



**SINGAPORE POST LIMITED  
AND ITS SUBSIDIARIES**

(Registration number: 199201623M)

**SGXNET ANNOUNCEMENT  
UNAUDITED RESULTS FOR THE  
THIRD QUARTER AND NINE MONTHS  
ENDED 31 DECEMBER 2017**

**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**

	FY2017/18	FY2016/17		FY2017/18	FY2016/17	
	Q3	Q3	Variance	9M	9M	Variance
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue	<b>412,789</b>	369,388	11.7%	<b>1,121,598</b>	1,024,493	9.5%
Other income and gains (net)						
- Rental and property-related income	<b>13,947</b>	9,123	52.9%	<b>33,573</b>	27,767	20.9%
- Miscellaneous	<b>2,862</b>	(1,770)	N.M.	<b>9,299</b>	2,445	280.3%
Labour and related expenses	<b>(102,427)</b>	(88,357)	15.9%	<b>(282,241)</b>	(260,989)	8.1%
Volume-related expenses <sup>1</sup>	<b>(223,570)</b>	(196,203)	13.9%	<b>(596,161)</b>	(519,043)	14.9%
Administrative and other expenses	<b>(40,035)</b>	(37,641)	6.4%	<b>(113,606)</b>	(107,867)	5.3%
Depreciation and amortisation	<b>(15,265)</b>	(12,891)	18.4%	<b>(45,022)</b>	(35,022)	28.6%
Selling expenses	<b>(2,119)</b>	(3,499)	(39.4%)	<b>(11,719)</b>	(9,094)	28.9%
Finance expenses	<b>(3,126)</b>	1,653	N.M.	<b>(9,853)</b>	(296)	@
Total expenses	<b>(386,542)</b>	(336,938)	14.7%	<b>(1,058,602)</b>	(932,311)	13.5%
Exceptional items <sup>2</sup>	<b>925</b>	(57)	N.M.	<b>5,842</b>	4,405	32.6%
Share of profit / (loss) of associated companies and joint ventures	<b>951</b>	(208)	N.M.	<b>3,069</b>	704	@
Profit before income tax	<b>44,932</b>	39,538	13.6%	<b>114,779</b>	127,503	(10.0%)
Income tax expense	<b>(2,944)</b>	(8,490)	(65.3%)	<b>(19,782)</b>	(26,999)	(26.7%)
<b>Total profit</b>	<b>41,988</b>	31,048	35.2%	<b>94,997</b>	100,504	(5.5%)
Net profit attributable to:						
Equity holders of the Company	<b>43,011</b>	31,354	37.2%	<b>102,454</b>	98,649	3.9%
Non-controlling interests	<b>(1,023)</b>	(306)	234.3%	<b>(7,457)</b>	1,855	N.M.
<b>Operating Profit</b> <sup>3</sup>	<b>46,143</b>	37,296	23.7%	<b>117,941</b>	124,808	(5.5%)
<b>Underlying Net Profit</b> <sup>4</sup>	<b>35,159</b>	31,411	11.9%	<b>89,685</b>	94,244	(4.8%)
Earnings per share for profit attributable to the equity holders of the Company during the period / year: <sup>5</sup>						
- Basic	<b>1.73 cents</b>	1.28 cents		<b>4.02 cents</b>	4.04 cents	
- Diluted	<b>1.73 cents</b>	1.28 cents		<b>4.02 cents</b>	4.04 cents	

**Notes**

- Volume-related expenses comprise mainly of traffic expenses and cost of sales.
- 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.
- Operating profit for the purposes of paragraph 8 "Review of the performance of the Group" is defined as profit before net interest expense, tax and share of profit or loss of associated companies and joint ventures.
- Underlying net profit is defined as net profit before exceptional items, net of tax.
- 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.  
@ Denotes variance exceeding 300%.

## Consolidated Statement of Comprehensive Income

	FY2017/18 Q3 S\$'000	FY2016/17 Q3 S\$'000	Variance %	FY2017/18 9M S\$'000	FY2016/17 9M S\$'000	Variance %
<b>Total profit</b>	<b>41,988</b>	31,048	35.2%	<b>94,997</b>	100,504	(5.5%)
<b>Other comprehensive income / (loss) (net of tax):</b>						
<b>Items that may be reclassified subsequently to profit or loss:</b>						
Available for sale financial assets - fair value losses	(212)	(33)	@	(422)	(26)	@
Currency translation differences arising from Consolidation						
- (Losses) / gains	(3,194)	20,375	N.M.	(3,826)	19,609	N.M.
- Transfers to profit & loss arising from disposals of subsidiaries and associates	-	-	-	-	(332)	N.M.
<b>Other comprehensive (loss) / income for the period (net of tax)</b>	<b>(3,406)</b>	20,342	N.M.	<b>(4,248)</b>	19,251	N.M.
<b>Total comprehensive income for the period*</b>	<b>38,582</b>	51,390	(24.9%)	<b>90,749</b>	119,755	(24.2%)
Total comprehensive income attributable to:						
Equity holders of the Company	39,758	51,452	(22.7%)	98,539	118,859	(17.1%)
Non-controlling interests	(1,176)	(62)	@	(7,790)	896	N.M.
	<b>38,582</b>	51,390	(24.9%)	<b>90,749</b>	119,755	(24.2%)

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

## Underlying Net Profit Reconciliation Table

	FY2017/18 Q3 S\$'000	FY2016/17 Q3 S\$'000	Variance %	FY2017/18 9M S\$'000	FY2016/17 9M S\$'000	Variance %
Profit attributable to equity holders of the Company	43,011	31,354	37.2%	102,454	98,649	3.9%
(Gains) / losses on disposal of property, plant and equipment	(2,953)	42	N.M.	(2,938)	(4)	@
Professional fees	46	15	206.7%	1,528	491	211.2%
Fair value loss / (gain) on warrants from an associated company	1,982	-	N.M.	(5,423)	-	N.M.
Gain on dilution of interest in an associated company	-	-	-	-	(4,892)	N.M.
Provision for the restructuring of overseas operation	-	-	-	991	-	N.M.
Adjustments of deferred tax in respect of change in US tax rate	(6,927)	-	N.M.	(6,927)	-	N.M.
<b>Underlying Net Profit</b>	<b>35,159</b>	31,411	11.9%	<b>89,685</b>	94,244	(4.8%)

N.M. Not meaningful.

@ Denotes variance exceeding 300%.

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

	<b>FY2017/18</b>	FY2016/17		<b>FY2017/18</b>	FY2016/17	
	<b>Q3</b>	Q3	Variance	<b>9M</b>	9M	Variance
	<b>S\$'000</b>	S\$'000	%	<b>S\$'000</b>	S\$'000	%
Other operating income and interest income	<b>16,809</b>	7,353	128.6%	<b>42,872</b>	30,212	41.9%
Interest on borrowings	<b>2,016</b>	2,348	(14.1%)	<b>6,736</b>	6,510	3.5%
Depreciation and amortisation	<b>15,265</b>	13,005	17.4%	<b>45,022</b>	35,416	27.1%
Allowance for doubtful debts and bad debts written off / (written back)	-	(33)	N.M.	<b>5,781</b>	(244)	N.M.
Foreign exchange gains / (losses)	<b>198</b>	86	130.2%	<b>(37)</b>	2,395	N.M.
Gains / (losses) on sale of investments, property, plant and equipment	<b>2,953</b>	(40)	N.M.	<b>2,938</b>	5,242	(44.0%)
Adjustments of deferred tax in respect of change in US tax rate	<b>6,927</b>	-	N.M.	<b>6,927</b>	-	N.M.

N.M. Not meaningful.

**(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	
	Dec-17 S\$'000	Mar-17 S\$'000	Dec-17 S\$'000	Mar-17 S\$'000
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	284,346	366,614	223,621	303,179
Financial assets	2,541	4,301	2,541	3,954
Trade and other receivables	246,300	199,007	193,339	173,304
Derivative financial instruments	22,378	16,079	22,378	16,142
Inventories	4,423	4,450	141	107
Other current assets	18,756	17,174	7,279	5,180
	<b>578,744</b>	<b>607,625</b>	<b>449,299</b>	<b>501,866</b>
<b>Non-current assets</b>				
Financial assets	35,462	36,010	35,213	35,748
Trade and other receivables	7,132	7,091	395,222	405,122
Investments in associated companies and joint ventures	120,454	117,783	14,849	14,849
Investments in subsidiaries	-	-	340,533	340,533
Investment properties	1,000,731	970,392	957,338	927,538
Property, plant and equipment	545,909	565,583	241,919	240,371
Intangible assets	392,596	400,683	-	-
Deferred income tax assets	3,774	6,218	-	-
Other non-current asset	4,513	5,198	-	-
	<b>2,110,571</b>	<b>2,108,958</b>	<b>1,985,074</b>	<b>1,964,161</b>
<b>Total assets</b>	<b>2,689,315</b>	<b>2,716,583</b>	<b>2,434,373</b>	<b>2,466,027</b>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Trade and other payables	501,053	395,084	396,766	353,681
Current income tax liabilities	30,640	34,774	25,439	30,367
Deferred income <sup>1</sup>	7,281	7,413	7,281	7,413
Derivative financial instruments	525	1,055	423	1,055
Borrowings	19,834	148,786	-	117,743
	<b>559,333</b>	<b>587,112</b>	<b>429,909</b>	<b>510,259</b>
<b>Non-current liabilities</b>				
Trade and other payables	23,840	44,462	1,935	2,070
Borrowings	215,490	215,199	201,753	202,318
Deferred income <sup>1</sup>	44,116	49,545	44,116	49,545
Deferred income tax liabilities	51,970	62,547	22,844	22,603
	<b>335,416</b>	<b>371,753</b>	<b>270,648</b>	<b>276,536</b>
<b>Total liabilities</b>	<b>894,749</b>	<b>958,865</b>	<b>700,557</b>	<b>786,795</b>
<b>NET ASSETS</b>	<b>1,794,566</b>	<b>1,757,718</b>	<b>1,733,816</b>	<b>1,679,232</b>
<b>EQUITY</b>				
Capital and reserves attributable to the Company's equity holders				
Share capital	638,762	638,756	638,762	638,756
Treasury shares	(11,794)	(1,227)	(11,794)	(1,227)
Other reserves	66,119	71,787	36,395	37,249
Retained earnings	707,204	650,007	719,919	657,628
Ordinary equity	1,400,291	1,359,323	1,383,282	1,332,406
Perpetual securities <sup>2</sup>	350,534	346,826	350,534	346,826
	<b>1,750,825</b>	<b>1,706,149</b>	<b>1,733,816</b>	<b>1,679,232</b>
Non-controlling interests	43,741	51,569	-	-
<b>Total equity</b>	<b>1,794,566</b>	<b>1,757,718</b>	<b>1,733,816</b>	<b>1,679,232</b>

Notes

- 1 Mainly relates to the postassurance collaboration with AXA Life Insurance Singapore Private Limited.
- 2 Perpetual securities amounting to S\$350 million were issued by the Company on 2 March 2012. The perpetual securities are cumulative and distributions are at the option of the Company, subject to terms and conditions of the securities issue. Based on FRS32 "Financial Instruments: Presentation", the perpetual securities are presented within equity.

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

	<b>Dec-17</b>	Mar-17
	<b>S\$'000</b>	S\$'000
Amount repayable in one year or less, or on demand		
- Borrowings (secured)	<b>2,834</b>	14,043
- Borrowings (unsecured)	<b>17,000</b>	134,743
Amount repayable after one year:		
- Borrowings (secured)	<b>13,737</b>	12,881
- Borrowings (unsecured)	<b>201,753</b>	202,318
	<b>235,324</b>	363,985

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, 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			
	FY2017/18 Q3 S\$'000	FY2016/17 Q3 S\$'000	FY2017/18 9M S\$'000	FY2016/17 9M S\$'000
<b>Cash flows from operating activities</b>				
Total profit	41,988	31,048	94,997	100,504
Adjustments for:				
Income tax expense	2,944	8,490	19,782	26,999
Allowance for doubtful debts and bad debts written off / (write back)	-	(33)	5,781	(244)
Amortisation of deferred income	(1,854)	(2,264)	(5,561)	(5,905)
Amortisation of intangible assets	2,471	1,775	7,239	3,885
Depreciation	12,794	11,230	37,783	31,531
(Gains) / losses on sale of investments, property, plant and equipment	(2,953)	42	(2,938)	(5,240)
Loss / (gain) on derivative instrument	1,982	-	(5,423)	-
Share-based staff costs	41	869	508	2,782
Interest expense	2,016	2,348	6,736	6,510
Interest income	(964)	(797)	(3,622)	(2,287)
Share of (profit) / loss of associated companies and joint ventures	(951)	208	(3,069)	(704)
	<b>15,526</b>	<b>21,868</b>	<b>57,216</b>	<b>57,327</b>
<b>Operating cash flow before working capital changes</b>	<b>57,514</b>	<b>52,916</b>	<b>152,213</b>	<b>157,831</b>
Changes in working capital, net of effects from acquisition and disposal of subsidiaries				
Inventories	19	454	27	60
Trade and other receivables	(14,857)	(40,714)	(53,207)	(19,584)
Trade and other payables	68,801	53,074	77,851	43,742
<b>Cash generated from operations</b>	<b>111,477</b>	<b>65,730</b>	<b>176,884</b>	<b>182,049</b>
Income tax paid	(15,498)	(13,138)	(30,400)	(29,572)
<b>Net cash provided by operating activities</b>	<b>95,979</b>	<b>52,592</b>	<b>146,484</b>	<b>152,477</b>
<b>Cash flows from investing activities</b>				
Acquisition of additional interest in a subsidiary	(220)	-	(220)	-
Additions to property, plant and equipment, investment properties and intangible assets	(14,006)	(52,457)	(52,878)	(164,106)
Contingent consideration paid in relation to acquisition of subsidiaries	-	-	(3,730)	(528)
Disposal of a subsidiary, net of cash disposed of	-	-	-	(1,568)
Dividends received from associated company	413	-	413	1,660
Interest received	902	453	4,006	1,947
Loan to an associated company	-	-	-	(1,521)
Proceed from sale of financial assets	1,633	-	1,633	-
Proceeds from partial divestment of a subsidiary	-	85,927	-	85,927
Proceeds from disposal of property, plant and equipment	8,650	140	8,886	1,894
Proceeds on maturity of financial assets	-	-	-	4,250
Repayment of loans by associated companies	-	135	-	6,605
<b>Net cash (used in) / provided by investing activities</b>	<b>(2,628)</b>	<b>34,198</b>	<b>(41,890)</b>	<b>(65,440)</b>
<b>Cash flows from financing activities</b>				
Distribution paid to perpetual securities	-	-	(7,499)	(7,499)
Dividends paid to shareholders	(11,337)	(21,648)	(34,050)	(108,180)
Interest paid	(4,405)	(2,531)	(6,148)	(7,122)
Proceeds from issuance of ordinary shares	-	391	6	3,662
Purchase of treasury shares	(4,278)	-	(11,507)	-
Proceeds from bank term loan	48,926	220,514	280,926	522,031
Repayment of bank term loan	(120,253)	(212,476)	(408,590)	(387,515)
<b>Net cash (used in) / provided by financing activities</b>	<b>(91,347)</b>	<b>(15,750)</b>	<b>(186,862)</b>	<b>15,377</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>2,004</b>	<b>71,040</b>	<b>(82,268)</b>	<b>102,414</b>
Cash and cash equivalents at beginning of financial period	282,342	158,014	366,614	126,640
<b>Cash and cash equivalents at end of financial period</b>	<b>284,346</b>	<b>229,054</b>	<b>284,346</b>	<b>229,054</b>

**Significant non-cash transactions**

In the current financial period, contingent consideration amounting to S\$905,000 (9M FY2016/17: S\$2,060,000) in relation to the acquisition of subsidiaries in prior financial years was settled by way of offset against escrow deposits for the acquisition of those subsidiaries.

**(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 – Q3**

	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 October 2017	638,762	(7,516)	679,279	69,513	1,380,038	346,785	1,726,823	44,955	1,771,778
Total comprehensive income / (loss) for the period	-	-	43,011	(3,253)	39,758	-	39,758	(1,176)	38,582
	638,762	(7,516)	722,290	66,260	1,419,796	346,785	1,766,581	43,779	1,810,360
Additional investment of a subsidiary	-	-	-	(182)	(182)	-	(182)	(38)	(220)
Distribution of perpetual Securities	-	-	(3,749)	-	(3,749)	3,749	-	-	-
Dividends	-	-	(11,337)	-	(11,337)	-	(11,337)	-	(11,337)
Employee share option scheme:									
- Value of employee services	-	-	-	41	41	-	41	-	41
Purchase of new treasury shares	-	(4,278)	-	-	(4,278)	-	(4,278)	-	(4,278)
Balance at 31 December 2017	638,762	(11,794)	707,204	66,119	1,400,291	350,534	1,750,825	43,741	1,794,566
Balance at 1 October 2016	452,259	(1,227)	722,952	8,181	1,182,165	346,785	1,528,950	12,071	1,541,021
Total comprehensive income / (loss) for the period	-	-	31,354	20,098	51,452	-	51,452	(62)	51,390
	452,259	(1,227)	754,306	28,279	1,233,617	346,785	1,580,402	12,009	1,592,411
Partial divestment of a subsidiary	-	-	(5,191)	39,624	34,433	-	34,433	51,494	85,927
Distribution of perpetual securities	-	-	(3,749)	-	(3,749)	3,749	-	-	-
Dividends	-	-	(21,648)	-	(21,648)	-	(21,648)	-	(21,648)
Employee share option scheme:									
- Value of employee services	-	-	-	869	869	-	869	-	869
- New shares issued	420	-	-	(29)	391	-	391	-	391
Balance at 31 December 2016	452,679	(1,227)	723,718	68,743	1,243,913	350,534	1,594,447	63,503	1,657,950



## The Group – 9M

	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 2017	638,756	(1,227)	650,007	71,787	1,359,323	346,826	1,706,149	51,569	1,757,718
Total comprehensive income / (loss) for the period	-	-	102,454	(3,915)	98,539	-	98,539	(7,790)	90,749
	638,756	(1,227)	752,461	67,872	1,457,862	346,826	1,804,688	43,779	1,848,467
Additional investment of a subsidiary	-	-	-	(182)	(182)	-	(182)	(38)	(220)
Adjustment to other reserves	-	-	-	(1,139)	(1,139)	-	(1,139)	-	(1,139)
Distribution of perpetual Securities	-	-	(11,207)	-	(11,207)	11,207	-	-	-
Distribution paid on perpetual Securities	-	-	-	-	-	(7,499)	(7,499)	-	(7,499)
Dividends	-	-	(34,050)	-	(34,050)	-	(34,050)	-	(34,050)
Employee share option scheme:									
- Value of employee services	-	-	-	508	508	-	508	-	508
- New shares issued	6	-	-	-	6	-	6	-	6
- Treasury shares re-issued	-	940	-	(940)	-	-	-	-	-
Purchase of new treasury shares	-	(11,507)	-	-	(11,507)	-	(11,507)	-	(11,507)
Balance at 31 December 2017	638,762	(1,794)	707,204	66,119	1,400,291	350,534	1,750,825	43,741	1,794,566
Balance at 1 April 2016	448,775	(2,116)	749,647	7,258	1,203,564	346,826	1,550,390	11,113	1,561,503
Total comprehensive income for the period	-	-	98,649	20,210	118,859	-	118,859	896	119,755
	448,775	(2,116)	848,296	27,468	1,322,423	346,826	1,669,249	12,009	1,681,258
Partial divestment of a subsidiary	-	-	(5,191)	39,624	34,433	-	34,433	51,494	85,927
Distribution of perpetual securities	-	-	(11,207)	-	(11,207)	11,207	-	-	-
Distribution paid on perpetual securities	-	-	-	-	-	(7,499)	(7,499)	-	(7,499)
Dividends	-	-	(108,180)	-	(108,180)	-	(108,180)	-	(108,180)
Employee share option scheme:									
- Value of employee services	-	-	-	2,782	2,782	-	2,782	-	2,782
- New shares issued	3,904	-	-	(242)	3,662	-	3,662	-	3,662
- Treasury shares re-issued	-	889	-	(889)	-	-	-	-	-
Balance at 31 December 2016	452,679	(1,227)	723,718	68,743	1,243,913	350,534	1,594,447	63,503	1,657,950

## The Company – Q3

	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 Oct 2017	<b>638,762</b>	<b>(7,516)</b>	<b>697,916</b>	<b>36,566</b>	<b>1,365,728</b>	<b>346,785</b>	<b>1,712,513</b>
Total comprehensive income / (loss) for the period	-	-	<b>37,089</b>	<b>(212)</b>	<b>36,877</b>	-	<b>36,877</b>
	<b>638,762</b>	<b>(7,516)</b>	<b>735,005</b>	<b>36,354</b>	<b>1,402,605</b>	<b>346,785</b>	<b>1,749,390</b>
Distribution on perpetual securities	-	-	<b>(3,749)</b>	-	<b>(3,749)</b>	<b>3,749</b>	-
Dividends	-	-	<b>(11,337)</b>	-	<b>(11,337)</b>	-	<b>(11,337)</b>
Employee share option scheme:							
- Value of employee services	-	-	-	<b>41</b>	<b>41</b>	-	<b>41</b>
Purchase of new treasury shares	-	<b>(4,278)</b>	-	-	<b>(4,278)</b>	-	<b>(4,278)</b>
Balance at 31 December 2017	<b>638,762</b>	<b>(11,794)</b>	<b>719,919</b>	<b>36,395</b>	<b>1,383,282</b>	<b>350,534</b>	<b>1,733,816</b>
Balance at 1 October 2016	452,259	(1,227)	758,605	35,531	1,245,168	346,785	1,591,953
Total comprehensive income / (loss) for the period	-	-	<b>36,892</b>	<b>(33)</b>	<b>36,859</b>	-	<b>36,859</b>
	452,259	(1,227)	795,497	35,498	1,282,027	346,785	1,628,812
Distribution on perpetual securities	-	-	<b>(3,749)</b>	-	<b>(3,749)</b>	<b>3,749</b>	-
Dividends	-	-	<b>(21,648)</b>	-	<b>(21,648)</b>	-	<b>(21,648)</b>
Employee share option scheme:							
- Value of employee services	-	-	-	<b>869</b>	<b>869</b>	-	<b>869</b>
- New shares issued	420	-	-	<b>(29)</b>	<b>391</b>	-	<b>391</b>
Balance at 31 December 2016	<b>452,679</b>	<b>(1,227)</b>	<b>770,100</b>	<b>36,338</b>	<b>1,257,890</b>	<b>350,534</b>	<b>1,608,424</b>

## The Company – 9M

	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 April 2017	<b>638,756</b>	<b>(1,227)</b>	<b>657,628</b>	<b>37,249</b>	<b>1,332,406</b>	<b>346,826</b>	<b>1,679,232</b>
Total comprehensive income / (loss) for the period	-	-	<b>107,548</b>	<b>(422)</b>	<b>107,126</b>	-	<b>107,126</b>
	<b>638,756</b>	<b>(1,227)</b>	<b>765,176</b>	<b>36,827</b>	<b>1,439,532</b>	<b>346,826</b>	<b>1,786,358</b>
Distribution on perpetual securities	-	-	<b>(11,207)</b>	-	<b>(11,207)</b>	<b>11,207</b>	-
Distribution paid on perpetual securities	-	-	-	-	-	<b>(7,499)</b>	<b>(7,499)</b>
Dividends	-	-	<b>(34,050)</b>	-	<b>(34,050)</b>	-	<b>(34,050)</b>
Employee share option scheme:							
- Value of employee services	-	-	-	<b>508</b>	<b>508</b>	-	<b>508</b>
- New shares issued	<b>6</b>	-	-	-	<b>6</b>	-	<b>6</b>
- Treasury shares re-issued	-	<b>940</b>	-	<b>(940)</b>	-	-	-
Purchase of new treasury shares	-	<b>(11,507)</b>	-	-	<b>(11,507)</b>	-	<b>(11,507)</b>
Balance at 31 December 2017	<b>638,762</b>	<b>(11,794)</b>	<b>719,919</b>	<b>36,395</b>	<b>1,383,282</b>	<b>350,534</b>	<b>1,733,816</b>
Balance at 1 April 2016	448,775	(2,116)	780,232	34,713	1,261,604	346,826	1,608,430
Total comprehensive income / (loss) for the period	-	-	<b>109,255</b>	<b>(26)</b>	<b>109,229</b>	-	<b>109,229</b>
	<b>448,775</b>	<b>(2,116)</b>	<b>889,487</b>	<b>34,687</b>	<b>1,370,833</b>	<b>346,826</b>	<b>1,717,659</b>
Distribution on perpetual securities	-	-	<b>(11,207)</b>	-	<b>(11,207)</b>	<b>11,207</b>	-
Distribution paid on perpetual securities	-	-	-	-	-	<b>(7,499)</b>	<b>(7,499)</b>
Dividends	-	-	<b>(108,180)</b>	-	<b>(108,180)</b>	-	<b>(108,180)</b>
Employee share option scheme:							
- Value of employee services	-	-	-	<b>2,782</b>	<b>2,782</b>	-	<b>2,782</b>
- New shares issued	<b>3,904</b>	-	-	<b>(242)</b>	<b>3,662</b>	-	<b>3,662</b>
- Treasury shares re-issued	-	<b>889</b>	-	<b>(889)</b>	-	-	-
Balance at 31 December 2016	<b>452,679</b>	<b>(1,227)</b>	<b>770,100</b>	<b>36,338</b>	<b>1,257,890</b>	<b>350,534</b>	<b>1,608,424</b>

- (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 3rd quarter ended 31 December 2017, no share was issued under the Singapore Post Share Option Scheme.

As at 31 December 2017, there were unexercised options for 24,980,000 (31 December 2016: 26,428,000) unissued ordinary shares under the Singapore Post Share Option Scheme (including Performance Option Plan but excluding Restricted Share Plan) and unvested shares for 1,211,264 (31 December 2016: 2,800,421) unissued ordinary shares under the Restricted Share Plan.

As at 31 December 2017, the Company held 9,208,005 treasury shares (31 December 2016: 1,181,409).

- (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 31 December 2017, total issued shares excluding treasury shares were 2,265,881,520 (31 March 2017: 2,273,903,116).

- (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 third quarter ended 31 December 2017, no treasury share was re-issued.

- (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 2017.

- (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.**

On 1 April 2017, the Group adopted the new or amended FRS and Interpretations to FRS ("INT FRS") that are mandatory for application from that date. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS and INT FRS.

The adoption of these new or amended FRS and INT FRS did not result in substantial changes to the Group's and Company's accounting policies and had no material effect on the amounts reported for the current or prior financial years.

- (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.**

	<b>The Group</b>			
	<b>FY2017/18</b>	<b>FY2016/17</b>	<b>FY2017/18</b>	<b>FY2016/17</b>
	<b>Q3</b>	<b>Q3</b>	<b>9M</b>	<b>9M</b>
Based on weighted average number of ordinary shares in issue	<b>1.73 cents</b>	1.28 cents	<b>4.02 cents</b>	4.04 cents
On fully diluted basis	<b>1.73 cents</b>	1.28 cents	<b>4.02 cents</b>	4.04 cents

- (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.**

	<b>The Group</b>		<b>The Company</b>	
	<b>Dec-17</b>	<b>Mar-17</b>	<b>Dec-17</b>	<b>Mar-17</b>
Net asset value per ordinary share based on issued share capital of the Company at the end of the financial period (cents)	<b>77.27</b>	75.03	<b>76.52</b>	73.85
	<b>The Group</b>	<b>The Company</b>	<b>The Group</b>	<b>The Company</b>
	<b>Dec-17</b>	<b>Mar-17</b>	<b>Dec-17</b>	<b>Mar-17</b>
Ordinary equity per ordinary share based on issued share capital of the Company at the end of the financial period (cents)	<b>61.80</b>	59.78	<b>61.05</b>	58.60

(8) **Review of the performance of the group.**

**Third Quarter And Nine Months Ended 31 December 2017**

**Revenue**

	<b>FY17/18</b>	<b>FY16/17</b>		<b>FY17/18</b>	<b>FY16/17</b>	
	<b>Q3</b>	<b>Q3</b>	<b>Variance</b>	<b>9M</b>	<b>9M</b>	<b>Variance</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>%</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>%</b>
Postal	<b>165,994</b>	143,352	15.8%	<b>464,168</b>	407,339	14.0%
Logistics	<b>173,852</b>	171,252	1.5%	<b>506,029</b>	482,065	5.0%
eCommerce	<b>97,140</b>	81,132	19.7%	<b>225,338</b>	210,390	7.1%
Inter-segment eliminations*	<b>(24,197)</b>	(26,348)	8.2%	<b>(73,937)</b>	(75,301)	1.8%
<b>Total</b>	<b>412,789</b>	369,388	11.7%	<b>1,121,598</b>	1,024,493	9.5%

\* 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 11.7% for the third quarter ("Q3") and 9.5% for the nine months ("9M") ended 31 December 2017, with growth across the Postal, Logistics and eCommerce segments.

In the Postal segment, revenue rose 15.8% in Q3 and 14.0% in 9M respectively as strong growth in International mail revenue helped offset the decline in Domestic mail revenue.

In Q3, International mail revenue rose 37.7% and quarterly revenue crossed S\$100 million for the first time, on the back of higher cross-border eCommerce deliveries including collaboration with Alibaba Group for the Double Eleven event in November.

Logistics revenue increased 1.5% in Q3 and 5.0% in 9M respectively. SP Parcels and Couriers Please's revenue rose with increased last-mile delivery volume in Singapore and Australia respectively, while Famous Holdings' revenue grew in line with higher freight forwarding volumes.

The above were partially offset by a revenue decline at Quantum Solutions, which continues to face competitive pressures at its Hong Kong operations. This negated the improved performance in Singapore from higher utilisation at the Regional eCommerce Logistics Hub.

eCommerce revenue rose 19.7% and 7.1% in Q3 and 9M respectively. In Q3, Jagged Peak revenue rose 43.9% as volume surged over the US peak shopping season from October to December. TradeGlobal overcame the loss in revenue from two major customers as previously disclosed and grew revenue marginally in Q3, aided by the addition of new customers.

**Other Income**

Rental and property-related income rose 52.9% in Q3 with rental income recognition for SingPost Centre retail mall which opened in October 2017. Committed occupancy for the mall was 85.9% as at 31 December 2017, up from 80.4% as at 30 September 2017.

Miscellaneous other income was S\$2.9 million in Q3, compared to a loss of S\$1.8 million last year, due largely to favourable trade related foreign exchange translation differences.

## Total Expenses

Total expenses increased 14.7% in Q3 and 13.5% in 9M respectively, largely due to the increase in volume-related expenses, as the Group seeks to grow volumes to benefit from economies of scale from operating leverage.

Labour and related expenses rose 15.9% in Q3 and 8.1% in 9M with higher temporary and contract staff costs to support the growth in volumes, in particular for the US eCommerce businesses.

Volume-related expenses were up 13.9% in Q3 and 14.9% in 9M, due to higher International mail terminal dues and air conveyance expenses in line with higher volumes.

Administrative and other expenses rose 6.4% in Q3 and 5.3% in 9M, as a result of higher professional fees and property-related expenses.

Depreciation and amortisation expenses were higher by 18.4% in Q3 and 28.6% in 9M, due largely to higher equipment depreciation costs at the Regional eCommerce Logistics Hub and higher amortisation of intangible assets for TradeGlobal with the shortening of amortisation period of customer relationships from 18 years to 7 years.

Selling expenses declined 39.4% in Q3 with lower promotion and advertising expenses, and rose 28.9% for 9M due largely to doubtful debt provision in Q2.

Finance expenses rose to S\$3.1 million in Q3 and S\$9.9 million in 9M, mainly due to unfavourable non-trade related foreign exchange translation differences.

## Operating Profit

	FY17/18	FY16/17		FY17/18	FY16/17	
	Q3	Q3	Variance	9M	9M	Variance
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Postal	40,092	38,545	4.0%	111,459	113,925	(2.2%)
Logistics	4,875	8,837	(44.8%)	5,059	21,043	(76.0%)
eCommerce	(3,750)	(8,406)	55.4%	(10,848)	(18,685)	41.9%
Property	9,010	5,934	51.8%	19,627	20,223	(2.9%)
Others*	(5,009)	(7,557)	33.7%	(13,198)	(16,103)	18.0%
<b>Operating Profit before exceptional items</b>	<b>45,218</b>	<b>37,353</b>	<b>21.1%</b>	<b>112,099</b>	<b>120,403</b>	<b>(6.9%)</b>
Exceptional items	925	(57)	N.M.	5,842	4,405	32.6%
<b>Operating Profit</b>	<b>46,143</b>	<b>37,296</b>	<b>23.7%</b>	<b>117,941</b>	<b>124,808</b>	<b>(5.5%)</b>

N.M. Not meaningful

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

Postal operating profit rose 4.0% in Q3, as higher contribution from International mail helped offset the decline in the Domestic mail business. For 9M, the growth from International mail was not sufficient to offset the decline in Domestic mail operating profit, and consequently Postal operating profit declined 2.2%.

In Logistics, operating profit declined 44.8% in Q3, which reflects an increase in line haul and handling costs as well as lower contribution from Quantum Solutions. For 9M, operating profit declined 76.0% as it included a doubtful debt provision in Q2 for a key customer.

The eCommerce segment's operating losses narrowed significantly by 55.4% and 41.9% in Q3 and 9M respectively. TradeGlobal performed largely in line with the turnaround business plan and delivered good cost controls over the peak season in Q3.

Under Property, operating profit rose 51.8% to S\$9.0 million, boosted by rental income from the SingPost Centre retail mall which re-opened on 9 October 2017 after a redevelopment period of around two years.

The Others category comprises unallocated corporate costs and trade-related foreign exchange translation differences. The decline in Q3 and 9M was due to favourable trade-related foreign exchange translation differences compared to last year, partially offset by corporate costs.

#### *Exceptional items*

The Group recorded exceptional items of S\$0.9 million in Q3 due to a gain on disposal of property, plant and equipment, partially offset by a fair value loss on warrants from an associated company.

Excluding exceptional items, operating profit rose 21.1% in Q3 to S\$45.2 million and declined 6.9% for 9M.

#### *Share of results of associated companies and joint ventures*

Share of results of associated companies and joint ventures improved for Q3 and 9M, largely driven by an improved performance at Indo Trans Logistics, our integrated logistics associate in Vietnam.

In Q3, income tax expense was lower by 65.3% due to a one-off adjustment of deferred tax of S\$6.9 million arising from changes in the US corporate tax rate. Consequently, for 9M, income tax expense was lower by 26.7%.

#### *Net Profit and Underlying Net Profit*

Net profit attributable to equity holders rose 37.2% in Q3 to S\$43.0 million. Excluding exceptional items, underlying net profit rose 11.9% for Q3, driven by improved performance from Postal, eCommerce and Property.

For 9M, net profit attributable to equity holders increased 3.9% and underlying net profit declined 4.8% largely due to lower operating profit in the Logistics segment.

### **Balance Sheet**

The Group's total assets amounted to S\$2.7 billion as at 31 December 2017, slightly lower than as at 31 March 2017, due largely to lower cash and cash equivalents used to pay down short-term borrowings, partially offset by higher trade and other receivables.

Total liabilities were S\$894.7 million, compared to S\$958.9 million as at 31 March 2017, due largely to lower borrowings which decreased from S\$364.0 million as at 31 March 2017 to S\$235.3 million as at 31 December 2017. A foreign subsidiary has tax-related contingent liabilities which are yet to be determined.



As at 31 December 2017, the Group was in a net cash position of S\$49.0 million, compared to S\$2.6 million as at 31 March 2017.

Interest coverage ratio stands at 24.6 times compared to 13.3 times as at 31 March 2017.

Ordinary shareholders' equity was slightly higher at S\$1.4 billion as at 31 December 2017, compared to 31 March 2017 due to retained profit for the period.

### **Cash Flow**

Net cash inflow from operating activities in 9M amounted to S\$146.5 million, compared to S\$152.5 million last year. Operating cash flow before working capital changes declined in line with the decline in profit, while working capital and income tax paid remained largely stable.

Net cash outflow for investing activities in 9M was S\$41.9 million comprising largely residual capital expenditure for the SingPost Centre retail mall redevelopment, compared to S\$65.4 million last year.

With the completion of the mall redevelopment and the Regional eCommerce Logistics Hub, capital expenditure declined to S\$52.9 million for 9M compared to S\$164.1 million in the comparative period last year.

Net cash outflow from financing activities in 9M was S\$186.9 million, compared to inflow of S\$15.4 million last year, largely due to net repayment of short-term borrowings of S\$127.7 million.

- (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.**

### **Postal**

The decline in domestic letter mail volumes is expected to continue, and the Group remains focused on growing the International mail segment to mitigate the drop in contribution from Domestic mail.

The International mail transshipment market remains highly competitive, and margins are relatively low. With the shift in mix towards lower margin International mail, blended Postal margin is expected to decline.

Changes in the international terminal dues system have taken effect from 1 January 2018. Mitigating measures are being put in place, including the introduction of a new international small packets airmail rate structure. The Group is closely monitoring the financial impact of the changes.

## **Logistics**

Over the past few years, we have built out an eCommerce logistics network and invested in infrastructure to support growth in volumes. Partly as a result of costs from planned investments in our network, Logistics margins have declined.

SingPost will continue to drive traffic and volumes onto our eCommerce logistics network and increase utilisation of existing infrastructure, so as to benefit from greater economies of scale and operating leverage. We will rationalise and integrate our businesses across geographies and maximise the potential of our investments.

It will take time for the Logistics segment to grow its profit contribution while it executes on its plans.

## **eCommerce**

In eCommerce, the Group has acquired technologies, customers and market knowhow which enables SingPost to scale its integrated solutions by offering an omni-channel experience that will drive volumes onto its logistics network.

TradeGlobal is executing on a turnaround business plan. While business and cost initiatives are being put in place to improve performance, TradeGlobal is not expected to be profitable for the financial year ending 31 March 2018.

## **Property**

The retail mall at the new SingPost Centre opened on 9 October 2017 after a two year redevelopment period. The Group has begun to recognise rental income and this is expected to improve Property income contribution.

## **Capital expenditure and Cash flow**

Capital expenditure for FY2017/18 is expected to be lower than FY2016/17, as the majority of development projects had been completed. With lower capital expenditure, free cash flow is expected to improve in FY2017/18.

## **Strategy**

As announced in November 2017, the key themes of our strategy are:

### **Win in our home market**

- We strive to be the leading eCommerce logistics player in Singapore, building on our strong infrastructure backbone and harnessing technologies to serve the urban logistics needs of a smart nation.

### **Deliver full value from our overseas investments**

- We will integrate our businesses across geographies; and
- maximise the potential of our overseas investments, including a turnaround of our TradeGlobal business.

**Ignite our future growth engines**

- We aim to capture global cross-border eCommerce flows by strengthening our strategic collaboration with Alibaba and its associated companies; and
- build out our eCommerce logistics capabilities in Southeast Asia.

**Drive cost leadership**

- We will optimise costs and re-engineer our operations to enhance competitiveness and provide best value for customers.

**(11) Dividends****Current financial period reported on**Interim dividend

For the third quarter ended 31 December 2017, 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 28 February 2018. The transfer book and register of members of the Company will be closed on 14 February 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 13 February 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 third quarter ended 31 December 2016 was declared on 10 February 2017 and paid on 9 March 2017.

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

Not applicable.

### (13) Interested Person Transactions

During the third quarter and nine months ended 31 December 2017, 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)	
	FY2017/18 Q3 S\$'000	FY2016/17 Q3 S\$'000	FY2017/18 Q3 S\$'000	FY2016/17 Q3 S\$'000
<b>Sales</b>				
Singapore Telecommunications Group	-	-	446	12,565*
	-	-	446	12,565
<b>Purchases</b>				
Sembcorp Group	-	-	-	300*
SMRT Group	-	-	1,404*	-
	-	-	1,404	300
<b>Total interested person transactions</b>	-	-	1,850	12,865

	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)	
	FY2017/18 9M S\$'000	FY2016/17 9M S\$'000	FY2017/18 9M S\$'000	FY2016/17 9M S\$'000
<b>Sales</b>				
Mediacorp Group	-	-	370*	-
Singapore Telecommunications Group	-	-	1,684	14,366*
Starhub Group	-	-	638	759
	-	-	2,692	15,125
<b>Purchases</b>				
Certis Cisco Group	-	-	-	450
PSA Corporation	-	-	1,518*	-
SembCorp Group	-	-	-	5,524*
Singapore Airlines Group	-	-	4,248	4,588
Singapore Telecommunications Group	-	-	499*	-
SMRT Group	-	-	1,404*	-
	-	-	7,669	10,562
<b>Total interested person transactions</b>	-	-	10,361	25,687

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 2 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 third quarter ended 31 December 2017 to be false or misleading.

On behalf of the Board of Directors



**MR SIMON CLAUDE ISRAEL**  
Chairman



**MR PAUL COUTTS**  
Director

Singapore  
1 February 2018