



SINGAPORE POST LIMITED AND ITS SUBSIDIARIES

(Registration number: 199201623M)

UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 SEPTEMBER 2024 AND DIVIDEND ANNOUNCEMENT

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SINGAPORE POST LIMITED AND ITS SUBSIDIARIES

CONDENSED INTERIM CONSOLIDATED INCOME STATEMENT For the half year ended 30 September 2024

<u>Group</u>	Note	Half year ended 30 September		
		2024 S\$'000	2023 S\$'000	Variance %
Revenue	4	992,410	827,290	20.0
Labour and related expenses		(189,872)	(182,500)	4.0
Volume-related expenses		(617,165)	(502,790)	22.7
Administrative and other expenses		(75,779)	(66,576)	13.8
Depreciation and amortisation		(55,535)	(39,278)	41.4
Selling-related expenses		(4,626)	(4,924)	(6.1)
Impairment loss on trade and other receivables		(460)	(1,345)	(65.8)
Operating expenses		(943,437)	(797,413)	18.3
Other income		2,201	1,533	43.6
Operating profit		51,174	31,410	62.9
Share of profit/(losses) of associated companies and a joint venture		150	(616)	N.M.
Exceptional items	5	(3,253)	(1,993)	63.2
Earnings before interest and tax		48,071	28,801	66.9
Interest income and investment income (net)		7,175	4,830	48.6
Finance expenses		(24,593)	(14,543)	69.1
Profit before tax	6	30,653	19,088	60.6
Income tax expense	7	(8,488)	(5,698)	49.0
Profit after tax		22,165	13,390	65.5
Profit attributable to:				
Equity holders of the Company		22,592	11,450	97.3
Non-controlling interests		(427)	1,940	N.M.
		22,165	13,390	65.5
Underlying net profit ¹		25,218	13,443	87.6
Basic and diluted earnings per share attributable to ordinary shareholders of the Company				
- Excluding distribution to perpetual securities holders (cents)	8	0.76	0.27	181.5
- Including distribution to perpetual securities holders (cents)	8	1.00	0.51	96.1

Notes

- 1 Underlying net profit is defined as net profit before exceptional items, net of tax and non-controlling interests.
N.M. Not meaningful.

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CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the half year ended 30 September 2024

<u>Group</u>	Half year ended 30 September		
	2024 S\$'000	2023 S\$'000	Variance %
Profit after tax	22,165	13,390	65.5
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	1,311	(7,946)	N.M.
Cash flow hedges			
- Fair value changes arising during the period	(3,030)	5,468	N.M.
- Realised and transferred to profit or loss	(694)	(384)	80.7
Items that will not be reclassified subsequently to profit or loss:			
Equity investments at fair value through other comprehensive income			
- Fair value gain	3,141	6,746	(53.4)
- Loss on fair value hedge of an equity instrument designated at fair value through other comprehensive income ("FVTOCI")	(4,157)	(19,040)	(78.2)
Other comprehensive loss for the period (net of tax)	(3,429)	(15,156)	(77.4)
Total comprehensive income/(loss) for the period	18,736	(1,766)	N.M.
Total comprehensive income attributable to			
Equity holders of the Company	19,337	4,231	@
Non-controlling interests	(601)	(5,997)	(90.0)
	18,736	(1,766)	N.M.

Notes

N.M. Not meaningful.
 @ Denotes variance more than 300%

SINGAPORE POST LIMITED AND ITS SUBSIDIARIES

CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION For the half year ended 30 September 2024

	Note	Group		Company	
		As at	As at	As at	As at
		30 Sep 2024	31 Mar 2024	30 Sep 2024	31 Mar 2024
		S\$'000	S\$'000	S\$'000	S\$'000
ASSETS					
Current assets					
Cash and cash equivalents		428,350	476,738	313,847	362,373
Trade and other receivables		242,070	252,430	131,832	129,395
Derivative financial instruments	10	8,547	402	178	402
Inventories		318	343	5	5
Other current assets		34,987	31,125	9,787	9,314
		714,272	761,038	455,649	501,489
Non-current assets					
Trade and other receivables		134	3,237	217,373	218,236
Derivative financial instruments	10	133	14,006	-	-
Financial assets	11	91,716	88,570	-	-
Investments in subsidiaries		-	-	361,313	361,313
Investments in associated companies and a joint venture		24,638	23,107	21,891	21,891
Investment properties	12	1,002,136	1,002,341	983,440	983,645
Property, plant and equipment	13	452,709	454,270	230,235	238,610
Right-of-use assets		230,762	140,008	22,846	28,304
Intangible assets	14	641,593	636,262	-	-
Deferred income tax assets		5,770	3,729	-	-
Other non-current assets		8,058	9,360	4,808	5,682
		2,457,649	2,374,890	1,841,906	1,857,681
Total assets		3,171,921	3,135,928	2,297,555	2,359,170
LIABILITIES					
Current liabilities					
Trade and other payables		488,245	605,645	364,141	417,378
Current income tax liabilities		15,276	10,592	10,489	12,984
Contract liabilities		21,498	28,204	19,388	26,023
Lease liabilities		42,631	43,137	9,253	11,060
Derivative financial instruments	10	1,960	105	1,960	105
Borrowings	15	5,405	10,319	-	-
		575,015	698,002	405,231	467,550
Non-current liabilities					
Trade and other payables		18,578	31,068	608,280	609,138
Borrowings	15	886,238	816,814	-	-
Contract liabilities		4,999	-	4,999	-
Lease liabilities		198,158	105,532	14,465	18,175
Deferred income tax liabilities		63,098	61,701	20,668	19,997
Derivative financial instruments	10	4,223	1,846	-	-
		1,175,294	1,016,961	648,412	647,310
Total liabilities		1,750,309	1,714,963	1,053,643	1,114,860
NET ASSETS		1,421,612	1,420,965	1,243,912	1,244,310
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	(29,054)	(29,243)	(29,054)	(29,243)
Other reserves		(142,088)	(130,742)	34,978	36,094
Retained earnings		658,009	653,171	599,226	598,697
Ordinary equity		1,125,629	1,131,948	1,243,912	1,244,310
Perpetual securities	17	251,564	251,534	-	-
		1,377,193	1,383,482	1,243,912	1,244,310
Non-controlling interests		44,419	37,483	-	-
Total equity		1,421,612	1,420,965	1,243,912	1,244,310

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CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY For the half year ended 30 September 2024

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 2024		638,762	(29,243)	653,171	(130,742)	1,131,948	251,534	1,383,482	37,483	1,420,965
Total comprehensive income for the period		-	-	22,592	(3,255)	19,337	-	19,337	(601)	18,736
Transactions with owners, recognised directly in equity										
Change in ownership interest in a subsidiary without a change in control		-	-	-	(8,124)	(8,124)	-	(8,124)	8,124	-
Distribution of perpetual securities	17	-	-	(5,452)	-	(5,452)	5,452	-	-	-
Distribution paid on perpetual securities	17	-	-	-	-	-	(5,422)	(5,422)	-	(5,422)
Dividends paid to shareholders	18	-	-	(12,601)	-	(12,601)	-	(12,601)	-	(12,601)
Dividends paid to non-controlling interests in a subsidiary		-	-	-	-	-	-	-	(587)	(587)
Issuance of shares to employee		-	189	-	(116)	73	-	73	-	73
Employee share option scheme: - Value of employee services		-	-	299	149	448	-	448	-	448
Total		-	189	(17,754)	(8,091)	(25,656)	30	(25,626)	7,537	(18,089)
Balance at 30 September 2024		638,762	(29,054)	658,009	(142,088)	1,125,629	251,564	1,377,193	44,419	1,421,612
Balance at 1 April 2023		638,762	(29,516)	598,558	(77,620)	1,130,184	251,504	1,381,688	(7,390)	1,374,298
Total comprehensive loss for the period		-	-	11,450	(7,219)	4,231	-	4,231	(5,997)	(1,766)
Transactions with owners, recognised directly in equity										
Distribution of perpetual securities	17	-	-	(5,452)	-	(5,452)	5,452	-	-	-
Distribution paid on perpetual securities	17	-	-	-	-	-	(5,392)	(5,392)	-	(5,392)
Dividends paid to shareholders	18	-	-	(9,000)	-	(9,000)	-	(9,000)	-	(9,000)
Dividends paid to non-controlling interests in a subsidiary		-	-	-	-	-	-	-	(2,073)	(2,073)
Issuance of shares to employee		-	273	-	(179)	94	-	94	-	94
Employee share option scheme: - Value of employee services		-	-	60	4,380	4,440	-	4,440	-	4,440
Total		-	273	(14,392)	4,201	(9,918)	60	(9,858)	(2,073)	(11,931)
Balance at 30 September 2023		638,762	(29,243)	595,616	(80,638)	1,124,497	251,564	1,376,061	(15,460)	1,360,601

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CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY For the half year ended 30 September 2024

<u>Company</u>	<u>Note</u>	Attributable to ordinary shareholders of the Company				
		<u>Share capital</u>	<u>Treasury shares</u>	<u>Retained earnings</u>	<u>Other reserves</u>	<u>Total equity</u>
		S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 April 2024		638,762	(29,243)	598,697	36,094	1,244,310
Total comprehensive income for the period		-	-	12,831	-	12,831
Transactions with owners, recognised directly in equity						
Dividends paid to shareholders	18	-	-	(12,601)	-	(12,601)
Issuance of shares to employee		-	189	-	(116)	73
Employee share option scheme:						
- Value of employee services		-	-	299	(1,000)	(701)
Total		-	189	(12,302)	(1,116)	(13,229)
Balance at 30 September 2024		638,762	(29,054)	599,226	34,978	1,243,912
Balance at 1 April 2023		638,762	(29,516)	563,683	35,390	1,208,319
Total comprehensive loss for the period		-	-	(4,547)	-	(4,547)
Transactions with owners, recognised directly in equity						
Dividends paid to shareholders	18	-	-	(9,000)	-	(9,000)
Issuance of shares to employee		-	273	-	(179)	94
Employee share option scheme:						
- Value of employee services		-	-	60	377	437
Total		-	273	(8,940)	198	(8,469)
Balance at 30 September 2023		638,762	(29,243)	550,196	35,588	1,195,303

SINGAPORE POST LIMITED AND ITS SUBSIDIARIES

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS
For the half year ended 30 September 2024

Group	Half year ended 30 September	
	2024	2023
	S\$'000	S\$'000
Cash flows from operating activities		
Profit after tax	22,165	13,390
Adjustments for:		
Income tax expense	8,488	5,698
Reversal of impairment loss on trade and other receivables	460	1,345
Amortisation of contract liabilities	(1,235)	(4,071)
Amortisation of intangible assets	4,948	2,488
Depreciation	50,587	36,790
Fair value loss on put option redemption liability	1,427	3,188
Fair value loss on contingent consideration	-	30
Gain on derecognition of right-of-use assets and lease liabilities	(29)	-
Loss/(Gain) on disposal of property, plant and equipment	467	(145)
Gain on sale of assets held for sale	-	(900)
Share-based staff costs	448	4,440
Finance expenses	24,593	14,543
Interest income	(6,581)	(5,614)
Share of (profit)/losses of associated companies and a joint venture	(150)	616
	83,423	58,408
Operating cash flow before working capital changes	105,588	71,798
Changes in working capital, net of effects from		
Inventories	25	90
Trade and other receivables	6,920	4,105
Trade and other payables	(64,127)	(42,122)
Cash generated from operations	48,406	33,871
Income tax paid	(4,235)	(15,768)
Net cash provided by operating activities	44,171	18,103
Cash flows from investing activities		
Deferred and contingent consideration paid in relation to acquisition of subsidiaries	(68,309)	-
Additions to property, plant and equipment and intangible assets	(27,514)	(25,011)
Dividends received from an associated company	195	-
Interest received	5,869	5,426
Proceeds from disposal of property, plant and equipment	2,434	568
Proceeds from sale of assets held for sale	-	12,600
Net cash used in investing activities	(87,325)	(6,417)
Cash flows from financing activities		
Distribution paid to perpetual securities	(5,422)	(5,392)
Dividends paid to shareholders	(12,601)	(9,000)
Dividends paid to non-controlling interests in subsidiaries	(587)	(2,073)
Finance expenses paid	(23,715)	(16,198)
Proceeds from bank loans	75,212	-
Repayment of principal portion of lease liabilities	(24,059)	(15,693)
Repayment of bank loans	(14,062)	(9,590)
Net cash used in financing activities	(5,234)	(57,946)
Net decrease in cash and cash equivalents	(48,388)	(46,260)
Cash and cash equivalents at beginning of financial period	476,738	495,696
Cash and cash equivalents at end of financial period	428,350	449,436

SINGAPORE POST LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the half year ended 30 September 2024

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 postal and parcel delivery services, 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 half year ended 30 September 2024 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 2024.

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 2024.

The accounting policies applied are consistent with those disclosed in the Group’s financial statements as at and for the year ended 31 March 2024 which were prepared in accordance with SFRS(I), except for the adoption of new and amended standards as set out in Note 2.2.

2.2 New and amended standards adopted by the Group

The Group has applied various amendments to accounting standards for the annual period beginning on 1 April 2024. The application of these revised standards did not have a material effect on the condensed interim financial statements.

2.3 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 similar to those that applied to the consolidated financial statements as at and for the year ended 31 March 2024.

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.

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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS For the half year ended 30 September 2024

3. Seasonality

The Group's business experiences seasonality which is tied to holiday seasons and eCommerce promotions that could vary from market to market. The performance of the Group in the first half of the financial year is generally lower than the second half.

4. Revenue

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

	Group	
	Half year ended 30 September	
	2024	2023
	S\$'000	S\$'000
Australia	574,795	398,787
International	263,869	292,217
Singapore	153,746	136,286
	992,410	827,290

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

	Group					
	Half year ended 30 September					
	2024			2023		
	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
Australia	574,795	-	574,795	398,787	-	398,787
International	263,869	-	263,869	292,217	-	292,217
Singapore	153,381	365	153,746	135,817	469	136,286
	992,045	365	992,410	826,821	469	827,290

Timing of revenue recognition in respect of revenue from contracts with customers ⁽¹⁾

At a point in time	3,356	365	3,721	3,721	469	4,190
Over time	964,380	-	964,380	802,261	-	802,261
	967,736	365	968,101	805,982	469	806,451

⁽¹⁾ These disclosures under SFRS(I) 15 Revenue from Contracts with Customers are not applicable to revenue from lease contracts amounting to S\$24,309,000 (30 September 2023: S\$20,839,000).

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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS For the half year ended 30 September 2024

5. Exceptional items

	<u>Group</u>	
	Half year ended 30 September	
	2024	2023
	S\$'000	S\$'000
Acquisition:		
- Loss on contingent consideration	-	(30)
Disposals:		
- (Loss)/Gain on disposal of property, plant and equipment	(467)	145
- Gain on disposal of assets held for sale	-	900
- Gain on derecognition of right-of-use assets and lease liabilities	29	-
Fair value loss:		
- Put option redemption liability	(1,427)	(3,188)
(Recognition)/Reversal of M&A related expenses	(527)	180
Restructuring of operations	(861)	-
	(3,253)	(1,993)

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>	
	Half year ended 30 September	
	2024	2023
	S\$'000	S\$'000
Depreciation of property, plant and equipment	25,088	23,197
Depreciation of right-of-use assets	25,499	13,593
Amortisation of intangible assets	4,948	2,488
Interest expense:		
- Fixed rate notes	4,791	4,791
- Bank borrowings	14,228	6,185
- Lease liabilities	5,214	3,077
- Significant financing component from contracts with customers	109	248
Other borrowing costs	251	242
Currency exchange (gains)/losses - net	(1,998)	1,941

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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS For the half year ended 30 September 2024

7. Income tax expense

	Group	
	Half year ended	
	30 September	
	2024	2023
	S\$'000	S\$'000
Tax expense attributable to profit is made up of:		
- Current income tax	9,213	11,769
- Deferred income tax	(147)	(1,965)
	<u>9,066</u>	<u>9,804</u>
Overprovision in preceding financial periods:		
- Current income tax	(578)	(4,106)
	<u>8,488</u>	<u>5,698</u>

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	
	Half year ended	
	30 September	
	2024	2023
Profit attributable to equity holders of the Company (S\$'000)	22,592	11,450
Less: Distribution to perpetual securities holders (S\$'000)	(5,452)	(5,452)
Profit attributable to ordinary shareholders of the Company (S\$'000)	<u>17,140</u>	<u>5,998</u>
Weighted average number of ordinary shares outstanding for basic earnings per share ('000)	<u>2,250,051</u>	<u>2,249,882</u>
Basic earnings per share (cents per share)		
- Excluding distribution to perpetual securities holders	0.76	0.27
- Including distribution to perpetual securities holders	<u>1.00</u>	<u>0.51</u>

(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.

There is no dilution of earnings per share for the half years ended 30 September 2024 and 2023.

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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS For the half year ended 30 September 2024

9. Net asset value

	<u>Group</u>		<u>Company</u>	
	As at 30 Sep 24	As at 31 Mar 24	As at 30 Sep 24	As at 31 Mar 24
Net asset value per ordinary share (cents)	61.21	61.49	55.28	55.30
Ordinary equity excluding perpetual securities per ordinary share (cents)	50.03	50.31	55.28	55.30

10. Derivative financial instruments

	<u>Group</u>		<u>Company</u>	
	As at 30 Sep 24 S\$'000	As at 31 Mar 24 S\$'000	As at 30 Sep 24 S\$'000	As at 31 Mar 24 S\$'000
<u>Current assets</u>				
Other non-hedging derivatives				
Currency forwards	178	402	178	402
Hedge instrument relating to fair value hedge				
Equity option (Note 11)	8,369	-	-	-
	8,547	402	178	402
<u>Non-current assets</u>				
Hedge instrument relating to cash flow hedge				
Interest rate swaps	133	1,480	-	-
Hedge instrument relating to fair value hedge				
Equity option (Note 11)	-	12,526	-	-
	133	14,006	-	-
	8,680	14,408	178	402
<u>Current liabilities</u>				
Other non-hedging derivatives				
Currency forwards	1,960	105	1,960	105
<u>Non-current liabilities</u>				
Hedge instrument relating to cash flow hedge				
Interest rate swaps	4,223	1,846	-	-
	6,183	1,951	1,960	105

The Group has an equity option over its investment in Shenzhen 4PX Information Technology Co., Limited ("4PX") classified as hedging instruments relating to fair value hedge amounting to S\$8.4 million (31 March 2024: S\$12.5 million) which hedges the fair value changes arising from the financial assets designated at FVTOCI (Note 11). For the half year ended 30 September 2024, the fair value loss arising from the hedging instrument is S\$4.2 million (half year ended 30 September 2023: fair value loss of S\$19.0 million).

The option exercise period, valid till June 2025 coincides with various contingent events relating to the loan capitalisation exercise. The fair value of the hedge is derived using the discounted cash flow approach and incorporates the probability of the various contingent events that affect the exercise of the options, including the completion of the loan capitalisation exercise that is closely related to the term of the options; such probabilities are considered as key management judgement and key sources of estimation uncertainty. It is expected that the value of the equity option and the value of 4PX will change in the opposite direction in response to movements in the underlying fair value of the company.

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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS For the half year ended 30 September 2024

11. Financial assets

	<u>Group</u>	
	As at 30 Sep 24 S\$'000	As at 31 Mar 24 S\$'000
<i>Financial assets designated as FVTOCI</i>		
- Equity investments - quoted	8,709	9,266
- Equity investments - unquoted	83,007	79,304
	91,716	88,570

The Group carries an investment in 4PX classified as an equity investment designated at FVTOCI amounting to S\$82.8 million (31 March 2024: S\$79.1 million) for which fair value hedge accounting (Note 10) has been applied.

The valuation of 4PX is determined based on Enterprise Value / Revenue multiples of selected comparable companies at the end of the reporting period. The inputs to the valuation model are derived from market observable data where possible, including but not limited to financial data of selected public companies in logistics services, freight management, supply chain management and e-commerce, but where this is not feasible, a degree of judgement is required to establish fair value.

For the half year ended 30 September 2024, the total fair value gain on financial assets recognised within other comprehensive income was S\$3.1 million (half year ended 30 September 2023: fair value gain of S\$6.7 million).

12. Investment properties

	<u>Group</u>		<u>Company</u>	
	As at 30 Sep 24 S\$'000	As at 31 Mar 24 S\$'000	As at 30 Sep 24 S\$'000	As at 31 Mar 24 S\$'000
Beginning of financial year	1,002,341	965,771	983,645	953,033
Reclassification to property, plant and equipment (net)	(205)	(1,872)	(205)	(7,708)
Fair value gain recognised in profit or loss	-	38,442	-	38,320
End of financial period/year	1,002,136	1,002,341	983,440	983,645

	<u>Fair value measurements using</u>		
	Quoted prices in active markets for identical assets (Level 1) S\$'000	Significant other unobservable inputs (Level 2) S\$'000	Significant unobservable inputs (Level 3) S\$'000
<u>Group</u>			
As at 30 September 2024			
- Commercial and retail/warehousing - Singapore	-	2,636	999,500
As at 31 March 2024			
- Commercial and retail/warehousing - Singapore	-	2,636	999,705

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

SINGAPORE POST LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the half year ended 30 September 2024

12. Investment properties (continued)

Valuation techniques and processes

The Group's investment properties are stated at their estimated fair values determined annually by independent professional valuers. For the purpose of these condensed interim financial statements for the half year ended 30 September 2024, a desktop valuation was obtained from the valuers for a significant investment property. For the remaining investment properties, management assessed potential significant changes in valuation by considering if there were any significant changes in operating performance of the properties and market capitalisation rate/discount rate compression or depression.

The valuation techniques used to derive Level 2 and 3 fair values were the same as those disclosed in the Group's financial statements as at 31 March 2024.

13. Property, plant and equipment

During the half year ended 30 September 2024,

- The Group acquired assets amounting to S\$24,777,000 (30 September 2023: S\$23,178,000) and disposed assets amounting to S\$2,901,000 (30 September 2023: S\$423,000).
- The Company acquired assets amounting to S\$2,698,000 (30 September 2023: S\$13,391,000) and disposed assets amounting to S\$404,000 (30 September 2023: S\$613,000).

As at 30 September 2024, commitments for the purchase of property, plant and equipment amounted to S\$9,881,000 (30 September 2023: S\$19,081,00) and S\$5,312,000 (30 September 2023: S\$11,993,000) for the Group and Company respectively.

14. Intangible assets

	<u>Group</u>	
	As at 30 Sep 24 S\$'000	As at 31 Mar 24 S\$'000
Goodwill on acquisitions	498,949	492,466
Customer relationships	44,377	47,197
Acquired software license	26,092	24,743
Trademarked brands	72,175	71,856
	641,593	636,262

SINGAPORE POST LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS For the half year ended 30 September 2024

15. Borrowings

	<u>Group</u>	
	As at 30 Sep 24 S\$'000	As at 31 Mar 24 S\$'000
<u>Current</u>		
- Borrowings (secured)	5,405	10,319
<u>Non-current</u>		
- Borrowings (secured)	216,969	150,128
- Borrowings (unsecured)	669,269	666,686
	886,238	816,814
 Total borrowings	 891,643	 827,133

As at 30 September 2024, secured borrowings comprise external bank loans and are generally secured over the following:

- a) trade receivables with carrying amount of S\$105.6 million.
- b) property, plant and equipment with carrying amount of S\$110.7 million.
- c) a general security containing first fixed and floating charges over all assets and undertakings of Freight Management Holdings Pty Ltd and its subsidiaries.
- d) charge of all the subsidiaries' shares held by Freight Management Holdings Pty Ltd and its subsidiaries.

As at 30 September 2024 and 31 March 2024, the Group's unsecured borrowings consist of S\$250 million 10-year Notes, S\$100 million 5-year Notes and A\$362.1 million (S\$320.8 million) (31 March 2024: S\$318.5 million) 5-year term loan facilities.

Fair value of non-current borrowings

	<u>Group</u>	
	As at 30 Sep 24 S\$'000	As at 31 Mar 24 S\$'000
<u>Non-current</u>		
- Borrowings (secured)	216,969	150,128
- Borrowings (unsecured)	659,322	647,991
	876,291	798,119

The fair value of the Notes are determined based on the over-the-counter quoted price. The fair value is classified within Level 1 of the fair value hierarchy.

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.

SINGAPORE POST LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS For the half year ended 30 September 2024

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 2024	2,275,089	(25,137)	638,762	(29,243)
Issuance of shares	-	148	-	189
As at 30 September 2024	2,275,089	(24,989)	638,762	(29,054)
As at 1 April 2023	2,275,089	(25,350)	638,762	(29,516)
Issuance of shares	-	213	-	273
As at 30 September 2023	2,275,089	(25,137)	638,762	(29,243)

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

Treasury shares

During the half year ended 30 September 2024, the Company re-issued 147,676 (30 September 2023: 212,597) treasury shares pursuant to the Singapore Post Share Option Scheme at the exercise price of S\$1.280. The cost of the treasury shares re-issued amounted to S\$189,000 (30 September 2023: S\$273,000).

Share options

During the half years ended 30 September 2024 and 2023, no share was issued under the Singapore Post Share Option Scheme.

As at 30 September 2024, there were unexercised options for 1,621,000 (30 September 2023: 3,012,000) unissued ordinary shares under the Singapore Post Share Option Scheme (including Performance Option Plan but excluding Restricted Share Plan) and unvested shares for 8,822,414 (30 September 2023: 11,859,851) unissued ordinary shares under the Restricted Share Plan.

SINGAPORE POST LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the half year ended 30 September 2024

17. Perpetual securities

On 6 April 2022, the Group issued SGD Subordinated Perpetual Securities with an aggregate principal amount of S\$250,000,000 ("Perpetual Securities 2022") under the S\$1 billion Multicurrency Debt Issuance Programme which is unconditionally and irrevocably guaranteed by the Company. Incremental costs incurred amounting to S\$1,028,000 were recognised in equity as a deduction from proceeds. Perpetual Securities 2022 bear distributions at a rate of 4.35% per annum up to 6 July 2027, payable semi-annually. The distribution rate will reset every 5 years starting 6 July 2027.

Subject to the relevant terms and conditions in the offering memorandum, the Group may elect to defer making distributions on the perpetual securities, and is not subject to any limits as to the number of times a distribution can be deferred. As a result, the Group is considered to have no contractual obligations to repay its principal or to pay any distributions and the perpetual securities do not meet the definition for classification as a financial liability under SFRS(I) 1-32 *Financial Instruments: Presentation*. The whole instrument is presented within equity, and distributions are treated as dividends.

During the half year ended 30 September 2024, distributions amounting to S\$5,452,000 (30 September 2023: \$5,452,000) were recognised and S\$5,422,000 (30 September 2023: S\$5,392,000) was paid to perpetual securities holders.

18. Dividends

<u>Group and Company</u>	
Half year ended	
30 September	
2024	2023
S\$'000	S\$'000

Ordinary dividends paid

Final exempt (one-tier) dividend paid in respect of the previous financial year of 0.56 cents per share (30 September 2023: 0.4 cents per share)

12,601	9,000
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Interim dividend

For the half year ended 30 September 2024, the Board of Directors has declared an interim dividend of 0.34 cents per ordinary share (tax exempt one-tier). 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 half year and full year ending 31 March 2025.

The interim dividend of 0.34 cents per ordinary share will be paid on 2 December 2024. The transfer book and register of members of the Company will be closed on 20 November 2024 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 2024 will be registered to determine members' entitlements to the interim dividend.

For the half year ended 30 September 2023, an interim dividend of 0.18 cents per ordinary share (tax exempt one-tier) was declared on 2 November 2023 and paid on 30 November 2023.

SINGAPORE POST LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the half year ended 30 September 2024

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).

<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 30 September 2024				
Assets				
Financial assets designated as at FVTOCI	8,709	-	83,007	91,716
Derivative financial instruments	-	311	8,369	8,680
Liabilities				
Derivative financial instruments	-	6,183	-	6,183
Put option redemption liability	-	-	9,130	9,130
As at 31 March 2024				
Assets				
Financial assets designated as at FVTOCI	9,266	-	79,304	88,570
Derivative financial instruments	-	1,882	12,526	14,408
Liabilities				
Derivative financial instruments	-	1,951	-	1,951
Contingent consideration payable	-	-	13,196	13,196
Put option redemption liability	-	-	7,723	7,723
<u>Company</u>				
As at 30 September 2024				
Assets				
Derivative financial instruments	-	178	-	178
Liabilities				
Derivative financial instruments	-	1,960	-	1,960
As at 31 March 2024				
Assets				
Derivative financial instruments	-	402	-	402
Liabilities				
Derivative financial instruments	-	105	-	105

There were no transfers between Levels 1, 2 and 3 during the half year ended 30 September 2024 and the full year ended 31 March 2024.

SINGAPORE POST LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS For the half year ended 30 September 2024

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

	<u>Group</u>	
	Half year ended	
	30 September	
	2024	2023
	S\$'000	S\$'000
Services received from associated companies	(335)	(565)
Services rendered to related companies of a substantial shareholder	10,094	6,407
Services received from related companies of a substantial shareholder	(12,969)	(6,024)

During the half year ended 30 September 2024, the Company made payments on behalf of subsidiaries totaling S\$0.5 million (30 September 2023: S\$0.2 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.

From 1 April 2024, the Group's segment reporting has been changed to reflect the Group's new business structure to position each business unit in its market segments.

SingPost Group classifies the reporting of business units into three key business segments, namely Australia, International and Singapore.

- **Australia** segment comprises fourth-party logistics services; third-party logistics solutions including transportation and distribution, and last-mile courier delivery; as well as warehousing services.
- **International** segment comprises international cross-border distribution of mail and parcels, and logistics solutions including freight forwarding and warehousing services.
- **Singapore** segment comprises domestic postal services including mail distribution and products and services transacted at the post offices; parcel distribution; eCommerce logistics and other value-added solutions; and property leasing.

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

SINGAPORE POST LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS For the half year ended 30 September 2024

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 half years ended 30 September 2024 and 2023.

<u>Group</u>	<u>Australia</u> S\$'000	<u>International</u> S\$'000	<u>Singapore</u> S\$'000	<u>Eliminations</u> S\$'000	<u>Total</u> S\$'000	<u>All other segments</u> S\$'000	<u>Total</u> S\$'000
Half year ended							
30 September 2024							
Revenue:							
- External	574,795	263,869	153,746	-	992,410	-	992,410
- Inter-segment	91	44	12,784	(12,919)	-	-	-
	<u>574,886</u>	<u>263,913</u>	<u>166,530</u>	<u>(12,919)</u>	<u>992,410</u>	<u>-</u>	<u>992,410</u>
Operating profit/(loss)	30,394	12,692	23,015	-	66,101	(14,927)	51,174
Half year ended							
30 September 2023 (Restated)							
Revenue:							
- External	398,787	292,217	136,286	-	827,290	-	827,290
- Inter-segment	119	41	11,053	(11,213)	-	-	-
	<u>398,906</u>	<u>292,258</u>	<u>147,339</u>	<u>(11,213)</u>	<u>827,290</u>	<u>-</u>	<u>827,290</u>
Operating profit/(loss)	23,349	14,882	6,700	-	44,931	(13,521)	31,410

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.

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 a 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>	
	Half year ended	
	30 September	
	2024	2023
	S\$'000	S\$'000
Operating profit for reportable segments	66,101	44,931
Operating loss for all other segments	(14,927)	(13,521)
Exceptional items	(3,253)	(1,993)
Finance expenses	(24,593)	(14,543)
Interest income and investment income (net)	7,175	4,830
Share of profit/(loss) of associated companies and a joint venture	150	(616)
Profit before tax	30,653	19,088
Tax expense	(8,488)	(5,698)
Profit after tax	22,165	13,390

SINGAPORE POST LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS For the half year ended 30 September 2024

21. Segment information (continued)

(b) Segment assets

The following is an analysis of the Group's segment assets as at 30 September 2024 and 31 March 2024 that were provided to the CODM:

Group	Australia S\$'000	International S\$'000	Singapore S\$'000	Total S\$'000	All other segments S\$'000	Total S\$'000
30 September 2024						
Segment assets	1,002,104	416,156	1,403,944	2,822,204	36,333	2,858,537
Segment assets include:						
Investments in associated companies and a joint venture	-	-	-	-	24,638	24,638
Intangible assets	477,828	158,147	5,618	641,593	-	641,593
31 March 2024 (Restated)						
Segment assets	887,988	426,624	1,420,217	2,734,829	39,247	2,774,076
Segment assets include:						
Investments in associated companies and a joint venture	-	-	-	-	23,107	23,107
Intangible assets	472,254	158,292	5,716	636,262	-	636,262

Reconciliation of segment assets

Reportable segment 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.

	Group	
	As at 30 Sep 24 S\$'000	As at 31 Mar 24 S\$'000 (Restated)
Segment assets for reportable segments	2,822,204	2,734,829
Segment assets for all other segments	36,333	39,247
Unallocated:		
Cash and cash equivalents	313,206	361,450
Derivative financial instruments	178	402
Total assets	3,171,921	3,135,928

SINGAPORE POST LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS For the half year ended 30 September 2024

21. Segment information (continued)

(c) Geographical information

The geographical information is prepared based on the country in which the transactions are booked and across different business segments.

	<u>Group</u>	
	Half year ended	
	30 September	
	2024	2023
	S\$'000	S\$'000
Revenue:		
Republic of Singapore	266,805	278,884
Australia and New Zealand	583,954	406,211
Other countries	141,651	142,195
	992,410	827,290

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

SINGAPORE POST LIMITED AND ITS SUBSIDIARIES

OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2

For the half year ended 30 September 2024

Other Information Required by Listing Rule Appendix 7.2

(1) Review

The condensed interim financial statements of Singapore Post Limited and its subsidiaries (the "Group") as at and for the half year ended 30 September 2024 have not been audited or reviewed.

(2) Review of the performance of the group

Effective from 1 April 2024, the Group has revised its segmental reporting structure to reflect the reorganisation of the Group into the business segments of Australia, International and Singapore. The comparative figures below have been restated to the current year segment presentation.

	Half year ended 30 September		
	2024 S\$'000	2023 S\$'000 (Restated)	Variance %
Revenue			
Australia	574,886	398,906	44.1
International	263,913	292,258	(9.7)
- International business	117,945	161,089	(26.8)
- Freight forwarding business	148,701	135,581	9.7
- Intra-segment eliminations ¹	(2,733)	(4,412)	(38.1)
Singapore	166,530	147,339	13.0
- Singapore business	129,598	115,271	12.4
- Property business	42,968	37,966	13.2
- Intra-segment eliminations ¹	(6,036)	(5,898)	2.3
Inter-segment eliminations ¹	(12,919)	(11,213)	15.2
Total revenue	992,410	827,290	20.0
Operating profit			
Australia	30,394	23,349	30.2
International	12,692	14,882	(14.7)
- International business	4,254	2,969	43.3
- Freight forwarding business	8,438	11,913	(29.2)
Singapore	23,015	6,700	243.5
- Singapore business	(918)	(14,721)	(93.8)
- Property business	23,933	21,421	11.7
Corporate ²	(14,927)	(13,521)	10.4
Total operating profit	51,174	31,410	62.9

¹ Intra-segment and inter-segment eliminations relate to the elimination of intra-segment and inter-segment billings for internal services to better reflect the profitability of each business segment.

² Corporate refers to unallocated corporate overhead items.

SINGAPORE POST LIMITED AND ITS SUBSIDIARIES

OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2

For the half year ended 30 September 2024

Group

Group revenue rose by 20.0% YoY to S\$992.4 million from S\$827.3 million for the first half ended 30 September 2024. Growth in the Australia and Singapore segments outweighed the weakness in the International cross-border business which continued to face a difficult business environment.

The Group's operating profit increased by 62.9% YoY to S\$51.2 million from S\$31.4 million, underpinned by the higher revenue.

More details are provided below.

Australia

The Australia segment comprises the managed services of fourth-party logistics ("4PL") and warehousing, and the line-haul and network business comprising third-party logistics ("3PL") and last mile courier services. Since acquisition, Border Express has delivered a good performance and is accretive to the business.

Revenue of the Australia business increased by 44.1% YoY to S\$574.9 million from S\$398.9 million in the first half, while operating profit rose by 30.2% to S\$30.4 million from S\$23.3 million. The growth was largely due to the consolidation of Border Express following its acquisition in March 2024.

The organic performance of the Australia business was resilient in the face of challenging business conditions, with the industry experiencing economic headwinds and reduced volumes in both the B2B and B2C sectors. Its 4PL business pipeline remained strong in the first half with the addition of new customers.

International

International segment consists of 1) International cross-border delivery business and warehousing services, and 2) freight forwarding business.

1) International cross-border business

The International cross-border business continued to face a difficult operating environment. It has focused on managing margins and profitability. Revenue of the International cross-border business amounted to S\$117.9 million, a decrease of 26.8% YoY from S\$161.1 million, while operating profit was S\$4.3 million compared to S\$3.0 million previously.

2) Freight forwarding business

Freight forwarding revenue increased by 9.7% YoY to S\$148.7 million from S\$135.6 million due to higher sea freight rates. However, operating profit declined by 29.2% YoY to S\$8.4 million from S\$11.9 million previously due to significant cost escalation in sea freight rates leading to margin compression.

SINGAPORE POST LIMITED AND ITS SUBSIDIARIES

OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2

For the half year ended 30 September 2024

Singapore

Singapore segment consists of 1) Singapore postal and logistics business, and 2) property leasing business comprising mainly SingPost Centre.

1) Singapore postal and logistics business

Revenue of the Singapore business amounted to S\$129.6 million, an increase of 12.4% YoY from S\$115.3 million. The improvement was due to higher revenue from the delivery business arising from the postage rate increase implemented in October 2023 which offset the continued decline in letter mail volume.

While the delivery business has improved significantly, profitability continues to be impacted by the post office network which remains unprofitable. There were also one-off costs for investments in technology capabilities and upgrades of legacy systems in the first half. The Singapore business recorded an operating loss of S\$0.9 million compared to a loss of S\$14.7 million previously. The Group is finalising an operating model with the authorities to ensure the long-term commercial viability of postal services, focusing on the optimisation of consumer touchpoints and transition of select post office services to alternate touchpoints.

2) Property leasing business

Property revenue amounted to S\$43.0 million, an increase of 13.2% YoY from S\$38.0 million, while Property operating profit rose 11.7% YoY to S\$23.9 million from S\$21.4 million. The improved performance was driven by higher rental income from SingPost Centre.

Overall occupancy rate of SingPost Centre was 98.2% as at 30 September 2024 compared to 96.2% as at 31 March 2024, with the retail mall and office space occupancy rates at 100% and 97.6% respectively compared to 99.6% and 94.8% previously.

Corporate

Corporate, which refers largely to unallocated corporate overhead items, was S\$14.9 million compared to S\$13.5 million previously.

Operating Expenses

Total operating expenses increased by 18.3% YoY to S\$943.4 million from S\$797.4 million in the first half, mainly attributed to the consolidation of Border Express.

Volume-related expenses, which include conveyance costs and outpayments for international postal terminal dues, rose by 22.7% YoY to S\$617.2 million from S\$502.8 million. This was due to increased conveyance costs arising from the inclusion of Border Express and higher sea freight rates in the freight forwarding business, partially offset by lower line-haul costs incurred by the international cross-border business.

Labour and related expenses increased by 4.0% YoY to S\$189.9 million from S\$182.5 million largely due to the inclusion of Border Express and salary increments.

Administrative and other expenses rose by 13.8% YoY to S\$75.8 million from S\$66.6 million due to higher property related expenses, and repairs and maintenance costs.

Depreciation and amortisation expenses were higher by 41.4% at S\$55.5 million compared to S\$39.3 million previously mainly due to the inclusion of Border Express.

Selling-related expenses declined by 6.1% YoY to S\$4.6 million from S\$4.9 million due to lower sales promotion and marketing expenses.

Impairment loss on trade and other receivables amounted to S\$0.5 million compared to S\$1.3 million previously as a result of lower allowance for bad and doubtful debts.

SINGAPORE POST LIMITED AND ITS SUBSIDIARIES

OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2

For the half year ended 30 September 2024

Other Income

Other income was higher by 43.6% or S\$0.7 million at S\$2.2 million due to trade-related exchange gains, compared to exchange losses in the previous period.

Share of Profit/(Loss) of Associated Companies and a Joint Venture

The Group registered an improved share of profit of associated companies and a joint venture of S\$0.2 million compared to a share of loss of S\$0.6 million previously.

Exceptional Items

Exceptional loss amounted to S\$3.3 million compared to S\$2.0 million in the previous period.

Refer to Note 5 for details on exceptional items.

Interest Income and Investment Income

Interest income and investment income increased by 48.6% YoY to S\$7.2 million from S\$4.8 million, due to higher interest income and foreign exchange gain on investments.

Finance Expenses

Finance expenses rose by 69.1% YoY to S\$24.6 million from S\$14.5 million as a result of higher interest expenses on the Group's additional borrowings for the acquisitions of Border Express and the additional stake in FMH.

Income Tax Expense

Income tax expense increased by 49.0% YoY to S\$8.5 million from S\$5.7 million largely due to higher reversal of overprovision of tax expenses in the previous period.

Non-controlling Interest

With the increase in the Group's shareholdings in FMH, non-controlling interest was a negative S\$0.4 million compared to S\$1.9 million previously.

Net Profit

Net profit attributable to equity holders of the Company increased by 97.3% YoY to S\$22.6 million from S\$11.5 million. Excluding exceptional items, the Group achieved an underlying net profit of S\$25.2 million, an increase of 87.6% from S\$13.4 million on the back of the improved financial performance for the first half.

STATEMENT OF FINANCIAL POSITION

Assets

Total assets amounted to S\$3.2 billion as at 30 September 2024, compared to S\$3.1 billion as at 31 March 2024.

Current assets declined to S\$714.3 million as at 30 September 2024 from S\$761.0 million as at 31 March 2024, largely due to lower cash balance and trade and other receivables. The Group maintained a positive net working capital position with a stable current ratio (current assets to current liabilities) of 1.2x as at 30 September 2024.

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For the half year ended 30 September 2024

Cash and cash equivalents amounted to S\$428.4 million, compared to S\$476.7 million. Please see Cash Flow section for details on cashflow changes.

Trade and other receivables decreased to S\$242.1 million from S\$252.4 million with improved collection. The Group monitors its receivables ageing closely and promptly takes appropriate actions on overdue accounts.

Current derivative financial instruments mainly pertain to currency forwards and the equity option over 4PX which is recognised at fair value through other comprehensive income. This increased to S\$8.5 million from S\$0.4 million due to mark-to-market movements of currency forwards and reclassification of the equity option over 4PX from non-current derivatives as the option exercise period is valid till June 2025.

Other current assets increased to S\$35.0 million from S\$31.1 million, mainly due to higher insurance prepayments.

Non-current assets were higher at S\$2.5 billion as at 30 September 2024 compared to S\$2.4 billion as at 31 March 2024, largely due to the increase in rights-of-use assets.

Non-current trade and other receivables declined to S\$0.1 million from \$3.2 million with the settlement of receivables.

Non-current derivative financial instruments mainly pertain to interest rate swaps. This decreased to S\$0.1 million from S\$14.0 million due to mark-to-market movements of interest rate swaps and reclassification of the equity option over 4PX to current derivatives.

Financial assets rose to S\$91.7 million from S\$88.6 million mainly due to the higher valuation in 4PX while investments in associated companies and a joint venture were marginally higher at S\$24.6 million compared to S\$23.1 million.

Investment properties comprising mainly SingPost Centre were relatively steady at S\$1.0 billion.

Property, plant and equipment was lower at S\$452.7 million compared to S\$454.3 million as additions of fixed assets were offset by depreciation charges.

Right-of-use assets increased to S\$230.8 million from S\$140.0 million largely due to new leases and lease renewals by FMH, partially offset by depreciation expenses.

Intangible assets were higher at S\$641.6 million compared to S\$636.3 million. This was mainly attributed to currency translation gains on the goodwill and intangible assets from the Australia business.

Liabilities

The Group's total liabilities were relatively steady at S\$1.8 billion as at 30 September 2024.

Current liabilities declined to S\$575.0 million as at 30 September 2024 from S\$698.0 million as at 31 March 2024 mainly due to lower trade and other payables.

Current trade and other payables fell to S\$488.2 million from S\$605.6 million largely due to settlements to creditors, and payments of deferred and contingent considerations for the acquisition of Border Express.

Current income tax liabilities increased to S\$15.3 million from S\$10.6 million as a result of higher provision for income tax by FMH.

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Current contract liabilities declined to S\$21.5 million from S\$28.2 million, due to the extension of contract for certain postassurance collaboration.

Current derivative instruments increased to S\$2.0 million from S\$0.1 million. This was due to the mark-to-market movements of currency forwards.

Current borrowings decreased to S\$5.4 million from S\$10.3 million with the repayment of bank loans.

Non-current liabilities amounted to S\$1.2 billion as at 30 September 2024, compared to S\$1.0 billion as at 31 March 2024.

Non-current borrowings increased to S\$886.2 million from S\$816.8 million largely due to additional bank loans by FMH for the deferred and contingent considerations for Border Express. The Group was in a net debt position of S\$463.3 million as at 30 September 2024, compared to S\$350.4 million as at 31 March 2024.

Non-current contract liabilities amounted to S\$5.0 million. This relates to the extension of certain postassurance collaboration.

Non-current lease liabilities increased to S\$198.2 million from S\$105.5 million, mainly due to new leases by FMH.

Non-current derivative financial instruments increased to S\$4.2 million from S\$1.8 million as a result of mark-to-market movements of interest rate swaps.

Equity

Retained earnings were higher at S\$658.0 million compared to S\$653.2 million as profit attributable to shareholders for the period offset dividends paid to shareholders and distribution to perpetual securities holders.

Other reserves amounted to negative S\$142.1 million compared to negative S\$130.7 million largely due to reclassification of share option reserves to non-controlling interests upon the vesting of FMH group long-term incentive plan on 30 June 2024, as well as mark-to-market movements of interest rate swaps.

Total equity was steady at S\$1.4 billion as at 30 September 2024.

Cash Flow

Operating cash flow before working capital changes was S\$105.6 million as at 30 September 2024, compared to S\$71.8 million as at 30 September 2023. Changes in net working capital of S\$57.2 million were largely due to movements in trade and other payables. Operating cash flow from operating activities was higher at S\$44.2 million compared to S\$18.1 million previously.

Net cash used in investing activities was S\$87.3 million, compared to S\$6.4 million previously. The increase was due to payments of deferred and contingent considerations for the acquisition of Border Express by FMH and additions to property, plant and equipment, partially offset by interest income and proceeds from the disposal of property, plant and equipment.

Net cash used in financing activities amounted to S\$5.2 million, compared to S\$57.9 million last year. This was mainly due to repayments of the principal portion of lease liabilities and bank loans, interest payments, dividend to shareholders and distribution to perpetual securities holders, partially offset by additional borrowings.

Consequently, cash and cash equivalents declined by S\$48.4 million to S\$428.4 million as at 30 September 2024 from S\$476.7 million as at 31 March 2024.

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

Not applicable.

- (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 global economic outlook remains subdued with continued uncertainty arising from geopolitical developments. Nevertheless, the Group is focused on executing its initiatives to maximise shareholder value.

In Australia, the Group is combining the assets, scale and technology of its businesses as it builds a national B2B2C integrated logistics business. It is focused on driving efficiency and delivering revenue and operational synergies with the integration and consolidation of the Australia businesses.

The Board has engaged Merrill Lynch Markets Australia Pty Limited as its financial advisor to explore the most appropriate range of options for the Group's Australia business, with the aim to maximise shareholder value. SingPost has noted recent articles in the Australian press regarding a potential sale of its Australia business. The Board would like to highlight that the strategic review is still ongoing and will update as appropriate once the review has been concluded.

The Singapore business remains focused on leveraging the postal network to drive synergies for the delivery of letter mail and eCommerce volumes. It continues to maintain its high service standards and is investing in postal infrastructure. The Group is finalising an operating model with the authorities to ensure the long-term commercial viability of postal services, focusing on the optimisation of consumer touchpoints and transition of select post office services to alternate touchpoints.

The global eCommerce logistics market remains challenging with fluctuations in air conveyance costs, post pandemic shifts and geo-political developments, as well as increased competition, leading to significant margin pressures. The Group continues to rationalise and optimise the International business for greater operational efficiency, focusing on its core postal capabilities and leveraging Singapore's transportation hub status. It is streamlining the regional footprint of Quantum Solutions and divesting its minority investment holdings of logistics companies in the region.

The outlook for air and sea freight rates remains uncertain due to geo-political developments and continues to have an impact on the International cross-border and freight forwarding businesses.

The Group continues to explore value unlocking initiatives and is currently evaluating various options, and will make further announcements as and when appropriate.

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(5) Interested Person Transactions

During the half year ended 30 September 2024, 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)	
		Half year ended 30 September		Half year ended 30 September	
		2024 S\$'000	2023 S\$'000	2024 S\$'000	2023 S\$'000
Sales					
Singapore Telecommunications Group	Each interested person is an associate of Singapore Post Limited's controlling shareholder,	-	-	-	34,728 *
Starhub Group	Temasek Holdings (Private) Limited	-	-	200	-
		-	-	200	34,728
Purchases					
CapitalLand Group	Each interested person is an associate of Singapore Post Limited's controlling shareholder,	-	-	3,069 *	1,170 *
Harbourfront Centre Pte Ltd	Singapore Post Limited's controlling shareholder,	-	-	-	538 *
PSA Corporation	Temasek Holdings (Private) Limited	-	-	2,533 *	-
Singapore Telecommunications Group		-	-	-	1,962 *
Starhub Group		-	-	180 *	119
		-	-	5,782	3,789
Total interested person transactions		-	-	5,982	38,517

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 4 months to 4 years) or annual values for open-ended contracts.

* Include contracts of duration exceeding one year.

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(6) 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.

(7) 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 unaudited condensed interim financial statements for the half year ended 30 September 2024 to be false or misleading in any material aspect.

On behalf of the Board of Directors

MR SIMON CLAUDE ISRAEL
Chairman

MR VINCENT PHANG
Director

Singapore
6 November 2024