-	-	467	467	-	467	-	467
- New shares issued	6	-	-	-	6	-	6	-	6
- Treasury shares re-issued	-	940	-	(940)	-	-	-	-	-
Purchase of treasury shares	-	(7,229)	-	-	(7,229)	-	(7,229)	-	(7,229)
Total	6	(6,289)	(30,171)	(1,612)	(38,066)	(41)	(38,107)	-	(38,107)
Balance at 30 September 2017	638,762	(7,516)	609,495	87,354	1,328,095	346,785	1,674,880	44,955	1,719,835

The Company – Q2

	Attributable to ordinary shareholders of the Company						
	Share capital	Treasury shares	Retained earnings	Other reserves	Total	Perpetual securities	Total
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Balance at 1 July 2018	**638,762**	**(15,079)**	**767,285**	**37,875**	**1,428,843**	**350,535**	**1,779,378**
Total comprehensive income / (loss) for the period	**-**	**-**	**37,202**	**137**	**37,339**	**-**	**37,339**
Transactions with owners, recognised directly in equity							
Distribution on perpetual securities	**-**	**-**	**(3,749)**	**-**	**(3,749)**	**3,749**	**-**
Distribution paid on perpetual securities	**-**	**-**	**-**	**-**	**-**	**(7,499)**	**(7,499)**
Dividends paid to shareholders	**-**	**-**	**(56,577)**	**-**	**(56,577)**	**-**	**(56,577)**
Employee share option scheme:							
- Value of employee services	**-**	**-**	**-**	**573**	**573**	**-**	**573**
- Treasury shares re-issued	**-**	**32**	**-**	**(4)**	**28**	**-**	**28**
Purchase of treasury shares	**-**	**(5,713)**	**-**	**-**	**(5,713)**	**-**	**(5,713)**
Total	**-**	**(5,681)**	**(60,326)**	**569**	**(65,438)**	**(3,750)**	**(69,188)**
Balance at 30 September 2018	**638,762**	**(20,760)**	**744,161**	**38,581**	**1,400,744**	**346,785**	**1,747,529**
Balance at 1 July 2017 (restated)	638,756	(3,193)	689,235	36,613	1,361,411	350,535	1,711,946
Total comprehensive income / (loss) for the period (restated)	-	-	32,698	(129)	32,569	-	32,569
Transactions with owners, recognised directly in equity							
Distribution on perpetual securities	-	-	(3,749)	-	(3,749)	3,749	-
Distribution paid on perpetual securities	-	-	-	-	-	(7,499)	(7,499)
Dividends paid to shareholders	-	-	(22,713)	-	(22,713)	-	(22,713)
Employee share option scheme:							
- Value of employee services	-	-	-	82	82	-	82
- New shares issued	6	-	-	-	6	-	6
Purchase of new treasury shares	-	(4,323)	-	-	(4,323)	-	(4,323)
Total	6	(4,323)	(26,462)	82	(30,697)	(3,750)	(34,447)
Balance at 30 September 2017	638,762	(7,516)	695,471	36,566	1,363,283	346,785	1,710,068

The Company – H1

	Share capital S$'000	Treasury shares S$'000	Retained earnings S$'000	Other reserves S$'000	Total S$'000	Perpetual securities S$'000	Total S$'000
	Attributable to ordinary shareholders of the Company						
Balance at 1 April 2018							
As previously reported	**638,762**	**(16,023)**	**741,034**	**38,104**	**1,401,877**	**346,826**	**1,748,703**
Effects of changes from adoption of SFRS(I)s	**-**	**-**	**(2,757)**	**-**	**(2,757)**	**-**	**(2,757)**
Restated	**638,762**	**(16,023)**	**738,277**	**38,104**	**1,399,120**	**346,826**	**1,745,946**
Total comprehensive income / (loss) for the period	**-**	**-**	**69,919**	**129**	**70,048**	**-**	**70,048**
Transactions with owners, recognised directly in equity							
Distribution on perpetual securities	**-**	**-**	**(7,458)**	**-**	**(7,458)**	**7,458**	**-**
Distribution paid on perpetual securities	**-**	**-**	**-**	**-**	**-**	**(7,499)**	**(7,499)**
Dividends paid to shareholders	**-**	**-**	**(56,577)**	**-**	**(56,577)**	**-**	**(56,577)**
Employee share option scheme:							
- Value of employee services	**-**	**-**	**-**	**1,043**	**1,043**	**-**	**1,043**
- Treasury shares re-issued	**-**	**976**	**-**	**(695)**	**281**	**-**	**281**
Purchase of treasury shares	**-**	**(5,713)**	**-**	**-**	**(5,713)**	**-**	**(5,713)**
Total	**-**	**(4,737)**	**(64,035)**	**348**	**(68,424)**	**(41)**	**(68,465)**
Balance at 30 September 2018	**638,762**	**(20,760)**	**744,161**	**38,581**	**1,400,744**	**346,785**	**1,747,529**
Balance at 1 April 2017							
As previously reported	638,756	(1,227)	657,628	37,249	1,332,406	346,826	1,679,232
Effects of changes from adoption of SFRS(I)s	-	-	(2,133)	-	(2,133)	-	(2,133)
Restated	638,756	(1,227)	655,495	37,249	1,330,273	346,826	1,677,099
Total comprehensive income / (loss) for the period (restated)	-	-	70,147	(210)	69,937	-	69,937
Transactions with owners, recognised directly in equity							
Distribution of perpetual securities	-	-	(7,458)	-	(7,458)	7,458	-
Distribution paid on perpetual securities	-	-	-	-	-	(7,499)	(7,499)
Dividends paid to shareholders	-	-	(22,713)	-	(22,713)	-	(22,713)
Employee share option scheme:							
- Value of employee services	-	-	-	467	467	-	467
- New shares issued	6	-	-	-	6	-	6
- Treasury shares re-issued	-	940	-	(940)	-	-	-
Purchase of treasury shares	-	(7,229)	-	-	(7,229)	-	(7,229)
Total	6	(6,289)	(30,171)	(473)	(36,927)	(41)	(36,968)
Balance at 30 September 2017	638,762	(7,516)	695,471	36,566	1,363,283	346,785	1,710,068

(1)(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

During the 2nd quarter ended 30 September 2018, no share was issued under the Singapore Post Share Option Scheme.

As at 30 September 2018, there were unexercised options for 19,293,000 (30 September 2017: 26,300,000) unissued ordinary shares under the Singapore Post Share Option Scheme (including Performance Option Plan but excluding Restricted Share Plan) and unvested shares for 5,766,948 (30 September 2017: 1,332,569) unissued ordinary shares under the Restricted Share Plan.

As at 30 September 2018, the Company held 16,339,283 treasury shares (30 September 2017: 5,858,205).

(1)(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

As at 30 September 2018, total issued shares excluding treasury shares were 2,258,750,242 (31 March 2018: 2,262,762,720).

(1)(d)(iv) A statement showing all sales, transfers, disposal, cancellation and / or use of treasury shares as at end of the current financial period reported on.

During the second quarter ended 30 September 2018, the Company re-issued 25,000 treasury shares at price of S$1.296 upon the exercise of options granted under the Singapore Post Share Option Scheme.

(2) Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.

The figures have not been audited nor reviewed.

(3) Where figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable.

(4) Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

Except as disclosed under paragraph 5 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period compared with the audited financial statements for the financial year ended 31 March 2018.

(5) If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

Reclassification of revenue and expenses

During the financial year ended 31 March 2018, the following adjustments have been made to the prior year's consolidated income statement:

(i) Revenue from merchant of record service is presented on a net basis; and

(ii) Labour costs from contract hires are reclassified from "Labour and related expenses" to "Volume-related expenses".

	FY2017/18 Q2	FY2017/18 Q2	**FY2017/18 H1**	FY2017/18 H1
Group Profit or Loss and Consolidated Statement of Comprehensive income	**Previously reported S$'000**	**After Restatement S$'000**	**Previously reported S$'000**	**After Restatement S$'000**
Revenue	**354,687**	349,529	**708,809**	700,577
Labour and related expenses	**90,381**	81,841	**179,814**	164,612
Volume-related expenses	**187,558**	190,940	**372,591**	379,561

In addition to the above, rental revenue from commercial properties has been reclassified from "Other income and gains" to "Revenue". Certain reclassifications have also been made in the consolidated income statement to present interest income and investment income (net) separately from "other income" and "finance expenses". Net currency exchange difference from investment was previously included in "finance expenses".

Adoption of a new financial reporting framework

The Singapore Accounting Standards Council has introduced a new Singapore financial reporting framework that is equivalent to the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The new framework is referred to as 'Singapore Financial Reporting Standards (International)' ("SFRS(I)") hereinafter.

Subsequent to the last financial year end, as required by the listing requirements of the Singapore Exchange, the Group has adopted SFRS(I) on 1 April 2018 and issued its first set of financial information prepared under SFRS(I) for the financial period ended 30 September 2018.

In adopting SFRS(I), the Group is required to apply all of the specific transition requirements in SFRS(I) 1 *First-time Adoption of Singapore Financial Reporting Standards (International)*. In addition, the Group has also adopted all the SFRS(I)s and amendments and interpretations of SFRS(I)s that are relevant to its operations and effective from 1 April 2018.

The adoption of these pronouncements did not have any significant impact on the financial performance or position of the Group except the following:

a) Application of SFRS(I) 1 *First Time Adoption of SFRS(I)*

(i) Currency translation

The Group has elected to set the cumulative translation differences for all foreign operations to be zero as at the date of transition to SFRS(I) on 1 April 2017. As a result, a cumulative translation loss of S$17,841,000 was reclassified from currency translation reserve to retained earnings as at 1 April 2017.

(ii) Fair value of property, plant and equipment

The Group has elected the use of fair value as "deemed cost" as at 1 April 2017 for certain property, plant and equipment. As a result, property, plant and equipment and retained earnings as at 1 April 2017 were reduced by S$49,864,000.

Property, plant and equipment and retained earnings as at 31 March 2018 were reduced by S$40,572,000. The movement from S$49,864,000 arises from depreciation expense corresponding to the decrease as at 1 April 2017 and adjustment to capitalised cost as at 31 March 2018.

b) Adoption of SFRS(I) 9 *Financial Instruments*

The Group has elected to apply the short-term exemption under SFRS(I) 1 to adopt SFRS(I) 9 on 1 April 2018. Accordingly, requirements of SFRS 39 *Financial Instruments: Recognition and Measurement* will continue to apply to financial instruments up to the financial year ended 31 March 2018.

(i) Classification and measurement

The Group has assessed the business models that are applicable on 1 April 2018 to financial assets so as to classify them into the appropriate categories under SFRS(I) 9. The initial application of SFRS(I) 9 does not have a material impact on the classification and measurement of the Group's financial assets.

(ii) Impairment of financial assets

Trade and other receivables and loans to related parties were subjected to expected credit loss impairment model under SFRS(I) 9. The initial application of SFRS(I) 9 does not have a material impact on the financial statements of the Group arising from the application of the expected credit loss model.

c) Adoption of SFRS(I) 15 *Revenue from Contracts with Customers*

Under SFRS(I) 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in SFRS(I) 15 to deal with specific scenarios.

The Group received upfront payments from certain financial services contracts which were recognised in profit or loss over the contract period. The Group has determined that a significant financing component arises from these upfront payments received. As a result, finance expenses have been recognised and retained earnings as at 1 April 2017 decreased by S$2,133,000. Apart from the above, retained earnings has further reduced by S$751,000 following adoption of SFRS(I) 15 for certain eCommerce contracts.

d) Comparative

The comparative figures that have been restated due to the adoption of SFRS(I) described above are summarised below:

Group Profit or Loss and Consolidated Statement of Comprehensive income	**FY2017/18 Q2** Reported under SFRS S$'000	FY2017/18 Q2 Reported under SFRS(I) S$'000	**FY2017/18 H1** Reported under SFRS S$'000	FY2017/18 H1 Reported under SFRS(I) S$'000
Revenue	349,529	349,987	700,577	701,492
Depreciation and amortisation	15,191	14,740	29,757	28,855
Interest expenses	2,387	2,893	4,720	5,732
Profit for the period	24,883	25,286	53,009	53,814
Attributable to:				
Shareholders of the Company	28,470	28,873	59,443	60,248
Non-controlling interests	(3,587)	(3,587)	(6,434)	(6,434)
Earnings per share				
- basic	1.09¢	1.11¢	2.29¢	2.32¢
- diluted	1.09¢	1.11¢	2.29¢	2.32¢
Total comprehensive income for the period	25,335	25,738	52,167	52,972
Attributable to:				
Shareholders of the Company	28,804	29,207	58,781	59,586
Non-controlling interests	(3,469)	(3,469)	(6,614)	(6,614)

Group Consolidated Statement of Financial Position	Note	As at 31/3/18 reported under SFRS S$'000	Effect of transition and adoption of SFRS(I) S$'000	As at 31/3/18 reported under SFRS(I) S$'000	As at 1/4/17 reported under SFRS S$'000	Effect of transition and adoption of SFRS(I) S$'000	As at 1/4/17 reported under SFRS(I) S$'000
Equity							
Retained earnings	5a & 5c	716,159	(61,492)	654,667	650,007	(70,589)	579,418
Foreign currency translation reserve	5a	(25,145)	17,841	(7,304)	(17,841)	17,841	-
Total equity		**1,789,896**	**(43,651)**	**1,746,245**	**1,757,718**	**(52,748)**	**1,704,970**
Non-current assets							
Property, plant and equipment	5a	532,283	(40,572)	491,711	565,583	(49,864)	515,719
Total non-current assets		**2,098,134**	**(40,572)**	**2,057,562**	**2,108,958**	**(49,864)**	**2,059,094**
Non-current liabilities							
Deferred income	5c	7,238	(7,238)	-	7,413	(7,238)	175
Contract liabilities	5c	-	7,140	7,140	-	7,043	7,043
Current liabilities							
Deferred income	5c	42,307	(42,307)	-	49,545	(49,545)	-
Contract liabilities	5c	-	45,484	45,484	-	52,624	52,624
Total current assets		**626,573**	**-**	**626,573**	**607,625**	**-**	**607,625**
Net assets		**1,789,896**	**(43,651)**	**1,746,245**	**1,757,718**	**(52,748)**	**1,704,970**

(6) Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	The Group			
	FY2018/19 Q2	FY2017/18 Q2 (Restated)	**FY2018/19 H1**	FY2017/18 H1 (Restated)
Based on weighted average number of ordinary shares in issue	**0.95¢**	1.11¢	**1.61¢**	2.32¢
On fully diluted basis	**0.95¢**	1.11¢	**1.61¢**	2.32¢

(7) Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the current financial period reported on and immediately preceding financial year.

	The Group		The Company	
	Sep-18	Mar-18 (Restated)	**Sep-18**	Mar-18 (Restated)
Net asset value per ordinary share based on issued share capital of the Company at the end of the financial period (cents)	**74.37**	75.39	**77.37**	77.16

	The Group		The Company	
	Sep-18	Mar-18 (Restated)	**Sep-18**	Mar-18 (Restated)
Ordinary equity per ordinary share based on issued share capital of the Company at the end of the financial period (cents)	**59.02**	60.06	**62.01**	61.83

(8) Review of the performance of the group.

Second Quarter And Half Year Ended 30 September 2018

Revenue

	FY18/19 Q2 S$'000	FY17/18 Q2 S$'000 (Restated)	Variance %	**FY18/19 H1 S$'000**	FY17/18 H1 S$'000 (Restated)	Variance %
Post and Parcel	**176,740**	173,949	1.6%	**362,701**	349,929	3.6%
Logistics	**125,070**	124,851	0.2%	**245,432**	247,895	(1.0%)
eCommerce	**54,172**	54,423	(0.5%)	**109,389**	112,129	(2.4%)
Property	**22,423**	18,578	20.7%	**45,055**	35,628	26.5%
Inter-segment eliminations*	**(9,733)**	(11,230)	13.3%	**(21,321)**	(24,463)	12.8%
Total	**368,672**	360,571	2.2%	**741,256**	721,118	2.8%

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

Group revenue rose 2.2% for the second quarter ("Q2") and 2.8% for the half year ("H1") ended 30 September 2018.

In the Post & Parcel segment, revenue rose 1.6% in Q2 and 3.6% in H1, as higher international mail revenue from cross-border eCommerce deliveries helped offset the impact of lower domestic letter mail volumes.

In the Logistics segment, revenue rose slightly in Q2, driven by the freight forwarding business under Famous Holdings. This was offset by revenue decline at Quantium Solutions, which lost some customers amid an ongoing review of unfavourable customer contracts to improve profitability. For H1, Logistics revenue declined 1.0% due to lower revenue from Quantium Solutions.

In the eCommerce segment, revenue declined 0.5% in Q2 and 2.4% in H1. The US businesses were impacted by pricing pressures due to competitive intensity.

Property segment revenue, which comprises commercial property rental and revenue from the self-storage business, rose 20.7% in Q2 and 26.5% in H1 due largely to the SingPost Centre retail mall which re-opened in October 2017 after a period of redevelopment.

Committed occupancy for the mall improved to 99.1% as at 30 September 2018, from 96.7% as at 30 June 2018.

Operating Expenses

Operating expenses declined 0.4% in Q2, as a result of successful cost management initiatives. For H1, total expenses rose 1.4% largely due to higher volume-related costs, slower than revenue growth of 2.8%.

Volume-related expenses remain the largest cost component for the Group, and rose 4.9% in Q2 and 5.5% in H1 respectively, in line with higher volumes.

Labour and related expenses declined 6.2% in Q2 and 5.8% in H1 respectively, as productivity enhancement and cost management initiatives led to lower contracted labour services as well as lower staff costs.

Administrative and other expenses declined by 0.6% in Q2, as higher property-related expenses relating to the new retail mall were offset by lower professional fees. In H1, administrative and other expenses rose 4.7% due to higher property-related expenses.

Depreciation and amortisation costs remained relatively stable, with 2.7% and 0.6% decline for Q2 and H1 respectively.

Profit on operating activities

	FY18/19 Q2	FY17/18 Q2	Variance	**FY18/19 H1**	FY17/18 H1	Variance
	S$'000	S$'000	%	**S$'000**	S$'000	%
		(Restated)			(Restated)	
Post and Parcel	**42,058**	40,012	5.1%	**83,828**	83,430	0.5%
Logistics	**343**	(8,969)	N.M.	**429**	(11,421)	N.M.
eCommerce	**(11,233)**	(3,435)	(227.0%)	**(20,546)**	(8,235)	(149.5%)
Property	**13,332**	8,651	54.1%	**26,536**	16,552	60.3%
Others*	**(4,547)**	(6,330)	28.2%	**(11,114)**	(11,628)	4.4%
Profit on operating activities	**39,953**	29,929	33.5%	**79,133**	68,698	15.2%

Others refer to unallocated corporate overhead items and trade-related translation differences.

N.M. Not meaningful

In the Post and Parcel segment, profit on operating activities rose 5.1% in Q2 and 0.5% in H1, driven by higher margins from domestic last mile eCommerce-related deliveries in Singapore. The Group is starting to reap operating synergies from the ongoing integration of our last mile delivery capabilities in the post and parcel divisions.

The Logistics segment registered profit on operating activities of S$0.3 million in Q2 and S$0.4 million in H1, compared to operating losses in the comparative periods last year. This was largely due to a reduction in losses at Quantium Solutions. The corresponding period last year also included a doubtful debt provision of S$5.2 million for a key customer.

In the eCommerce segment, operating losses rose to S$11.2 million in Q2 and S$20.5 million in H1, largely due to the US Businesses. The pricing pressures highlighted earlier had led to certain customer contracts being renewed at lower rates. This was exacerbated by an increase in costs due to ongoing initiatives to integrate TradeGlobal and Jagged Peak, as well as investments in automation.

The Group is executing on the business plan, and remains focused on growing volumes and managing costs in the upcoming peak season.

Under Property, profit on operating activities rose 54.1% in Q2 and 60.3% in H1, boosted by rental income from the SingPost Centre retail mall.

Under the Others segment, operating expenses improved by 28.2% in Q2 and 4.4% in H1, due to lower corporate costs.

With the improved contribution from the Post & Parcel, Logistics and Property segments, Group Profit on operating activities increased by 33.5% to S$40.0 million for Q2, and increased by 15.2% to S$79.1 million for H1.

Exceptional Items

In Q2, the Group recorded an exceptional loss of S$2.9 million compared to an exceptional gain of S$0.9 million last year. This was mainly due to fair value loss on warrants from an associated company, compared to fair value gain last year.

In H1, the exceptional loss was S$8.9 million compared to a gain of S$4.9 million last year, for the same reasons as above.

Share of Results of Associated Companies and Joint Venture

The share of results of associated companies and joint venture was a S$3.6 million loss in Q2, compared to a profit of $4.9 million last year. For H1, the share of results was a S$7.1 million loss, compared to a profit of S$2.1 million in last year.

These were largely due to 4PX, our associated company in China, which incurred higher expenses as it continues to invest in warehousing and infrastructure to handle the growth in cross-border eCommerce volumes.

As announced on 19 September 2018, 4PX has agreed to issue additional shares to its existing shareholder Zhejiang Cainiao Supply Chain Management Co., Limited ("Cainiao"). Cainiao's further investment in 4PX will allow deeper business integration between 4PX, Alibaba group and SingPost, in particular for cross-border eCommerce volumes. Quantium Solutions International ("QSI"), a subsidiary of SingPost, held an equity shareholding of 30.52% in 4PX.

On 1 November 2018, SingPost announced that 4PX has completed the issuance of additional shares to Cainiao, whereupon QSI's equity shareholding has been diluted down to 19.75% and 4PX ceases to be an associated company of SingPost.

As a result of this dilution and SingPost's loss of significant influence over 4PX, SingPost will no longer equity account for 4PX as an associate. The investment in 4PX will be classified as an equity investment measured at Fair Value Through Other Comprehensive Income ("FVTOCI").

Income Tax Expense

Income tax expense rose 9.3% to S$9.3 million in Q2 due to higher taxable income for the profitable entities in the Group while the Group does not benefit immediately from any tax losses from its loss-making entities. For H1, income tax expense rose 24.0% to S$20.9 million largely due to an additional tax provision for a foreign subsidiary.

Net Profit and Underlying Net Profit

Net profit attributable to equity holders declined 12.9% to S$25.1 million and declined 27.2% to S$43.9 million for Q2 and H1 respectively, due largely to exceptional items as well as negative contribution from associated companies and joint ventures.

Excluding exceptional items, underlying net profit for Q2 rose 0.4% to S$28.1 million, with improved profit on operating activities offset by negative contribution from associated companies.

Underlying net profit for H1 declined 4.6% to S$52.8 million, as the improved profit on operating activities was offset by negative contribution from associated companies as well as higher taxes.

Statement of Financial Position

Assets

The Group's total assets amounted to S$2.6 billion as at 30 September 2018, lower than as at 31 March 2018, due largely to lower cash and cash equivalents, which had been utilised for payment of dividends and capital expenditure.

Current assets rose slightly to S$641.4 million from S$626.6 million. Current financial assets increased from S$1.9 million to S$7.3 million due to a reclassification from the non-current portion, as one of SingPost's investments in corporate bonds will be maturing in 12 months' time.

Other current assets rose to S$22.7 million from S$18.2 million due to increase in prepayments of certain fees, as well as higher deposits which are reclassified from non-current assets.

Assets held for sale was S$45.3 million due to the reclassification of two associated companies from "Investments in associated companies and joint venture".

Current trade and other receivables declined slightly to S$267.9 million as at 30 September 2018, from S$271.6 million as at 31 March 2018. Current derivative financial instruments declined to S$12.0 million from S$19.9 million due largely to fair value losses on warrants held in an associated company.

Under non-current assets, financial assets declined to S$29.9 million from S$35.5 million, due largely to a reclassification to current portion of SingPost's investments in corporate bonds as mentioned above. Investments in associated companies declined to S$61.8 million due to reclassification to Assets held for sale as mentioned above. Other non-current asset declined to S$2.0 million due to a reclassification of certain deposits to other current assets, as mentioned above.

Liabilities

The Group's total liabilities were S$911.5 million as at 30 September 2018, compared to S$937.9 million as at 31 March 2018.

Current income tax liabilities rose to S$43.4 million from S$39.2 million due to income tax provisioning for the period. A foreign subsidiary has tax-related contingent liabilities which are yet to be determined.

Current borrowings rose to S$86.6 million due to net bank loans, and reclassification of certain loans from non-current borrowings. The increase in external bank loans was due to a switch from an intercompany loan for a foreign subsidiary to an external loan taken by the foreign subsidiary for better matching of currency.

Non-current trade and other payables declined to S$20.3 million from S$23.5 million due to a partial reclassification of about S$3.2 million to the current portion of trade and other payables. Non-current borrowings declined to S$207.2 million from S$220.5 million due largely to partial reclassification to the current portion of borrowings.

Non-current contract liabilities mainly relates 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$41.9 million from S$45.5 million was mainly due to amortisation for the period.

As at 30 September 2018, the Group was in a net debt position of S$8.5 million, compared to a net cash position of S$70.1 million as at 31 March 2018. This was largely due to timing difference in terms of outpayments made largely for international mail payables, while the receivables have not been collected as at 30 September 2018.

However, notwithstanding the increased debt, interest coverage ratio stands at 19.0 times for H1, compared to 18.2 times for the corresponding period last year.

Ordinary shareholders' equity was lower at S$1.3 billion as at 30 September 2018, compared to S$1.4 billion as at 31 March 2018 due to lower retained earnings for the period, which was due largely to dividends paid during the quarter and lower profits from exceptional items, namely the fair value losses from warrants in an associated company.

Cash Flow

In H1, operating cash flow before working capital changes rose to S$105.1 million, from $94.7 million last year. Working capital movement was negative S$76.0 million in H1 due to the timing of out-payments in respect of international mail terminal dues.

Consequently, net cash inflow from operating activities was lower at S$11.8 million in H1, compared to S$50.5 million last year.

Since the close of the period ended 30 September 2018, the Group has received payments amounting to about S$50 million, which will be recorded in the statement of cash flows for the period ending 31 December 2018.

Net cash outflow for investing activities for the period declined to S$15.9 million compared to S$39.3 million last year.

This was largely due a lower capital expenditure of S$18.8 million in H1, compared to S$38.9 million last year, with the completion of the SingPost Centre retail mall redevelopment.

Net cash outflow from financing activities in H1 was S$24.7 million, compared to outflow of S$95.5 million in the same period last year. This was largely due to net receipts of bank borrowings this year, compared to net repayment of bank borrowings last year.

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

Not applicable.

(10) 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.

While the Group remains well-positioned to benefit from the growth in global eCommerce activities, the eCommerce Logistics industry remains highly competitive.

Domestic mail volumes are expected to trend downwards. The Group is integrating its post and parcel last mile delivery capabilities in Singapore to achieve operational synergies and benefits.

While international mail has grown due to cross-border eCommerce deliveries, transhipment competition is intense and volumes will continue to come under pressure, especially with higher terminal dues.

We continue to integrate the operations of TradeGlobal and Jagged Peak in the US, in challenging market conditions.

We have in place a cost transformation program to optimise the Group's cost base.

(11) Dividends

Current financial period reported on

Interim dividend
For the second quarter ended 30 September 2018, the Board of Directors has declared an interim dividend of 0.5 cent per ordinary share (tax exempt one-tier).

The interim quarterly dividend of 0.5 cent per ordinary share will be paid on 30 November 2018. The transfer book and register of members of the Company will be closed on 20 November 2018 for the preparation of dividend warrants. Duly completed registrable transfers of the ordinary shares in the capital of the Company received by the Company's registrar up to 5.00 pm on 19 November 2018 will be registered to determine members' entitlements to the dividend.

Corresponding period of the immediately preceding financial year

Interim dividend
An interim dividend of 0.5 cent per ordinary share (tax exempt one-tier) for the second quarter ended 30 September 2017 was declared on 14 November 2017 and paid on 8 December 2017.

(12) If no dividend has been declared (recommended), a statement to that effect.

Not applicable.

(13) Group Segment Information

Segment information is presented based on the information reviewed by the chief operating decision maker for performance measurement and resource allocation.

From 1 April 2018, SingPost Group has reclassified the reporting of certain business units into four key business segments, namely Post and Parcel, Logistics, eCommerce and Property (FY2017/18: Postal, Logistics, eCommerce and Property).

- ***Post and Parcel*** segment comprises the core Postal and Singapore Parcel delivery business of the Group. This includes Domestic mail, International mail, vPost, products and services transacted at the Post Offices, as well as Parcel deliveries in Singapore.

- ***Logistics*** segment comprises the Logistics businesses of the Group. This includes Quantium Solutions, Couriers Please and Famous Holdings. The comparative period last year had included the Singapore Parcel delivery business SP Parcels, self- storage business General Storage Company ("GSC") and other logistics businesses, which have accordingly been adjusted to Post and Parcel (for SP Parcels) and Property (for GSC).

- ***eCommerce*** segment comprises the front-end related eCommerce businesses. This includes SP eCommerce in Asia Pacific, as well as our US eCommerce businesses, TradeGlobal and Jagged Peak.

- ***Property*** segment includes the provision of commercial property rental, as well as the self-storage business of GSC.

Others comprise unallocated corporate overhead items and trade-related translation differences.

The segment revenue and profit figures have been reclassified for comparative purposes.

The measurement of segment results is in line with the basis of information presented to management for internal reporting purpose.

(14) Interested Person Transactions

During the second quarter and half year ended 30 September 2018, the following interested person transactions were entered into by the Group:

	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$100,000)	
	FY2018/19 Q2 S$'000	FY2017/18 Q2 S$'000	**FY2018/19 Q2 S$'000**	FY2017/18 Q2 S$'000
Sales				
Singapore Telecommunications Group	**-**	-	**487**	1,046
	-	-	**487**	1,046
Purchases				
NCS Pte Ltd	**-**	-	**652**	-
PSA Corporation	**-**	-	**2,105***	1,518*
Singapore Telecommunications Group	**-**	-	**160***	499*
	-	-	**2,917**	2,017
Total interested person transactions	**-**	-	**3,404**	3,063

	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$100,000)	
	FY2018/19 H1 S$'000	FY2017/18 H1 S$'000	**FY2018/19 H1 S$'000**	FY2017/18 H1 S$'000
Sales				
Mediacorp Group	**-**	-	**-**	370*
Singapore Telecommunications Group	**-**	-	**487**	1,238
Starhub Group	**-**	-	**558**	638
	-	-	**1,045**	2,246
Purchases				
NCS Pte Ltd	**-**	-	**652**	-
PSA Corporation	**-**	-	**2,256***	1,518*
Singapore Airlines Group	**-**	-	**5,100**	4,248
Singapore Telecommunications Group	**-**	-	**160***	499*
	-	-	**8,168**	6,265
Total interested person transactions	**-**	-	**9,213**	8,511

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 6 months to 3 years) or annual values for open-ended contracts.

*Include contracts of duration exceeding one year.

(14) 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.

(15) Confirmation by the Board pursuant to rule 705(5) of the Listing Manual

On behalf of the Board of Directors of the Company, we, the undersigned, hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the financial statements for the second quarter ended 30 September 2018 to be false or misleading in any material aspect.

On behalf of the Board of Directors

MR SIMON CLAUDE ISRAEL
Chairman

MR PAUL COUTTS
Director

Singapore
2 November 2018