Singapore

SINGAPORE POST LIMITED AND ITS SUBSIDIARIES

(Registration number: 199201623M)

SGXNET ANNOUNCEMENT UNAUDITED RESULTS FOR THE SECOND QUARTER AND HALF YEAR ENDED 30 SEPTEMBER 2016

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												
	FY2016/17	FY2015/16		FY2016/17	FY2015/16							
	Q2	Q2	Variance	H1	H1	Variance						
	S\$'000	S\$'000	%	S\$'000	S\$'000	%						
Revenue	321,733	263,172	22.3%	655,105	517,779	26.5%						
Other income and gains (net)												
- Rental and property-related income	8,954	10,030	(10.7%)	18,644	20,634	(9.6%)						
- Miscellaneous	6,704	29,518	(77.3%)	9,153	43,150	(78.8%)						
Labour and related expenses	(87,651)	(74,134)	18.2%	(172,632)	(146,843)	17.6%						
Volume-related expenses ¹	(161,896)	(116,919)	38.5%	(322,840)	(223,864)	44.2%						
Administrative and other expenses	(35,343)	(37,661)	(6.2%)	(70,702)	(68,814)	2.7%						
Depreciation and amortisation	(11,347)	(6,584)	72.3%	(22,131)	(13,144)	68.4%						
Selling expenses	(1,932)	(1,764)	9.5%	(5,595)	(3,916)	42.9%						
Finance expenses	(59)	(4,018)	(98.5%)	(1,949)	(7,217)	(73.0%)						
Total expenses	(298,228)	(241,080)	23.7%	(595,849)	(463,798)	28.5%						
Share of profit of associated												
companies and joint ventures	338	1,708	(80.2%)	912	3,370	(72.9%)						
Profit before income tax	39,501	63,348	(37.6%)	87,965	121,135	(27.4%)						
Income tax expense	(7,075)	(8,986)	(21.3%)	(18,509)	(19,616)	(5.6%)						
Total profit	32,426	54,362	(40.4%)	69,456	101,519	(31.6%)						
Net profit attributable to:												
Equity holders of the Company	31,443	53,437	(41.2%)	67,295	100,027	(32.7%)						
Non-controlling interests	983	925	6.3%	2,161	1,492	44.8%						
Operating Profit ²	38,143	64,487	(40.9%)	87,512	122,195	(28.4%)						
Underlying Net Profit ³	27,070	37,543	(27.9%)	62,833	77,825	(19.3%)						
Earnings per share for profit attributabl		oor: 4										

equity holders of the Company during the period / year: ⁴

-	Basic	1.28 cents	2.31 cents	2.76 cents	4.30 cents
-	Diluted	1.28 cents	2.30 cents	2.76 cents	4.28 cents

Notes

1 Volume-related expenses comprise mainly of traffic expenses and cost of sales.

2 Operating profit for the purposes of paragraph 8 "Review of the performance of the Group" is defined as profit before

interest, tax and share of profit or loss of associated companies and joint ventures.

3 Underlying net profit is defined as profit after tax and non-controlling interests, before one-off items such as gains and losses on sale of investments, property, plant and equipment and M & A related professional fees.

4 Earnings per share were calculated based on net profit attributable to equity holders of the Company less distribution attributable to perpetual securities holders, divided by the weighted average number of ordinary shares outstanding (excluding treasury shares).

Consolidated Statement of Comprehensive Income

	FY2016/17 Q2 S\$'000	FY2015/16 Q2 S\$'000	Variance %	FY2016/17 H1 S\$'000	FY2015/16 H1 S\$'000	Variance %
Total profit	32,426	54,362	(40.4%)	69,456	101,519	(31.6%)
Other comprehensive income / (loss) (net of tax):						
Items that may be reclassified subsequently						
to profit or loss: Available for sale financial assets - fair value gains / (losses)	65	(507)	N.M.	7	(618)	N.M.
Currency translation differences arising from consolidation						
- Gains / (losses)	6,964	(224)	N.M.	(766)	(4,012)	(80.9%)
 Transfers to profit & loss arising from disposals of subsidiaries and associates 	(332)	-	N.M.	(332)	(2,026)	(83.6%)
Other comprehensive income / (loss) for the						
period (net of tax)	6,697	(731)	N.M.	(1,091)	(6,656)	(83.6%)
Total comprehensive income for the period*	39,123	53,631	(27.1%)	68,365	94,863	(27.9%)
Total comprehensive income attributable to:						
Equity holders of the Company	38,981	51,292	(24.0%)	67,407	92,550	(27.2%)
Non-controlling interests	142	2,339	(93.9%)	958	2,313	(58.6%)
	39,123	53,631	(27.1%)	68,365	94,863	(27.9%)

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

Underlying Net Profit Reconciliation Table

	FY2016/17 Q2 S\$'000	FY2015/16 Q2 S\$'000	Variance %	FY2016/17 H1 S\$'000	FY2015/16 H1 S\$'000	Variance %
Profit attributable to equity holders of the Company	31,443	53,437	(41.2%)	67,295	100,027	(32.7%)
Loss / (gain) on disposal of property, plant and equipment	43	96	(55.2%)	(46)	(1,307)	(96.5%)
Gain on sale of investments	-	(24,515)	N. <i>M</i> .	-	(32,943)	N.M.
Gain on dilution of interest in an associated company	(4,892)	-	N. <i>M</i> .	(4,892)	-	N.M.
M & A related professional fees	476	8,525	(94.4%)	476	12,048	(96.0%)
Underlying Net Profit	27,070	37,543	(27.9%)	62,833	77,825	(19.3%)

N.M. Not meaningful.

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

	FY2016/17 Q2 S\$'000	FY2015/16 Q2 S\$'000	Variance %	FY2016/17 H1 S\$'000	FY2015/16 H1 S\$'000	Variance %
Other operating income and interest income [#]	10,766	39,548	(72.8%)	22,905	63,784	(64.1%)
Interest on borrowings	2,145	1,863	15.1%	4,162	3,438	21.1%
Depreciation and amortisation	11,461	6,935	65.3%	22,411	13,846	61.9%
Allowance for doubtful debts and bad debts (w(written back) / written off	(697)	73	N.M.	(211)	386	N.M.
Foreign exchange gains – net	1,290	814	58.5%	2,309	302	@
Gains on sale of investments, property, plant and equipment	5,193	24,820	(79.1%)	5,282	34,651	(84.8%)
Stock obsolescence	60	-	N.M.	60	-	N.M.

[#] Including one-off gains and losses on sale of investments, property, plant and equipment.

N.M. Not meaningful.

@ Denotes variance exceeding 300%.

(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 Compan	v
	Sep-16	Mar-16	Sep-15	Sep-16	Mar-16	Sep-15
	S\$′000	S\$'000	S\$'000	S\$′000	S\$'000	S\$'000
ASSETS						
Current assets	1=0.014	126.640	226 605	00 100	10 606	224 722
Cash and cash equivalents Financial assets	158,014	126,640	326,605	90,189	49,626 7,780	234,732 12,106
Trade and other receivables	3,863 182,173	8,127 210,287	12,453 182,856	3,516 181,009	194,719	255,827
Derivative financial instruments	588	846	5,957	635	846	6,129
Inventories	4,893	4,499	4,658	227	367	433
Other current assets	19,491	17,206	15,977	7,034	4,915	5,916
-	369,022	367,605	548,506	282,610	258,253	515,143
Non-current assets	20.007	20.002	20.217	27.004	27.022	20 1 40
Financial assets	38,087 6,993	38,083	39,217	37,804	37,832 563,193	39,148
Trade and other receivables Investments in associated	0,993	5,351	5,554	565,361	505,195	216,339
companies and joint ventures	148,802	146,401	120,731	14,348	14,348	26,080
Investments in subsidiaries		-	-	357,779	356,229	293,986
Investment properties	787,593	745,844	637,006	803,258	760,842	633,826
Property, plant and equipment	559,798	517,376	482,403	241,560	241,943	316,433
Intangible assets	586,073	583,193	315,833	227	227	245
Deferred income tax assets	5,139	5,544	3,843	-	-	-
Other non-current asset	5,100	6,408	18,388	-	-	-
-	2,137,585	2,048,200	1,622,975	2,020,337	1,974,614	1,526,057
Total assets	2,506,607	2,415,805	2,171,481	2,302,947	2,232,867	2,041,200
LIABILITIES Current liabilities						
Trade and other payables	375,554	385,712	324,847	239,133	274,432	223,820
Current income tax liabilities	36,125	35,918	36,219	30,841	29,950	30,106
Deferred income ¹	7,248	7,268	7,278	7,248	7,268	7,278
Derivative financial instruments	473	801		445	759	-
Borrowings	188,711	71,090	19,422	157,000	33,000	-
-	608,111	500,789	387,766	434,667	345,409	261,204
Non-current liabilities						
Trade and other payables	28,840	30,190	15,506	-	-	-
Borrowings	217,726	209,182	219,416	202,680	203,044	203,396
Deferred income ¹	53,164	56,785	60,427	53,164	56,785	60,427
Deferred income tax liabilities	57,745	57,356	25,161	20,483	19,199	19,385
-	357,475	353,513	320,510	276,327	279,028	283,208
Total liabilities	965,586	854,302	708,276	710,994	624,437	544,412
NET ASSETS	1,541,021	1,561,503	1,463,205	1,591,953	1,608,430	1,496,788
EQUITY						
Capital and reserves attributable to						
the Company's equity holders Share capital	452,259	448,775	438,440	452,259	448,775	438,440
Treasury shares	(1,227)	(2,116)	(2,203)	(1,227)	(2,116)	(2,203)
Other reserves	8,181	7,258	1,190	35,531	34,713	6,401
Retained earnings	722,952	749,647	673,005	758,605	780,232	707,365
Ordinary equity	1,182,165	1,203,564	1,110,432	1,245,168	1,261,604	1,150,003
Perpetual securities ²	346,785	346,826	346,785	346,785	346,826	346,785
	1,528,950	1,550,390	1,457,217	1,591,953	1,608,430	1,496,788
Non-controlling interests	12,071	11,113	5,988	-	-	-
Total equity	1,541,021	1,561,503	1,463,205	1,591,953	1,608,430	1,496,788
Notes						

Notes

1 Mainly relates to the postassurance collaboration with AXA Life Insurance Singapore Private Limited.

2 Perpetual securities amounting to \$\$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 accounting rules in FRS32 "Financial Instruments: Disclosure and Presentation", the perpetual securities are presented within equity.

As at 30 September 2016, the Group has capital and investment commitments amounting to S\$177.2 million not provided for in the financial statements.

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

	Sep-16 S\$′000	Mar-16 S\$'000	Sep-15 S\$′000
Amount repayable in one year or less, or on demand			
- Borrowings (secured)	2,430	11,667	2,422
- Borrowings (unsecured)	186,281	59,423	17,000
Amount repayable after one year:			
- Borrowings (secured)	15,046	6,138	16,020
- Borrowings (unsecured)	202,680	203,044	203,396
	406,437	280,272	238,838

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 F22016/17 FY2015/16 FY2016/17			The	Group	
Q2 Q2 H1 H1 Str000 Str000 Str000 Str000 Str000 Adjustments for: 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 </th <th></th> <th>FV2016/17</th> <th></th> <th>-</th> <th>EY2015/16</th>		FV2016/17		-	EY2015/16
S8 000 S9 000<					
Cash flows from operating activities 32,426 54,362 69,456 101,519 Adjustment for: Income tax expense 7,075 8,966 (3,641) (3,773) Amortisation of intangible assets 1,054 351 (2,100) (3,641) (3,773) Deprectation motivation of intangible assets 1,047 6,584 (2,030) (3,774) Interest expense (2,145) 1,803 (3,641) (2,786) (4,620) Share of profit of associated companies (3,107) (1,170) (1,490) (2,786) Changs in working capial, and of defects from (3,330) (10,788) (10,299) (2,220) Operating cash flow before working capial, and of defects from (3,370) (21,317) (20,919) (15,333) Trade and other receivables 13,370 (21,317) (20,919) (15,333) Inventories (3,260) - (64,6498) (95,071) (110,863) (17,072) Cash flow before working capial, and on operating activities (230) - (22,295) (22,295) (22,295) <td></td> <td></td> <td></td> <td></td> <td></td>					
Total profit 32,426 54,362 69,456 101,519 Adjustments for: Income tax expense 7,075 8,986 135,09 19,016 Amortisation of intangible assets 1,054 351 12,021 13,124 Gains on sale of investments, 0,0407 6,584 102,301 13,144 Gains on sale of investments, 22,145 1,863 1,452 3,4651 Share-based salf costs 2,145 1,863 (1,490) (2,786) Share of profit of associated companies and joint ventures 33,079 (10,382) 35,670 (5,209) Operating cash flow before working capital changes (316) 4005 (394) (22,26) Changes in working capital, net of effects from acquisition and dispoal of subsidiaries (14,527) (14,322) (16,434) (15,073) Inventories (316) 4005 (23,980) (105,126) 9,6,310 Changes motion dispoal of subsidiaries (14,527) (14,322) (16,434) (15,073) Inventories (316) 4005 (23,925) <td>Cash flows from operating activities</td> <td>54 555</td> <td>0000</td> <td>54 000</td> <td>0000</td>	Cash flows from operating activities	54 555	0000	54 000	0000
Adjustments for: Income tax segrense 7,075 6,996 Amortisation of deferred income 7,075 6,996 Amortisation of intangible assets 1,054 3,51 Depreciation 10,407 6,584 Gains on sale of investments, property, plant and equipment 65,193 (24,820) (5,282) (34,651) Share-based staff costs 12,372 1,1720 1,913 2,471 3,1372 Interest expense (1,079) (1,708) (1,490) (2,786) Share of profit of associated companies and joint ventures 31,079 (10,382) 35,670 (5,209) Operating cash flow before working capital changes (316) 405 (334) (22,22) Changes in working capital, not of effects from acquisition and disposal of subsidiaries 13,370 (21,317) 20,919 (15,331) Income tax paid (14,222) (14,222) (14,222) (14,222) (14,222) Cash flows from investing activities (23,02) - (786) - Additions to intangible assets (220) - (786) - Additions to intangible assets (220)		32.426	54.362	69.456	101.519
Income tax expense 7.075 8.986 10,509 19,510 Amortisation of defend income (7.075 8.986 10,540 3,511 Deprectation 1.054 3.51 20,301 3,122 Deprectation (5,193) (24,820) (5,282) (3,641) (3,773) Interest expense (2,145 1,863 4,162 3,438 Interest expense (2,145 1,863 (4,162) 3,370 Share of profit of associated companies and joint ventures (3,107) (10,102) 35,670 (5,209) Operating cash flow before working capital changes (3,16) 405 (16,330) (17,208) (16,311) (3,279) Changes in working capital, net of effects from acquisition and disposal of subsidiares (3,370) (2,273) (16,319) (3,745) Income tax paid (14,527) (14,322) (16,343) (15,071) Net cash provided by/(used in) operating activities (320) - (786) - Additions to inangible asets (320) - (7,252) -		,	/	,	,
Income tax expense 7.075 8.986 10,509 19,510 Amortisation of defend income (7.075 8.986 10,540 3,511 Deprectation 1.054 3.51 20,301 3,122 Deprectation (5,193) (24,820) (5,282) (3,641) (3,773) Interest expense (2,145 1,863 4,162 3,438 Interest expense (2,145 1,863 (4,162) 3,370 Share of profit of associated companies and joint ventures (3,107) (10,102) 35,670 (5,209) Operating cash flow before working capital changes (3,16) 405 (16,330) (17,208) (16,311) (3,279) Changes in working capital, net of effects from acquisition and disposal of subsidiares (3,370) (2,273) (16,319) (3,745) Income tax paid (14,527) (14,322) (16,343) (15,071) Net cash provided by/(used in) operating activities (320) - (786) - Additions to inangible asets (320) - (7,252) -	Adjustments for:				
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Amortisation of intangible assets 10,54 351 2,110 702 Deprectiation 10,407 6,584 20,301 13,144 Gains on sale of investments, property, plant and equipment 5,193 (24,820) (5,282) (34,651) Share based staff costs 2,2145 1,863 4,162 3,438 Interest expense 2,145 1,863 4,162 3,439 Share of profit of associated companies and joint ventures (1,709) (1,708) (912) (3,370) Operating cash flow before working capital charges 45,505 43,980 105,126 96,310 Charges in working capital, net of effects from acquisition and disposal of subsidiaries (14,527) (14,322) (16,434) (15,607) Inventories (316) 405 (22,293) 99,885 21,938 Inventories (21,317) 20,919 (15,333) 7,5455 Inventories (33,870) (22,293) 99,885 21,938 Cash generated from/(used in) operating activities (23,295) 99,885 21,938 <					,
Depreciation 10,407 6,584 20,301 13,144 Gains on sale of investments, property, plant and equipment (5,193) (24,820) (5,282) (34,651) Share-based staff costs 2,145 1,863 1,372 1,913 2,471 Interest expense 2,145 1,663 4,162 3,336 (1,709) (1,170) (1,490) (2,766) Share-based staff cost sociated companies and joint ventures (338) (1,708) (912) (3,370) Changes in working capital, net of effects from acquisition and disposal of subsidiaries (316) 405 (394) (222) Trade and other receivables 13,370 (21,317) 20,919 (15,333) Income tax paid (14,527) (14,322) (16,319) 37,545 Income tax paid (21,233) (36,644) (15,607) (23,295) (23,295) (23,295) (23,295) (23,295) (23,295) (23,295) (23,295) (23,295) (23,295) (23,295) (23,295) (23,295) (23,295) (23,295) (23,295) (23,295)	Amortisation of intangible assets		351		702
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Share-based staff costs 823 1,372 1,913 2,471 Interest expense 2,445 1,863 4,162 3,438 Interest income 2,345 1,863 4,162 3,438 Share of profit of associated companies 33,079 (10,382) 35,670 (5,209) Operating cash flow before working capital changes 45,505 43,980 105,126 96,310 Changes in working capital, net of effects from acquisition and disposal of subsidiaries 13,370 (21,317) 20,919 (15,333) Trade and other payables (22,723) (46,041) (9,322) (43,210) Cash generated from/(used in) operating activities 33,836 (22,973) (16,434) (15,607) Net cash provided by/(used in) operating activities 21,309 (37,295) 99,865 21,938 Additions to intangible assets (320) - (786) - (23,295) Additions to property, plant and equipment (46,498) (9,571) (110,863) (170,712) Contingent consideration paid in relation to acquisition of a subsidiary net of cash disposed of <td>Gains on sale of investments,</td> <td></td> <td></td> <td></td> <td></td>	Gains on sale of investments,				
Share-based staff costs 823 1,372 1,913 2,471 Interest expense 2,445 1,863 4,162 3,438 Interest income 2,345 1,863 4,162 3,438 Share of profit of associated companies 33,079 (10,382) 35,670 (5,209) Operating cash flow before working capital changes 45,505 43,980 105,126 96,310 Changes in working capital, net of effects from acquisition and disposal of subsidiaries 13,370 (21,317) 20,919 (15,333) Trade and other payables (22,723) (46,041) (9,322) (43,210) Cash generated from/(used in) operating activities 33,836 (22,973) (16,434) (15,607) Net cash provided by/(used in) operating activities 21,309 (37,295) 99,865 21,938 Additions to intangible assets (320) - (786) - (23,295) Additions to property, plant and equipment (46,498) (9,571) (110,863) (170,712) Contingent consideration paid in relation to acquisition of a subsidiary net of cash disposed of <td>property, plant and equipment</td> <td>(5,193)</td> <td>(24,820)</td> <td>(5,282)</td> <td>(34,651)</td>	property, plant and equipment	(5,193)	(24,820)	(5,282)	(34,651)
Interest income (1,079) (1,170) (1,490) (2,786) Share of profit of associated companies and joint ventures (330) (1,708) (1,320) (3,370) Operating cash flow before working capital changes changes in working capital, net of effects from acquisition and disposal of subsidiaries (316) 405 (394) (222) Inventories (316) 405 (394) (222) Trade and other payables (22,723) (46,041) (932) (43,210) Cash generated from/used in) operations 33,836 (22,973) (16,334) (15,607) Net cash provided by/(used in) operating activities (14,527) (14,322) (16,434) (15,607) Additions to intangible assets (320) - (786) - Additions to intangible assets (320) - (786) - Disposal of a subsidiary, net of cash acquired (46,498) (9,5071) (110,863) (170,712) Contingent consideration paid in relation to acquisition of a subsidiary, net of cash disposed of (1,526) 34,867 (1528) - - Dispos		823	1,372	1,913	2,471
Interest income (1,079) (1,170) (1,490) (2,786) Share of profit of associated companies and joint ventures (330) (1,708) (1,320) (3,370) Operating cash flow before working capital changes changes in working capital, net of effects from acquisition and disposal of subsidiaries (316) 405 (394) (222) Inventories (316) 405 (394) (222) Trade and other payables (22,723) (46,041) (932) (43,210) Cash generated from/used in) operations 33,836 (22,973) (16,334) (15,607) Net cash provided by/(used in) operating activities (14,527) (14,322) (16,434) (15,607) Additions to intangible assets (320) - (786) - Additions to intangible assets (320) - (786) - Disposal of a subsidiary, net of cash acquired (46,498) (9,5071) (110,863) (170,712) Contingent consideration paid in relation to acquisition of a subsidiary, net of cash disposed of (1,526) 34,867 (1528) - - Dispos	Interest expense	2,145	1,863	4,162	3,438
Share of profit of associated companies and joint ventures (338) (1,708) (1,708) (3,370) Operating cash flow before working capital changes changes in working capital, net of effects from acquisition and disposal of subsidiaries 45,505 43,980 105,126 96,310 Inventories (316) 405 (394) (222) Trade and other payables (22,723) (46,041) (9,332) (43,210) Cash generated from/(used in) operations 35,836 (22,973) (16,434) (15,607) Net cash provided by/(used in) operating activities 21,309 (37,295) 99,885 21,938 Cash flows from investing activities (320) - (786) - Acquisition of subsidiaries, net of cash acquired - (23,295) - (23,295) Additions to property, plant and equipment (46,498) (95,071) (110,863) (17,07,12) Contingent consideration paid in relation to acquisition of a subsidiary, net of cash disposed of (1,560) 34,867 - (13,275) Investment in associated company 801 1,208 1,660 1,208 Investment in asso		(1,079)	(1,170)	(1,490)	(2,786)
and joint ventures (338) 13,079 (17,08) (10,382) (912) 35,670 (5,209) Operating cash flow before working capital changes Changes in working capital, net of effects from acquisition and disposal of subsidiaries Inventories (316) 405 (394) (222) Trade and other receivables (13,370) (21,317) (20,919) (15,333) Trade and other receivables (14,527) (14,322) (16,434) (15,607) Cash generated from/(used in) operating activities 21,309 (37,295) 99,885 21,938 Additions to property, plant and equipment (14,527) (14,322) (16,434) (170,712) Contingent consideration paid in relation to acquisition of a subsidiary, net of cash acquired (23,295) (23,295) (23,295) Interest received (1,208) 1,208 1,660 1,208 Investment in associated company 801 1,208 1,660 1,208 Investment in associated company (10,881) (10,881) (10,881) (10,881) Proceeds from disposal of property, plant and equipment 174 4 1,754 1,494 <td< td=""><td>Share of profit of associated companies</td><td></td><td></td><td></td><td></td></td<>	Share of profit of associated companies				
$ \begin{array}{ c c c c c c c c c c c c c c c c c c c$		(338)	(1,708)	(912)	(3,370)
$\begin{array}{c c c c c c c c c c c c c c c c c c c $		13,079	(10,382)	35,670	(5,209)
$\begin{array}{c c c c c c c c c c c c c c c c c c c $					
acquisition and disposal of subsidiaries (316) 405 (394) (222) Trade and other receivables 13,370 (21,317) 20,919 (15,333) Trade and other receivables (22,723) (46,041) (9,332) (43,210) Cash generated from/(used in) operations 35,836 (22,973) 116,319 37,545 Income tax paid (14,527) (14,322) (16,434) (15,607) Net cash provided by/(used in) operating activities 21,309 (37,295) 99,885 21,938 Cash flows from investing activities (320) - (786) - - Additions to intangible asets (320) - (786) - - Acquisition of subsidiary, net of cash acquired - (23,295) - (23,295) - (23,295) - (23,295) - (23,295) - (23,295) - (23,295) - (23,295) - (23,295) - (23,295) - (23,295) - (23,295) - (23,295) -	Operating cash flow before working capital changes	45,505	43,980	105,126	96,310
Inventories (316) 405 (394) (222) Trade and other receivables 13,370 (21,317) 20,919 (15,333) Trade and other payables (22,723) (46,041) (9,332) (14,327) Income tax paid 35,836 (22,973) (16,334) (15,607) Net cash provided by/(used in) operating activities 21,309 (37,292) 99,885 21,938 Cash flows from investing activities (320) - (786) - (23,295) Additions to intangible assets (320) - (786) - (23,295) Additions to orisideration paid in relation to acquisition of a subsidiary, net of cash disposed of (15,68) 34,867 (15,68) - (13,275) Dividends received from associated company 601 1,208 1,660 1,208 Interest received 1,201 1,848 14,944 3,004 Loan to a shareholder of an associated company - (15,21) (1,360) Secured loan to a shareholder of an associated company - - (250)	Changes in working capital, net of effects from				
Trade and other receivables13,370 $(21,317)$ $20,919$ $(15,333)$ Trade and other payables $(22,723)$ $(46,041)$ $(9,332)$ $(43,210)$ Cash generated from/(used in) operations $35,836$ $(22,973)$ $(16,319)$ $37,545$ Income tax paid $(14,527)$ $(14,322)$ $(16,434)$ $(15,607)$ Net cash provided by/(used in) operating activities $21,309$ $(37,295)$ $99,885$ $21,938$ Cash flows from investing activities (320) - (786) -Acquisition of subsidiaries, net of cash acquired $(23,295)$ - $(23,295)$ -Additions to property, plant and equipment $(46,498)$ $(95,071)$ $(110,863)$ $(170,712)$ Contingent consideration paid in relation to acquisition of a subsidiary (528) - (528) -Disposal of a subsidiary, net of cash disposed of $(1,568)$ $34,867$ $(1,568)$ $50,962$ Dividends received from associated company 801 $1,200$ $1,660$ $1,208$ Investment in associated company (1521) (623) (1521) $(13,81)$ Payment relating to purchase of a business (250) $15,000$ Proceeds on maturity of financial assets $3,500$ $10,500$ $4,250$ $15,000$ Proceeds from disposal of poperty, plant- $(5,332)$ $(102,201)$ $(13,842)$ $(15,511)$ $(1,988)$ Proceeds from disposal of poperty, plant- $(5,332)$ $(99,638)$ $(175,112)$ $(28,121)$ <	acquisition and disposal of subsidiaries				
Trade and other payables $(22,723)$ $(46,041)$ $(9,332)$ $(43,210)$ Cash generated from/(used in) operations $35,836$ $(22,973)$ $116,319$ $37,545$ Income tax paid $(14,527)$ $(14,527)$ $(16,434)$ $(15,607)$ Net cash provided by/(used in) operating activities $21,309$ $(37,295)$ $99,885$ $21,938$ Cash flows from investing activities (320) - (786) - $(23,295)$ - $(22,295)$ Acquisition of subsidiaries, net of cash acquired- $(23,295)$ - $(22,295)$ $(22,295)$ Contingent consideration paid in relation to acquisition of a subsidiary, net of cash disposed of $(1,568)$ $34,867$ $(1,568)$ $50,962$ Dividends received from associated company 801 $1,208$ $1,660$ $1,208$ Interest received $1,201$ $1,848$ $1,494$ $3,004$ Loan to an associated company- $(1,521)$ $(10,861)$ -Secured loan to a shareholder of an associated company- $(1,521)$ $(1,325)$ $(1,325)$ Proceeds on maturity of financial assets $3,500$ $10,500$ $4,250$ $15,000$ Proceeds on maturity of financial assets $3,500$ $10,500$ $4,250$ $15,000$ Purchase of financial assets $3,500$ $10,500$ $4,250$ $15,000$ Purchase of financial assets $5,332$ $(102,201)$ $(86,532)$ $(102,201)$ Repayment of loans by associated companies $6,334$ 286 $6,470$ $1,298$ <	Inventories	(316)	405	(394)	(222)
Cash generated from/(used in) operations Income tax paid $35,836$ (14,527) $(22,973)$ (14,322) $116,319$ (16,434) $37,545$ (16,432)Net cash provided by/(used in) operating activities $21,309$ (37,295) $99,885$ (21,309) $21,938$ Cash flows from investing activities (320) (46,498) $(95,071)$ $(110,863)$ (170,712)Contingent consideration paid in relation to acquisition of a subsidiary (320) (10,863) $(170,712)$ Contingent consideration paid in relation to acquisition of a subsidiary, net of cash disposed of Dividends received from associated company loar to a sasciated companies $(1,568)$ $1,208$ $34,867$ $1,208$ $(1,568)$ $1,208$ Investment in associated company Proceeds from disposal of property, plant and equipment $(12,21)$ $1,201$ $1,848$ $1,494$ $1,300$ $3,004$ $1,2021$ Proceeds from disposal of property, plant and equipment 174 4 $1,754$ $1,754$ $1,495$ Proceeds on matrity of financial assets Disposal of a subsicial assets $3,500$ $10,500$ $4,250$ $4,250$ $15,000$ $2,2321$ Cash flows from financing activities $(7,499)$ $1,2281$ $(7,499)$ $2,7493$ $(7,499)$ $2,7493$ $(12,217)$ Cash flows from financing activities $(7,499)$ $2,7493$ $(7,499)$ $2,7493$ $(12,201)$ $2,8321$ Proceeds from disposal of property, plant and equipment 174 4 $1,754$ $1,952$ Net cash used in investing activities $(7,499)$ $2,7493$ $(7,499)$ $2,7493$ Dividends paid to perpetu	Trade and other receivables	13,370	(21,317)	20,919	(15,333)
Income tax paid $(14,527)$ $(14,322)$ $(16,434)$ $(15,607)$ Net cash provided by/(used in) operating activities $21,309$ $(37,295)$ $99,885$ $21,938$ Cash flows from investing activities (320) - (786) -Acquisition of subsidiaries, net of cash acquired $(23,295)$ $(23,295)$ $(23,295)$ Additions to property, plant and equipment $(46,498)$ $(95,071)$ $(110,63)$ $(170,712)$ Contingent consideration paid in relation to acquisition of a subsidiary, net of cash disposed of $(1,568)$ $34,867$ $(1,568)$ $50,962$ Dividends received from associated company 801 $1,208$ $1,660$ $1,208$ Interest received $1,201$ $1,848$ $1,494$ $3,004$ Loan to a associated company $(1,521)$ (623) $(1,521)$ $(1,0,881)$ Proceeds from disposal of property, plant 174 4 $1,754$ $1,495$ and equipment 174 4 $1,754$ $1,298$ Proceeds from disposal of property, plant $6,334$ 286 $6,470$ $1,298$ Net cash used in investing activities $(7,499)$ $(7,499)$ $(7,499)$ $(7,499)$ Dividends paid to shareholders $(86,532)$ $(102,201)$ $(86,532)$ $(102,201)$ Repayment of loans by associated companies $(7,499)$ $(7,499)$ $(7,499)$ $(7,499)$ Net cash used in investing activities $(7,499)$ $(7,499)$ $(7,499)$ $(7,499)$ Dividends paid to shareholders $(86,532)$ </td <td>Trade and other payables</td> <td>(22,723)</td> <td>(46,041)</td> <td>(9,332)</td> <td>(43,210)</td>	Trade and other payables	(22,723)	(46,041)	(9,332)	(43,210)
Net cash provided by/(used in) operating activities $21,309$ $(37,295)$ $99,885$ $21,938$ Cash flows from investing activitiesAdditions to intangible assets (320) - (786) -Acquisition of subsidiaries, net of cash acquired- $(23,295)$ - $(23,295)$ - $(23,295)$ Additions to property, plant and equipmentContingent consideration paid in relation to acquisition of $(46,498)$ $(95,071)$ $(110,863)$ $(170,712)$ Disposal of a subsidiary, net of cash disposed of $(1,568)$ $34,867$ $(1,568)$ $50,962$ Dividends received from associated company801 $1,208$ $1,660$ $1,208$ Investment in associated company $(1,521)$ (623) $(1,521)$ $(1,360)$ Secured loan to a shareholder of an associated company $(10,881)$ - (250) Proceeds from disposal of property, plant 174 4 $1,754$ $1,495$ and equipment 174 4 $1,754$ $1,495$ Proceeds from disposal of property, plant $3,500$ $10,500$ $4,250$ $15,000$ Purchase of inancial assets $3,500$ $(0,500)$ $(28,321)$ $(4,38)$ Net cash used in investing activities $(7,499)$ $(7,499)$ $(7,499)$ $(7,499)$ Dividends paid to shareholders $(5,520)$ $(102,201)$ $(86,532)$ $(102,201)$ Interest paid $(7,491)$ $(7,492)$ $(7,499)$ $(7,499)$ $(7,499)$ Proceeds from issuance of ordinary shares $1,517$ $3,914$ <td>Cash generated from/(used in) operations</td> <td>35,836</td> <td>(22,973)</td> <td>116,319</td> <td>37,545</td>	Cash generated from/(used in) operations	35,836	(22,973)	116,319	37,545
Cash flows from investing activities Additions to intangible assets (320) (786) Acquisition of subsidiaries, net of cash acquired - (23,295) - (23,295) Additions to property, plant and equipment (46,498) (95,071) (110,863) (170,712) Contingent consideration paid in relation to acquisition of a subsidiary (528) - (528) - (528) - (13,660) 1,208 Dividends received from associated company 801 1,208 1,660 1,208 - (13,275) Interest received 1,201 1,848 1,494 3,004 Loan to an associated company (10,881) - (10,881) - (10,881) Payment relating to purchase of a business - - - - (250) Proceeds from disposal of property, plant and equipment 174 4 1,754 1,495 Proceeds on maturity of financial assets 3,500 10,500 4,250 15,000 Purchase of plancial assets - (5,000) - (28,321) Repaym	Income tax paid	(14,527)	(14,322)	(16,434)	(15,607)
Additions to intangible assets(320)-(786)-Acquisition of subsidiaries, net of cash acquired- $(23,295)$ - $(23,295)$ - $(23,295)$ Additions to property, plant and equipment(46,498) $(95,071)$ (110,863) $(170,712)$ Contingent consideration paid in relation to acquisition of a subsidiary, net of cash disposed of $(1,568)$ $34,867$ $(1,568)$ $50,962$ Dividends received from associated company801 $1,208$ $1,660$ $1,208$ Investment in associated company $(1,521)$ (623) $(1,521)$ $(1,3275)$ Interest received $1,201$ $1,848$ $1,494$ $3,004$ Loan to an associated company $(1,521)$ $(10,881)$ - (2250) Proceeds from disposal of property, plant and equipment 174 4 $1,754$ $1,495$ Proceeds on maturity of financial assets $3,500$ $10,500$ $4,220$ $15,000$ Purchase of financial assets $ (5,000)$ $ (28,321)$ Repayment of loans by associated companies $6,334$ 286 $6,470$ $1,228$ Net cash used in investing activities $(7,499)$ $(7,499)$ $(7,499)$ $(7,499)$ $(7,499)$ Distribution paid to parpetual securities $(7,499)$ $(7,499)$ $(7,499)$ $(7,490)$ Dividends paid to shareholders $(86,532)$ $(102,201)$ $(16,532)$ $(102,201)$ Interest paid $(4,137)$ $(3,805)$ $(4,591)$ $(4,038)$ Proceeds from	Net cash provided by/(used in) operating activities	21,309	(37,295)	99,885	21,938
Additions to intangible assets(320)-(786)-Acquisition of subsidiaries, net of cash acquired- $(23,295)$ - $(23,295)$ - $(23,295)$ Additions to property, plant and equipment(46,498) $(95,071)$ (110,863) $(170,712)$ Contingent consideration paid in relation to acquisition of a subsidiary, net of cash disposed of $(1,568)$ $34,867$ $(1,568)$ $50,962$ Dividends received from associated company801 $1,208$ $1,660$ $1,208$ Investment in associated company $(1,521)$ (623) $(1,521)$ $(1,3275)$ Interest received $1,201$ $1,848$ $1,494$ $3,004$ Loan to an associated company $(1,521)$ $(10,881)$ - (2250) Proceeds from disposal of property, plant and equipment 174 4 $1,754$ $1,495$ Proceeds on maturity of financial assets $3,500$ $10,500$ $4,220$ $15,000$ Purchase of financial assets $ (5,000)$ $ (28,321)$ Repayment of loans by associated companies $6,334$ 286 $6,470$ $1,228$ Net cash used in investing activities $(7,499)$ $(7,499)$ $(7,499)$ $(7,499)$ $(7,499)$ Distribution paid to parpetual securities $(7,499)$ $(7,499)$ $(7,499)$ $(7,490)$ Dividends paid to shareholders $(86,532)$ $(102,201)$ $(16,532)$ $(102,201)$ Interest paid $(4,137)$ $(3,805)$ $(4,591)$ $(4,038)$ Proceeds from					
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Contingent consideration paid in relation to acquisition of a subsidiary(528)-(528)-Disposal of a subsidiary, net of cash disposed of Dividends received from associated company(1,568) $34,867$ (1,568) $50,962$ Investment in associated companies- $(8,756)$ - $(13,275)$ Interest received1,201 $1,848$ $1,494$ $3,004$ Loan to an associated company(1,521) (623) $(1,521)$ $(13,275)$ Interest received1,201 $1,848$ $1,494$ $3,004$ Loan to a shareholder of an associated company- $(10,881)$ - $(10,881)$ Payment relating to purchase of a business (250) Proceeds from disposal of property, plant- 174 4 $1,754$ $1,495$ and equipment1744 $1,754$ $1,495$ Proceeds from disposal of property, plant- $(5,000)$ - $(228,321)$ Repayment of loans by associated companies $6,334$ 286 $6,470$ $1,298$ Net cash used in investing activities $(7,499)$ $(7,499)$ $(7,499)$ $(7,499)$ Dividends paid to shareholders $(4,137)$ $(3,805)$ $(4,591)$ $(4,038)$ Proceeds from issuance of ordinary shares $1,517$ $3,914$ $3,271$ $7,834$ Proceeds from bank loan $154,517$ $2,700$ $301,517$ $2,700$ Repayment of bank term loan $(15,533)$ (210) $(175,039)$ $(1,142)$ Net (decrease)		-		-	
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Net (decrease)/increase in cash and cash equivalents (74,783) (239,309) 31,374 (257,535) Cash and cash equivalents at beginning of financial period 232,797 565,914 126,640 584,140	• /				
Cash and cash equivalents at beginning of financial period 232,797 565,914 126,640 584,140	iver cash (used in)/provided by financing activities	(57,667)	(107,101)	31,127	(104,346)
Cash and cash equivalents at beginning of financial period 232,797 565,914 126,640 584,140	Nat (decrease)/increases in each and each aminglants	(74 703)	(230 200)	21 274	(257 525)
Cash and Cash equivalents at end of finalitial period 130,014 320,003 130,014 320,003					
	Cash anu Cash equivalents at enu of financial period	150,014	320,003	150,014	320,003

Significant non-cash transactions In the current financial period, contingent consideration amounting to \$\$2,060,000 (H1 FY2015/16: NIL) 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 – Q2

	Attributable to ordinary shareholders of the Company		Non-						
	Share	Treasury	Retained	Other		Perpetual		controlling	Total
	capital	shares	earnings	reserves	Total	securities	Total	interests	equity
	S\$'000	S\$'000	S\$′000	S\$'000	S\$'000	S\$′000	S\$′000	S\$′000	S\$'000
Balance at 1 July 2016	450,644	(1,717)	781,790	408	1,231,125	350,535	1,581,660	11,929	1,593,589
Distribution paid on perpetual securities	-	-	-		-	(7,499)	(7,499)	-	(7,499)
Dividends	-	-	(86,532)	-	(86,532)	-	(86,532)	-	(86,532)
Total comprehensive income									
for the period	-	-	27,694	7,538	35,232	3,749	38,981	142	39,123
	450,644	(1,717)	722,952	7,946	1,179,825	346,785	1,526,610	12,071	1,538,681
Employee share option scheme:									
- Value of employee services	-	-	-	823	823	-	823	-	823
- New shares issued	1,615	-	-	(98)	1,517	-	1,517	-	1,517
- Treasury shares re-issued	-	490	-	(490)	-	-	-	-	-
Balance at 30 September 2016	452,259	(1,227)	722,952	8,181	1,182,165	346,785	1,528,950	12,071	1,541,021
Balance at 1 July 2015	434,207	(2,610)	725,520	2,687	1,159,804	350,535	1,510,339	3,649	1,513,988
Reclass to capital reserve	-	-	(2)	2	-	-	-	-	-
Distribution paid on perpetual Securities	-	-	-	-	-	(7,499)	(7,499)	-	(7,499)
Dividends	-	-	(102,201)	-	(102,201)	-	(102,201)	-	(102,201)
Total comprehensive income /									
(loss) for the period	-	-	49,688	(2,145)	47,543	3,749	51,292	2,339	53,631
_	434,207	(2,610)	673,005	544	1,105,146	346,785	1,451,931	5,988	1,457,919
Employee share option scheme:									
- Value of employee services	-	-	-	1,372	1,372	-	1,372	-	1,372
- New shares issued	4,233	-	-	(319)	3,914	-	3,914	-	3,914
- Treasury shares re-issued	-	407	-	(407)	-	-	-	-	-
Balance at 30 September 2015	438,440	(2,203)	673,005	1,190	1,110,432	346,785	1,457,217	5,988	1,463,205

The Group – H1

	Attributable to ordinary shareholders of the Company			mpany	Non-				
	Share	Treasury	Retained	Other		Perpetual		controlling	Total
	capital	shares	earnings	reserves	Total	securities	Total	interests	equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$′000	S\$'000	S\$'000	S\$'000	S\$'000
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
Distribution paid on perpetual									
securities	-	-	-	-	-	(7,499)	(7,499)	-	(7,499)
Dividends	-	-	(86,532)	-	(86,532)	-	(86,532)	-	(86,532)
Total comprehensive income									
for the year	-	-	59,837	112	59,949	7,458	67,407	958	68,365
	448,775	(2,116)	722,952	7,370	1,176,981	346,785	1,523,766	12,071	1,535,837
Employee share option scheme:									
- Value of employee services	-	-	-	1,913	1,913	-	1,913	-	1,913
- New shares issued	3,484	-	-	(213)	3,271	-	3,271	-	3,271
- Treasury shares re-issued	-	889	-	(889)	-	-	-	-	-
Balance at 30 September 2016	452,259	(1,227)	722,952	8,181	1,182,165	346,785	1,528,950	12,071	1,541,021
Balance at 1 April 2015	429,980	(2,831)	682,639	7,448	1,117,236	346,826	1,464,062	3,675	1,467,737
Reclass to capital reserve	-	-	(2)	2	-	-	-	-	-
Distribution paid on perpetual									
securities	-	-	-	-	-	(7,499)	(7,499)	-	(7,499)
Dividends	-	-	(102,201)	-	(102,201)	-	(102,201)	-	(102,201)
Total comprehensive income /									
(loss) for the year	-	-	92,569	(7,477)	85,092	7,458	92,550	2,313	94,863
	429,980	(2,831)	673,005	(27)	1,100,127	346,785	1,446,912	5,988	1,452,900
Employee share option scheme:									
- Value of employee services	-	-	-	2,471	2,471	-	2,471	-	2,471
- New shares issued	8,460	-	-	(626)	7,834	-	7,834	-	7,834
- Treasury shares re-issued	-	628	-	(628)	-	-	-	-	-
Balance at 30 September 2015	438,440	(2,203)	673,005	1,190	1,110,432	346,785	1,457,217	5,988	1,463,205

The Company – Q2

	Attributable to ordinary shareholders of the Company								
	Share	Treasury	Retained	Other		Perpetual			
	capital	shares	<u>earnings</u>	reserves	Total	securities	Total		
	S\$′000	S\$′000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000		
Balance at 1 July 2016	450,644	(1,717)	817,604	35,231	1,301,762	350,535	1,652,297		
Distribution paid on perpetual securities	-	-	-	-	-	(7,499)	(7,499)		
Dividends	-	-	(86,532)	-	(86,532)	-	(86,532)		
Total comprehensive income									
for the period	-	-	27,533	65	27,598	3,749	31,347		
	450,644	(1,717)	758,605	35,296	1,242,828	346,785	1,589,613		
Employee share option scheme:									
- Value of employee services	_	-	_	823	823	-	823		
- New shares issued	1,615	-	-	(98)	1,517	-	1,517		
- Treasury shares re-issued	-	490	-	(490)	-	-	-		
Balance at 30 September 2016	452,259	(1,227)	758,605	35,531	1,245,168	346,785	1,591,953		
Balance at 1 July 2015	434,207	(2,610)	747,546	6,262	1,185,405	350,535	1,535,940		
Distribution paid on perpetual securities	-	-	-	-	-	(7,499)	(7,499)		
Dividends	-	-	(102,201)	-	(102,201)	-	(102,201)		
Total comprehensive income /									
(loss) for the period	-	-	62,020	(507)	61,513	3,749	65,262		
	434,207	(2,610)	707,365	5,755	1,144,717	346,785	1,491,502		
Employee share option scheme:									
- Value of employee services	-	-	-	1,372	1,372	-	1,372		
- New shares issued	4,233	-	-	(319)	3,914	_	3,914		
- Treasury shares re-issued	-	407	-	(407)	-	-	-		
Palance et 20 Cantanal au 2015	420.440	(2.202)	707.265	6 401	1 150 002	246 705	1 406 700		
Balance at 30 September 2015	438,440	(2,203)	707,365	6,401	1,150,003	346,785	1,496,788		

The Company – H1

Share capital sharesTreasury sharesRetained earningsOther reservesPerpetual Total securitiesTotal securitiesTotal securitiesTotal securitiesTotal securitiesTotal securitiesTotal securitiesTotal securitiesTotal securitiesTotal securitiesTotal securitiesTotal securitiesTotal securitiesTotal securitiesTotal securitiesTotal securitiesTotal securitiesTotal securitiesTotal securitiesTotal securitiesTotal securitiesTotal securitiesTotal securitiesTotal securitiesTotal securitiesTotal securitiesTotal securitiesTotal securitiesTotal securitiesTotal securitiesTotal securitiesTotal securitiesTotal securitiesTotal securitiesTotal securitiesTotal securitiesTotal securitiesTotal securitiesTotal securitiesTotal securitiesTotal securitiesTotal securitiesTotal securitiesTotal securitiesTotal securitiesTotal securitiesTotal securitiesTotal securitiesTotal securitiesTotal securitiesTotal securitiesTotal securitiesTotal securitiesTotal securitiesTotal securitiesTotal securitiesTotal securitiesTotal securities1148,775(2,116)758,60534,7201,239,984346,7851,591,953Balance at 1 April 2015452,259(1,227)758,		Attribu	itable to ordii	ompany				
S§ '000S§ '000S§ '000S§ '000S§ '000S§ '000S§ '000S§ '000Balance at 1 April 2016448,775(2,116)780,23234,7131,261,604346,8261,608,430Distribution paid on perpetual securities(7,499)(7,499)Dividends(86,532).(86,532)Total comprehensive income for the period		Share	Treasury	Retained	Other		Perpetual	
Balance at 1 April 2016448,775(2,116)780,23234,7131,261,604346,8261,608,430Distribution paid on perpetual securities \cdot \cdot \cdot \cdot \cdot $(7,499)$ $(7,499)$ Dividends \cdot \cdot $(86,532)$ \cdot $(86,532)$ \cdot $(86,532)$ \cdot $(86,532)$ Total comprehensive income for the period $ 64,905$ 7 $64,912$ $7,458$ $72,370$ Total comprehensive income for the period $ 64,905$ 7 $64,912$ $7,458$ $72,370$ Total comprehensive income for the period $ 1,913$ $1,913$ $ 1,913$ Nalue of employee share option scheme: - Value of employee services $ 1,913$ $3,271$ $ 3,271$ - Treasury shares re-issued $452,259$ $(1,227)$ $758,605$ $35,331$ $1,245,168$ $346,785$ $1,591,953$ Balance at 30 September 2016 $452,259$ $(1,227)$ $758,605$ $35,531$ $1,245,168$ $346,785$ $1,468,374$ Distribution paid on perpetual securities $ (7,499)$ $(7,499)$ Dividends $ 102,201$ $ (102,201)$ $ (102,201)$ $-$ Total comprehensive income / (loss) for the period $ 120,969$ (618) $120,351$ $7,458$ $127,809$ Dividends $ 120,969$ (618)		capital	shares	earnings	reserves	Total	securities	Total
Distribution paid on perpetual securities(7,499)(7,499)Dividends(86,532)-(86,532)-(86,532)Total comprehensive income for the period64,905764,9127,45872,370Total comprehensive income for the period64,905764,9127,45872,370Total comprehensive income for the period1,9131,913-1,913Parameter1,9131,913-1,913New shares issued(213)3,271-3,271889-(889)Balance at 30 September 2016452,259(1,227)758,60535,5311,245,168346,7851,591,953Balance at 1 April 2015429,980(2,831)688,5975,8021,121,548346,8261,468,374Distribution paid on perpetual securities120,969(102,201)-(102,201)Total comprehensive income / (los) for the period120,969(618)120,3517,458127,809Total comprehensive income / value of employee services120,969(618)120,3517,4581,27,809Dividends120,969(618)120,3517,4581,27,8091,466,483Employee share option scheme: - Value of employee services2,4712,471		S\$′000	S\$′000	S\$'000	S\$'000	S\$'000	S\$′000	S\$'000
Dividends(86,532)-(86,532)-(86,532)Total comprehensive income for the period $\frac{-}{448,775}$ (2,116)758,60534,7201,239,984346,7857,2370Employee share option scheme: - Value of employee services - New shares issued1,9131,913-1,913New shares issued3,484(213)3,271-3,271- Treasury shares re-issued3,484(213)3,271-3,271- Treasury shares re-issued452,259(1,227)758,60535,5311,245,168346,7851,591,953Balance at 1 April 2015429,980(2,831)688,5975,8021,121,548346,8261,468,374Dividends(102,201)-(102,201)Total comprehensive income / (loss) for the period120,969(618)120,3517,458127,809Dividends120,969(618)120,3517,458127,809Cotal comprehensive income / (loss) for the period120,969(618)120,3517,458127,809Employee share option scheme: - Value of employee services - Value of employee services - New shares issued2,4712,4712,471- Value of employee services - New shares issued2,4712,4712,471	Balance at 1 April 2016	448,775	(2,116)	780,232	34,713	1,261,604	346,826	1,608,430
Total comprehensive income for the period64,905764,9127,45872,370448,775(2,116)758,60534,7201,239,984346,7851,586,769Employee share option scheme: - Value of employee services1,9131,913-1,913- New shares issued3,484(213)3,271-3,271- Treasury shares re-issued-889-(889)Balance at 30 September 2016452,259(1,227)758,60535,5311,245,168346,7851,591,953Balance at 1 April 2015429,980(2,831)688,5975,8021,121,548346,8261,468,374Distribution paid on perpetual securities(102,201)-(102,201)Total comprehensive income / (loss) for the period-120,969(618)120,3517,4581,27,809Employee share option scheme: - Value of employee services2,4712,4712,471- Value of employee services2,471-2,471- New shares issued8,4602,471-2,471	Distribution paid on perpetual securities	-	-	-	-	-	(7,499)	(7,499)
for the period64,905764,9127,45872,370448,775(2,116)758,60534,7201,239,984346,7851,586,769Employee share option scheme: - Value of employee services1,9131,913-1,913- New shares issued3,484(213)3,271-3,271- Treasury shares re-issued452,259(1,227)758,60535,5311,245,168346,7851,591,953Balance at 30 September 2016429,980(2,831)688,5975,8021,121,548346,8261,468,374Distribution paid on perpetual securities102,201-(7,499)(7,499)Dividends120,969(618)120,3517,458127,809Closs for the period120,969(618)1,39,698346,7851,486,483Employee share option scheme: - Value of employee services2,4712,471-2,471- New shares issued8,4602,4712,471-2,471	Dividends	-	-	(86,532)	-	(86,532)	-	(86,532)
448,775(2,116)758,605 $34,720$ $1,239,984$ $346,785$ $1,586,769$ Employee share option scheme: - Value of employee services - New shares issued1,9131,913-1,913- New shares issued $3,484$ (213) $3,271$ - $3,271$ - Treasury shares re-issued $452,259$ $(1,227)$ $758,605$ $35,531$ $1,245,168$ $346,785$ $1,591,953$ Balance at 30 September 2016 $452,259$ $(1,227)$ $758,605$ $35,531$ $1,245,168$ $346,785$ $1,591,953$ Balance at 1 April 2015 $429,980$ $(2,831)$ $688,597$ $5,802$ $1,121,548$ $346,826$ $1,468,374$ Distribution paid on perpetual securities(102,201)- $(102,201)$ Total comprehensive income / (loss) for the period- $120,969$ (618) $120,351$ $7,458$ $127,809$ Employee share option scheme: - Value of employee services $2,471$ 2,471 $2,471$ $2,471$ New shares issued $8,460$ (626) $7,834$ - $7,834$	Total comprehensive income							
Employee share option scheme: - Value of employee services1,9131,9131,9131,913- New shares issued3,484(213)3,271-3,271- Treasury shares re-issued-889-(889)Balance at 30 September 2016452,259(1,227)758,60535,5311,245,168346,7851,591,953Balance at 1 April 2015429,980(2,831)688,5975,8021,121,548346,8261,468,374Distribution paid on perpetual securities(102,201)-(102,201)Dividends120,969(618)120,3517,458127,809Michael Comprehensive income / (loss) for the period120,969(618)120,3517,4581,486,483Employee share option scheme: - Value of employee services2,4712,4712,4712,471- New shares issued8,4602,4712,4712,4717,834	for the period	-	-	64,905	7	64,912	7,458	72,370
Value of employee services1,9131,9131,9131,913- New shares issued3,484(213)3,271-3,271- Treasury shares re-issued-889-(889)Balance at 30 September 2016452,259(1,227)758,60535,5311,245,168346,7851,591,953Balance at 1 April 2015429,980(2,831)688,5975,8021,121,548346,8261,468,374Distribution paid on perpetual securities(7,499)(7,499)Dividends(102,201)-(102,201)-(102,201)Total comprehensive income / (loss) for the period120,969(618)120,3517,4581,27,809Employee share option scheme: - Value of employee services2,4712,471-2,471- New shares issued8,460(626)7,834-7,834		448,775	(2,116)	758,605	34,720	1,239,984	346,785	1,586,769
- New shares issued 3,484 - - (213) 3,271 - 3,271 - Treasury shares re-issued - 889 - (889) - - 3,271 Balance at 30 September 2016 452,259 (1,227) 758,605 35,531 1,245,168 346,785 1,591,953 Balance at 1 April 2015 429,980 (2,831) 688,597 5,802 1,121,548 346,826 1,468,374 Distribution paid on perpetual securities - - - - (7,499) (7,499) Dividends - - 102,201) - (102,201) - (102,201) Total comprehensive income / (loss) for the period - - 120,969 (618) 120,351 7,458 127,809 429,980 (2,831) 707,365 5,184 1,139,698 346,785 1,486,483 Employee share option scheme: - Value of employee services - - 2,471 - 2,471 - New shares issued 8,460 - - 2,471 2,471 - 2,471 - New shares issued	Employee share option scheme:							
- Treasury shares re-issued - 889 - (889) - - Balance at 30 September 2016 452,259 (1,227) 758,605 35,531 1,245,168 346,785 1,591,953 Balance at 1 April 2015 429,980 (2,831) 688,597 5,802 1,121,548 346,826 1,468,374 Distribution paid on perpetual securities - - - - (7,499) (7,499) Dividends - - (102,201) - (102,201) - (102,201) Total comprehensive income / (loss) for the period - - 120,969 (618) 120,351 7,458 127,809 Employee share option scheme: - Value of employee services - - - 2,471 2,471 2,471 2,471 New shares issued 8,460 - - 2,471 2,471 7,834 7,834	- Value of employee services	-	-	-	1,913	1,913	-	1,913
Balance at 30 September 2016 452,259 (1,227) 758,605 35,531 1,245,168 346,785 1,591,953 Balance at 1 April 2015 429,980 (2,831) 688,597 5,802 1,121,548 346,826 1,468,374 Distribution paid on perpetual securities - - - - (7,499) (7,499) Dividends - - (102,201) - (102,201) - (102,201) Total comprehensive income / (loss) for the period - - 120,969 (618) 120,351 7,458 127,809 429,980 (2,831) 707,365 5,184 1,139,698 346,785 1,486,483 Employee share option scheme: - Value of employee services - - - 2,471 2,471 2,471 New shares issued 8,460 - - 2,471 2,471 7,834 2,471	- New shares issued	3,484	-	-	(213)	3,271	-	3,271
Balance at 1 April 2015429,980 $(2,831)$ $688,597$ $5,802$ $1,121,548$ $346,826$ $1,468,374$ Distribution paid on perpetual securities(7,499)(7,499)Dividends(102,201)-(102,201)-(102,201)Total comprehensive income / (loss) for the period120,969(618)120,3517,458127,809Hard Comprehensive income / (loss) for the period120,9695,1841,139,698346,7851,486,483Employee share option scheme: - Value of employee services2,4712,471-2,471New shares issued $8,460$ (626)7,834-7,834	- Treasury shares re-issued	-	889	-	(889)	-	-	-
Distribution paid on perpetual securities $(7,499)$ $(7,499)$ Dividends $(102,201)$ - $(102,201)$ - $(102,201)$ Total comprehensive income / (loss) for the period $120,969$ (618) $120,351$ $7,458$ $127,809$ 429,980 $(2,831)$ $707,365$ $5,184$ $1,139,698$ $346,785$ $1,486,483$ Employee share option scheme: - Value of employee services2,4712,471-2,471New shares issued $8,460$ (626) $7,834$ - $7,834$	Balance at 30 September 2016	452,259	(1,227)	758,605	35,531	1,245,168	346,785	1,591,953
Dividends - - (102,201) - (102,201) - (102,201) Total comprehensive income / (loss) for the period - - 120,969 (618) 120,351 7,458 127,809 429,980 (2,831) 707,365 5,184 1,139,698 346,785 1,486,483 Employee share option scheme: - Value of employee services - - - 2,471 2,471 - 2,471 - New shares issued 8,460 - - (626) 7,834 - 7,834	Balance at 1 April 2015	429,980	(2,831)	688,597	5,802	1,121,548	346,826	1,468,374
Total comprehensive income / (loss) for the period - - 120,969 (618) 120,351 7,458 127,809 429,980 (2,831) 707,365 5,184 1,139,698 346,785 1,486,483 Employee share option scheme: - Value of employee services - - - 2,471 2,471 - 2,471 - New shares issued 8,460 - - (626) 7,834 - 7,834	Distribution paid on perpetual securities	-	-	-	-	-	(7,499)	(7,499)
(loss) for the period - 120,969 (618) 120,351 7,458 127,809 429,980 (2,831) 707,365 5,184 1,139,698 346,785 1,486,483 Employee share option scheme: - - 2,471 2,471 - 2,471 - New shares issued 8,460 - - (626) 7,834 - 7,834	Dividends	-	-	(102,201)	-	(102,201)	-	(102,201)
429,980 (2,831) 707,365 5,184 1,139,698 346,785 1,486,483 Employee share option scheme: - - - 2,471 2,471 - 2,471 - New shares issued 8,460 - - (626) 7,834 - 7,834	Total comprehensive income /							
Employee share option scheme:- Value of employee services2,4712,471-2,471- New shares issued8,460(626)7,834-7,834	(loss) for the period	-	-	120,969	(618)	120,351	7,458	127,809
- Value of employee services - - - 2,471 2,471 - 2,471 - New shares issued 8,460 - - (626) 7,834 - 7,834		429,980	(2,831)	707,365	5,184	1,139,698	346,785	1,486,483
- New shares issued 8,460 (626) 7,834 - 7,834	Employee share option scheme:							
	- Value of employee services	-	-	-	2,471	2,471	-	2,471
- Treasury shares re-issued - 628 - (628)	- New shares issued	8,460	-	-	(626)	7,834	-	7,834
	- Treasury shares re-issued	-	628	-	(628)	-	-	-
Balance at 30 September 2015 438,440 (2,203) 707,365 6,401 1,150,003 346,785 1,496,788	Balance at 30 September 2015	438,440	(2,203)	707,365	6,401	1,150,003	346,785	1,496,788

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

During the 2nd quarter ended 30 September 2016, the Company issued 1,278,000 ordinary shares at prices ranging from S\$1.07 to S\$1.45 upon the exercise of options granted under the Singapore Post Share Option Scheme.

As at 30 September 2016, there were unexercised options for 27,409,000 (30 September 2015: 66,127,000) unissued ordinary shares under the Singapore Post Share Option Scheme (including Performance Option Plan but excluding Restricted Share Plan) and unvested shares for 2,900,625 (30 September 2015: 1,790,544) unissued ordinary shares under the Restricted Share Plan.

As at 30 September 2016, the Company held 1,181,409 treasury shares (30 September 2015: 2,131,202).

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

As at 30 September 2016, total issued shares excluding treasury shares were 2,164,567,209 (31 March 2016: 2,160,955,909).

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

During the second quarter ended 30 September 2016, the Company re-issued 476,868 treasury shares at a cost of S\$1.0289 upon the vesting of shares under Singapore Post Restricted Share Plan 2013.

(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 2016.

(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 2016, 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.

	The Group				
	FY2016/17 Q2	FY2015/16 Q2	FY2016/17 H1	FY2015/16 H1	
Based on weighted average number of ordinary shares in issue	1.28 cents	2.31 cents	2.76 cents	4.30 cents	
On fully diluted basis	1.28 cents	2.30 cents	2.76 cents	4.28 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.

	The Group		The Company	
	Sep-16	Mar-16	Sep-16	Mar 16
Net asset value per ordinary share based on issued share capital of the Company at the end of the financial period (cents)	71.19	72.26	73.55	74.43
	The	Group	The Co	mpany
	Sep-16	Mar-16	Sep-16	Mar 16
Ordinary equity per ordinary share based on issued share capital of the Company at the end of the financial period (cents)	54.61	55.70	57.53	58,38

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

Revenue						
	FY16/17	FY15/16		FY16/17	FY15/16	
	Q2	Q2	Variance	H1	H1	Variance
Revenue	S\$′000	S\$′000	%	S\$′000	S\$′000	%
Postal	126,945	125,902	0.8%	263,987	260,978	1.2%
Logistics	154,131	156,056	(1.2%)	310,813	296,127	5.0%
eCommerce	63,977	8,120	@	129,258	15,886	@
Inter-segment eliminations*	(23,320)	(26,906)	13.3%	(48,953)	(55,212)	11.3%
Total	321,733	263,172	22.3%	655,105	517,779	26.5%

Second Quarter And Half Year Ended 30 September 2016

⁴ 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 grew 22.3% and 26.5% respectively in the second quarter and half year ended 30 September 2016, with continued growth in cross-border eCommerce-related activities and the inclusion of new subsidiaries.

In the Postal segment, declining traditional letter mail volumes were offset by higher International mail revenue as a result of increased cross-border eCommerce-related activities. Consequently, Postal revenue grew slightly in the second quarter and first half respectively.

Logistics revenue dipped 1.2% in Q2, impacted by lower revenue from noneCommerce related activities, such as the freight forwarding business, amidst a general economic downturn. For H1, Logistics revenue grew 5% with steady organic growth led by Couriers Please, as well as the inclusion of a new subsidiary under Famous Holdings.

eCommerce revenue rose strongly with the inclusion of new US subsidiaries, TradeGlobal from 14 November 2015 and Jagged Peak from 8 March 2016.

Other Income

Rental and property-related income decreased 10.7% and 9.6% in the second quarter and first half respectively. This was due to lower retail rental revenue with the redevelopment of Singapore Post Centre ("SPC") retail mall, which is due for completion by mid-2017.

Miscellaneous income amounted to \$\$6.7 million and \$\$9.2 million in the second quarter and first half respectively, compared to \$\$29.5 million and \$\$43.2 million in the comparative periods. The drop was largely due to one-off gains from the disposals of Novation Solutions and DataPost HK in Q1 last year and DataPost in Q2 last year.

Total Expenses

Total expenses increased 23.7% and 28.5% in the second quarter and first half over the same periods last year, as a result of the inclusion of new subsidiaries.

Labour and related expenses were higher mainly due to additional headcount from new subsidiaries and the Group's growth initiatives.

The increase in volume-related expenses reflects the growth in international mail traffic and change in business mix as part of the Group's transformation.

For the first half, administrative and other expenses increased 2.7% due to higher property-related expenses such as warehouse rental costs from new subsidiaries, which were partially offset by lower M&A related professional fees. For Q2, administrative and other expenses decreased 6.2% due largely to higher M&A related professional fees incurred in the same quarter last year.

Depreciation and amortisation expenses were higher due largely to depreciation cost from the Regional eCommerce Logistics Hub, which attained TOP in April 2016.

Finance expenses were lower by S\$4.0 million and S\$5.3 million respectively in the second quarter and first half due largely to higher non-trade related foreign exchange translation gains.

FY16/17	FY15/16		FY16/17	FY15/16
Q2	Q2	Variance	H1	H1 Variance
S\$′000	S\$'000	%	S\$′000	S\$'000 %
33,291	37,222	(10.6%)	75,380	79,158 (4.8%)
4,968	7,710	(35.6%)	12,206	14,559 (16.2%)
(6,760)	(2,113)	(219.9%)	(10,279)	(4,039) (154.5%)
6,644	21,668	(69.3%)	10,205	32,517 (68.6%)
38,143	64,487	(40.9%)	87,512	122,195 (28.4%)
	Q2 S\$'000 33,291 4,968 (6,760) 6,644	Q2 Q2 S\$'000 S\$'000 33,291 37,222 4,968 7,710 (6,760) (2,113) 6,644 21,668	Q2 Q2 Variance \$\$'000 \$\$'000 % 33,291 37,222 (10.6%) 4,968 7,710 (35.6%) (6,760) (2,113) (219.9%) 6,644 21,668 (69.3%)	Q2 Q2 Variance H1 \$\$'000 \$\$'000 \$\$'000 \$\$'000 33,291 37,222 (10.6%) 75,380 4,968 7,710 (35.6%) 12,206 (6,760) (2,113) (219.9%) (10,279) 6,644 21,668 (69.3%) 10,205

Operating Profit

[#] Others refer to the commercial property rental operations, unallocated corporate overhead items and one-off items. @ Denotes variance exceeding 300%.

Operating profit decreased 40.9% and 28.4% in Q2 and H1 respectively due to one-off gains from divestments of subsidiaries recorded in Q2 and H1 last year. Excluding the one-off gains, operating profit decreased by 30.5% and 16.9% in the second quarter and first half over the corresponding periods last year due to lower profits from Postal and Logistics segments, higher costs in the eCommerce business, as well as the impact of loss of rental income arising from the SPC retail mall redevelopment.

Postal operating profit declined 10.6% and 4.8% in Q2 and H1 respectively, with lower domestic letter mail volumes and lower contributions from post office products and services partially mitigated by growth in international mail volumes from eCommerce-related activities. In particular, Domestic mail contribution in Q2 was impacted by one-off postings in Q2 last year for SG50 and General Election 2015, as well as a one-off boost from philatelic sales at the World Stamp Exhibition 2015 which was held in Singapore last August.

In Logistics, operating profit decreased 35.6% and 16.2% in Q2 and H1 respectively. These reflect costs incurred in relation to the completion of the new Regional eCommerce Logistics Hub, as well as pricing pressures in the eCommerce Logistics space.

Operating losses from eCommerce segment were \$\$6.8 million and \$\$10.3 million in Q2 and H1. The Group continues to invest in IT and operational capabilities. In particular, tight competition for seasonal fulfilment labour drove up cost significantly.

Property & others segment profit decreased mainly due to one-off gains from divestments of subsidiaries last year.

Share of profit of associated companies and joint ventures

Share of profit of associated companies and joint ventures decreased with lower contributions from associated companies such as 4PX. The share of profits from GD Express declined due to a lower equity shareholding percentage following a partial divestment last year.

Net Profit and Underlying Net Profit

Second quarter and first half net profit attributable to equity holders was down 41.2% and 32.7%, mainly due to one-off gains from divestments of subsidiaries recorded in the corresponding periods last year. Excluding one-off items, underlying net profit declined 27.9% from \$\$37.5 million to \$\$27.1 million in Q2 due mainly to higher costs in eCommerce, loss of rental income arising from the SPC retail mall redevelopment, costs related to the Regional eCommerce Logistics Hub which attained TOP in April 2016 and lower domestic letter volumes. Underlying net profit declined 19.3% from \$\$77.8 million to \$\$62.8 million in the first half, for the same reasons above.

Balance Sheet

The Group's total assets amounted to \$\$2.5 billion as at 30 September 2016, compared to \$\$2.4 billion as at 31 March 2016. Higher cash, investment properties and property, plant and equipment, were offset by lower trade receivables.

Total liabilities were \$\$965.6 million, compared to \$\$854.3 million as at 31 March 2016. The increase was mainly due to higher borrowings.

As a result of the increase in short-term borrowings, the Group showed a net current liability position of S\$239.1 million, compared to S\$133.2 million as at 31 March 2016. The cash and short-term funds were largely utilised for residual expenditure on committed capex for construction of the SPC retail mall and Regional eCommerce Logistics Hub. This resulted in the Group holding higher non-current assets that were funded by cash and short term borrowings. The Group has sufficient banking lines for its funding needs.

As at 30 September 2016, the Group was in a net debt position^[1] of \$\$248.4 million. Total borrowings increased from \$\$280.3 million as at 31 March 2016 to \$\$406.4 million as at 30 September 2016. Interest coverage ratio^[2] remained healthy at 26.6 times, compared to 42.1 times last year. The decrease was due to higher interest on borrowings incurred for the current period as well as the inclusion of the one-off divestment gains for the comparative period last year.

Ordinary shareholders' equity was stable as at 30 September 2016 at S\$1.2 billion, compared to the opening position as at 31 March 2016 due to retained profit for the period.

^[1] Cash and cash equivalents less borrowings

^[2] EBITDA to interest expense

Cash Flow

Net cash inflow from operating activities for the half year amounted to \$\$99.9 million, compared to \$\$21.9 million last year. Operating cash inflow was up \$\$8.8 million and working capital improved \$\$70.0 million due to lower receivables and higher trade and other payables largely for settlement of terminal dues.

Net cash outflow for investing activities was \$\$99.6 million, compared to \$\$175.1 million for the same period last year. Capital expenditure of \$\$110.9 million in the first half comprised committed capital expenditures for the ongoing redevelopment of Singapore Post Centre retail mall and the construction of the Regional eCommerce Logistics Hub.

Net cash inflow from financing activities was \$\$31.1 million, compared to net cash outflow of \$\$104.3 million last year, largely due to net proceeds from bank loans which have a positive carry.

The use of the proceeds from the share issue to Alibaba Investment Limited is in line with the intended use originally stated in the SGXNET announcement dated 28 May 2014 and the subsequent SGXNET announcement dated 10 May 2016.

(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.

In the Postal segment, Domestic mail remains under pressure with declining volumes but the impact was partially offset by growth from International mail volumes. The shift in revenue mix towards International mail will lead to a decline in margins on a blended basis.

The Logistics segment is expected to continue to benefit from growing eCommerce trends. As the Group scales up the business for future growth, higher operating expenses are expected from investments in further network development. The opening of the new Regional eCommerce Logistics Hub on 1 November 2016 will also result in higher depreciation expenses.

Under eCommerce, the businesses of the US eCommerce entities TradeGlobal and Jagged Peak are highly seasonal and will be entering the holiday peak months of November and December where volumes are expected to pick up. While the businesses have been preparing for the peak period, tight competition for seasonal fulfilment labour is expected to drive up costs significantly. This will impact margins, but will be partly mitigated by investment in automation.

The redevelopment of the Singapore Post Centre ("SPC") retail mall is expected to be completed around mid-2017, and leasing for the mall has commenced. The Group continues to forgo rental income during this period of redevelopment.

Capital expenditure is expected to remain high in FY2016/17 from committed capital expenditure for the ongoing redevelopment of SPC retail mall.

The share of profit of associated companies and joint ventures will be impacted by a decline in share of profits from GD Express due to a lower equity shareholding percentage following a partial divestment last year.

SingPost will continue to invest in transformation while integrating and extracting synergies from its acquisitions.

On 27 October 2016, SingPost completed the joint venture agreement with Alibaba Group Holding Limited ("Alibaba"), in which Alibaba invested S\$86.2 million for a 34% stake in Quantium Solutions International ("QSI") with SingPost owning the remaining 66%. QSI will be a common platform to grow and enhance eCommerce logistics capabilities in Southeast Asia and Oceania, to better serve the region's rapidly growing online retail markets.

On the same date, the Group also announced that approval from the Infocommunications Media Development Authority has been obtained for Alibaba to increase its interest in SingPost to 14.4 per cent, from 10.2 per cent currently. Alibaba's further investment of S\$187.1 million into SingPost is targeted to be completed by 28 February 2017, in light of the timeline required to obtain the remaining approvals from SingPost's shareholders at an Extraordinary General Meeting and from the Singapore Exchange for the listing, quotation and trading of new shares on the Main Board of the SGX-ST.

(11) Dividends

Current financial period reported on

Interim dividend

For the second quarter ended 30 September 2016, the Board of Directors has declared an interim dividend of 1.00 cent per ordinary share (tax exempt one-tier).

The interim quarterly dividend of 1.00 cent per ordinary share will be paid on 30 November 2016. The transfer book and register of members of the Company will be closed on 18 November 2016 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 17 November 2016 will be registered to determine members' entitlements to the dividend.

Corresponding period of the immediately preceding financial year

Interim dividend

An interim dividend of 1.50 cents per ordinary share (tax exempt one-tier) for the second quarter ended 30 September 2015 was declared on 2 November 2015 and paid on 27 November 2015.

Dividend Policy

The Board has completed a review of the dividend policy and has revised the policy to ensure that the dividends are sustainable and paid out of underlying earnings. SingPost's dividends in the past had been largely supported by the domestic mail business, which continues to see declining volumes.

To provide future sources of earnings, significant transformational investments have been made in eCommerce, eCommerce logistics and in the redevelopment of SPC retail mall. In the short term, however, these investments will impact earnings. We have raised capital and taken on debt to fund these investments. The need to review the dividend policy should be understood in this context. The dividend policy has been changed from an absolute amount to one based on a payout ratio ranging from 60% to 80% of underlying net profit for each financial year, paid quarterly.

The Board's objective is to grow the underlying earnings and dividends over time.

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

Not applicable.

(13) Group Segment Information

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

From 1 April 2016, SingPost Group has reclassified the reporting of certain business units into three business segments, namely Postal, Logistics and eCommerce:

- Postal segment comprises the core postal business of the Group. This includes both Domestic mail and International mail, as well as products and services transacted at the post offices. The comparative period last year included DataPost and Novation Solutions, the hybrid mail businesses which were divested during the financial year ended 31 March 2016.
- Logistics segment comprises the Logistics businesses of the Group. This includes Quantium Solutions, Couriers Please, SP Parcels, Famous Holdings and other logistics entities.
- eCommerce segment comprises the front-end related eCommerce businesses. This includes SP eCommerce in Asia Pacific and the US, as well as TradeGlobal and Jagged Peak.

The segment revenue and profit figures in paragraph 8 have been reclassified for comparative purposes.

Other operations include the provision of commercial property rental and corporate costs of the Group not allocated to the reportable operating segments. These are disclosed under "Property & others". The comparative period last year included investment gains from the divestments of certain subsidiaries.

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

(14) Interested Person Transactions

During the second quarter and half year ended 30 September 2016, the following interested person transactions were entered into by the Group:

	Aggregate value o person transactio financial period transactions S\$100,000 and conducted under mandate pursuan	ns during the l (excluding less than transactions shareholders'	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)		
	FY2016/17	FY2015/16	FY2016/17	FY2015/16	
	Q2 \$\$'000	Q2 S\$'000	Q2 S\$′000	Q2 S\$'000	
Sales	5\$ 000	3\$ 000	5\$ 000	3\$ 000	
Postea Group	-	-	-	198*	
Singapore Airlines Group	-	-	-	444*	
		-	-	642	
Purchases					
SATS Group	-	-	-	56,839*	
SembCorp Group	-	-	415	-	
	-	-	415	56,839	
Total interested person transactions		-	415	57,481	

Aggregate value of all interested person transactions during the financial period (excluding transactions less than \$\$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)

	FY2016/17 H1 S\$′000	FY2015/16 H1 S\$′000	FY2016/17 H1 S\$′000	FY2015/16 H1 S\$'000
Sales	3\$ 000	3\$ 000	39 000	3\$ 000
Mediacorp Group	-	-	-	799*
Postea Group	-	-	-	198*
Singapore Airlines Group	-	-	-	1,704
Singapore Telecommunications Group	-	-	1,801*	1,653
Starhub Group	-	-	759	860
	-	-	2,560	5,214
Purchases				
Certis Cisco Group	-	-	450	162*
PSA Corporation Limited	-	-	-	1,808*
SATS Group	-	-	-	56,839*
SembCorp Group	-	-	5,224*	-
Singapore Airlines Group	-	-	4,588	1,540
	-	-	10,262	60,349
Total interested person transactions	-	-	12,822	65,563

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 10 months to 15 years) or annual values for open-ended contracts.

*Include contracts of duration exceeding one year.

(15) 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.

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

On behalf of the Board of Directors of the Company, we, the undersigned, hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the financial statements for the second quarter ended 30 September 2016 to be false or misleading.

On behalf of the Board of Directors

MR SIMON CLAUDE ISRAEL Chairman

Singapore 4 November 2016

MR SOO NAM CHOW Director