



**SINGAPORE POST LIMITED
AND ITS SUBSIDIARIES**

(Registration number: 199201623M)

**SGXNET ANNOUNCEMENT
UNAUDITED RESULTS FOR THE
THIRD QUARTER AND NINE MONTHS
ENDED 31 DECEMBER 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	
	Q3	Q3	Variance	9M	9M	Variance
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue	369,388	316,184	16.8%	1,024,493	833,963	22.8%
Other income and gains / (losses) (net)						
- Rental and property-related income	9,123	9,253	(1.4%)	27,767	29,887	(7.1%)
- Miscellaneous	(1,812)	3,018	N.M.	7,341	46,168	(84.1%)
Labour and related expenses	(88,357)	(73,985)	19.4%	(260,989)	(220,828)	18.2%
Volume-related expenses ¹	(196,203)	(151,876)	29.2%	(519,043)	(375,740)	38.1%
Administrative and other expenses	(37,656)	(33,657)	11.9%	(108,358)	(102,471)	5.7%
Depreciation and amortisation	(12,891)	(10,203)	26.3%	(35,022)	(23,347)	50.0%
Selling expenses	(3,499)	(3,150)	11.1%	(9,094)	(7,066)	28.7%
Finance expenses	1,653	(393)	N.M.	(296)	(7,610)	(96.1%)
Total expenses	(336,953)	(273,264)	23.3%	(932,802)	(737,062)	26.6%
Share of (loss) / profit of associated companies and joint ventures	(208)	242	N.M.	704	3,612	(80.5%)
Profit before income tax	39,538	55,433	(28.7%)	127,503	176,568	(27.8%)
Income tax expense	(8,490)	(10,769)	(21.2%)	(26,999)	(30,385)	(11.1%)
Total profit	31,048	44,664	(30.5%)	100,504	146,183	(31.2%)
Net profit attributable to:						
Equity holders of the Company	31,354	43,504	(27.9%)	98,649	143,531	(31.3%)
Non-controlling interests	(306)	1,160	N.M.	1,855	2,652	(30.1%)
Operating Profit ²	37,296	54,599	(31.7%)	124,808	176,794	(29.4%)
Underlying Net Profit ³	31,411	43,947	(28.5%)	94,244	121,772	(22.6%)
Earnings per share for profit attributable to the equity holders of the Company during the period / year: ⁴						
- Basic	1.28 cents	1.84 cents		4.04 cents	6.15 cents	
- Diluted	1.28 cents	1.84 cents		4.04 cents	6.12 cents	

Notes

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

Consolidated Statement of Comprehensive Income

	FY2016/17 Q3 S\$'000	FY2015/16 Q3 S\$'000	Variance %	FY2016/17 9M S\$'000	FY2015/16 9M S\$'000	Variance %
Total profit	31,048	44,664	(30.5%)	100,504	146,183	(31.2%)
Other comprehensive income / (loss) (net of tax):						
Items that may be reclassified subsequently to profit or loss:						
Available for sale financial assets - fair value losses	(33)	(79)	(58.2%)	(26)	(697)	(96.3%)
Currency translation differences arising from consolidation						
- Gains	20,375	5,342	281.4%	19,609	1,330	@
- Transfers to profit & loss arising from disposals of subsidiaries and associates	-	-	-	(332)	(2,026)	(83.6%)
Other comprehensive income / (loss) for the period (net of tax)	20,342	5,263	286.5%	19,251	(1,393)	N.M.
Total comprehensive income for the period*	51,390	49,927	2.9%	119,755	144,790	(17.3%)
Total comprehensive income attributable to:						
Equity holders of the Company	51,452	46,792	10.0%	118,859	139,342	(14.7%)
Non-controlling interests	(62)	3,135	N.M.	896	5,448	(83.6%)
	51,390	49,927	2.9%	119,755	144,790	(17.3%)

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

Underlying Net Profit Reconciliation Table

	FY2016/17 Q3 S\$'000	FY2015/16 Q3 S\$'000	Variance %	FY2016/17 9M S\$'000	FY2015/16 9M S\$'000	Variance %
Profit attributable to equity holders of the Company	31,354	43,504	(27.9%)	98,649	143,531	(31.3%)
Loss / (gain) on disposal of property, plant and equipment	42	141	(70.2%)	(4)	(1,166)	(99.7%)
Gain on sale of investments	-	-	-	-	(32,943)	N.M.
Gain on dilution of interest in an associated company	-	-	-	(4,892)	-	N.M.
M & A related professional fees	15	302	(95.0%)	491	12,350	(96.0%)
Underlying Net Profit	31,411	43,947	(28.5%)	94,244	121,772	(22.6%)

N.M. Not meaningful.

@ Denotes variance exceeding 300%.

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

	FY2016/17	FY2015/16		FY2016/17	FY2015/16	
	Q3	Q3	Variance	9M	9M	Variance
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Other operating income and interest income [#]	7,311	12,271	(40.4%)	35,108	76,055	(53.8%)
Interest on borrowings	2,348	2,194	7.0%	6,510	5,632	15.6%
Depreciation and amortisation	13,005	10,555	23.2%	35,416	24,401	45.1%
Allowance for doubtful debts and bad debts (written back) / written off	(33)	124	N.M.	(244)	510	N.M.
Foreign exchange gains – net	86	3,539	(97.6%)	2,395	3,841	(37.6%)
(Loss) / gains on sale / dilution gain of investments, property, plant and equipment	(42)	(141)	(70.2%)	5,240	34,510	(84.8%)
Stock obsolescence	81	-	N.M.	141	-	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 Company	
	Dec-16 S\$'000	Mar-16 S\$'000	Dec-16 S\$'000	Mar-16 S\$'000
ASSETS				
Current assets				
Cash and cash equivalents	229,054	126,640	93,616	49,626
Financial assets	3,830	8,127	3,483	7,780
Trade and other receivables	228,140	210,287	190,840	194,719
Derivative financial instruments	498	846	547	846
Inventories	4,439	4,499	204	367
Other current assets	17,264	17,206	5,479	4,915
	483,225	367,605	294,169	258,253
Non-current assets				
Financial assets	38,050	38,083	37,791	37,832
Trade and other receivables	7,051	5,351	600,707	563,193
Investments in associated companies and joint ventures	151,300	146,401	14,348	14,348
Investments in subsidiaries	-	-	357,779	356,229
Investment properties	816,611	745,844	832,580	760,842
Property, plant and equipment	569,151	517,376	237,091	241,943
Intangible assets	604,307	583,193	227	227
Deferred income tax assets	5,114	5,544	-	-
Other non-current asset	4,872	6,408	-	-
	2,196,456	2,048,200	2,080,523	1,974,614
Total assets	2,679,681	2,415,805	2,374,692	2,232,867
LIABILITIES				
Current liabilities				
Trade and other payables	424,871	385,712	275,431	274,432
Current income tax liabilities	31,808	35,918	26,974	29,950
Deferred income ¹	7,380	7,268	7,380	7,268
Derivative financial instruments	2,901	801	2,901	759
Borrowings	198,533	71,090	179,182	33,000
	665,493	500,789	491,868	345,409
Non-current liabilities				
Trade and other payables	29,981	30,190	-	-
Borrowings	216,362	209,182	202,496	203,044
Deferred income ¹	51,355	56,785	51,355	56,785
Deferred income tax liabilities	58,540	57,356	20,549	19,199
	356,238	353,513	274,400	279,028
Total liabilities	1,021,731	854,302	766,268	624,437
NET ASSETS	1,657,950	1,561,503	1,608,424	1,608,430
EQUITY				
Capital and reserves attributable to the Company's equity holders				
Share capital	452,679	448,775	452,679	448,775
Treasury shares	(1,227)	(2,116)	(1,227)	(2,116)
Other reserves	68,743	7,258	36,338	34,713
Retained earnings	723,718	749,647	770,100	780,232
Ordinary equity	1,243,913	1,203,564	1,257,890	1,261,604
Perpetual securities ²	350,534	346,826	350,534	346,826
	1,594,447	1,550,390	1,608,424	1,608,430
Non-controlling interests	63,503	11,113	-	-
Total equity	1,657,950	1,561,503	1,608,424	1,608,430

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 accounting rules in FRS32 "Financial Instruments: Disclosure and 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.

	Dec-16	Mar-16
	S\$'000	S\$'000
Amount repayable in one year or less, or on demand		
- Borrowings (secured)	2,351	11,667
- Borrowings (unsecured)	196,182	59,423
Amount repayable after one year:		
- Borrowings (secured)	13,866	6,138
- Borrowings (unsecured)	202,496	203,044
	414,895	280,272

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			
	FY2016/17 Q3 S\$'000	FY2015/16 Q3 S\$'000	FY2016/17 9M S\$'000	FY2015/16 9M S\$'000
Cash flows from operating activities				
Total profit	31,048	44,664	100,504	146,183
Adjustments for:				
Income tax expense	8,490	10,769	26,999	30,385
Amortisation of deferred income	(2,264)	(1,826)	(5,905)	(5,599)
Amortisation of intangible assets	1,775	1,751	3,885	2,453
Depreciation	11,230	8,804	31,531	21,948
Gains on sale of investments, property, plant and equipment	42	141	(5,240)	(34,510)
Share-based staff costs	869	708	2,782	3,179
Interest expense	2,348	2,194	6,510	5,632
Interest income	(797)	(986)	(2,287)	(3,772)
Share of loss / (profit) of associated companies and joint ventures	208	(242)	(704)	(3,612)
	<u>21,901</u>	<u>21,313</u>	<u>57,571</u>	<u>16,104</u>
Operating cash flow before working capital changes	52,949	65,977	158,075	162,287
Changes in working capital, net of effects from acquisition and disposal of subsidiaries				
Inventories	454	239	60	17
Trade and other receivables	(40,747)	(28,377)	(19,828)	(43,710)
Trade and other payables	53,074	26,241	43,742	(16,969)
Cash generated from operations	<u>65,730</u>	<u>64,080</u>	<u>182,049</u>	<u>101,625</u>
Income tax paid	(13,138)	(14,061)	(29,572)	(29,668)
Net cash provided by operating activities	<u>52,592</u>	<u>50,019</u>	<u>152,477</u>	<u>71,957</u>
Cash flows from investing activities				
Additions to intangible assets	(4,484)	-	(5,270)	-
Acquisition of subsidiaries, net of cash acquired	-	(233,139)	-	(256,434)
Additions to property, plant and equipment and Investment properties	(47,973)	(59,219)	(158,836)	(229,931)
Contingent consideration paid in relation to acquisition of a subsidiary	-	-	(528)	-
Disposal of a subsidiary, net of cash disposed of	-	-	(1,568)	50,962
Dividends received from associated company	-	-	1,660	1,208
Proceeds from partial divestment of a subsidiary	85,927	-	85,927	-
Investment in associated companies	-	14	-	(13,261)
Interest received	453	1,099	1,947	4,103
Loan to an associated company	-	-	(1,521)	(1,360)
Secured loan to a shareholder of an associated company	-	-	-	(10,881)
Payment relating to purchase of a business	-	-	-	(250)
Proceeds from disposal of property, plant and equipment	140	44	1,894	1,539
Proceeds on maturity of financial assets	-	2,250	4,250	17,250
Purchase of financial assets	-	-	-	(28,321)
Repayment of loans by associated companies	135	138	6,605	1,436
Net cash provided by / (used in) investing activities	<u>34,198</u>	<u>(288,813)</u>	<u>(65,440)</u>	<u>(463,940)</u>
Cash flows from financing activities				
Distribution paid to perpetual securities	-	-	(7,499)	(7,499)
Dividends paid to shareholders	(21,648)	(32,375)	(108,180)	(134,576)
Interest paid	(2,531)	(288)	(7,122)	(4,326)
Proceeds from issuance of ordinary shares	391	8,020	3,662	15,854
Proceeds from bank loan	220,514	250,413	522,031	253,113
Repayment of bank term loan	(212,476)	(128,518)	(387,515)	(129,660)
Net cash (used in)/provided by financing activities	<u>(15,750)</u>	<u>97,252</u>	<u>15,377</u>	<u>(7,094)</u>
Net increase/(decrease) in cash and cash equivalents	71,040	(141,542)	102,414	(399,077)
Cash and cash equivalents at beginning of financial period	158,014	326,605	126,640	584,140
Cash and cash equivalents at end of financial period	<u>229,054</u>	<u>185,063</u>	<u>229,054</u>	<u>185,063</u>

Significant non-cash transactions

In the current financial period, contingent consideration amounting to S\$2,060,000 (9M 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 – 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	S\$'000	S\$'000	S\$'000	S\$'000
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
Partial divestment of subsidiary	-	-	(5,191)	39,624	34,433	-	34,433	51,494	85,927
Dividends	-	-	(21,648)	-	(21,648)	-	(21,648)	-	(21,648)
Total comprehensive income / (loss) for the period	-	-	27,605	20,098	47,703	3,749	51,452	(62)	51,390
	452,259	(1,227)	723,718	67,903	1,242,653	350,534	1,593,187	63,503	1,656,690
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
Balance at 1 October 2015	438,440	(2,203)	673,005	1,190	1,110,432	346,785	1,457,217	5,988	1,463,205
Dividends	-	-	(32,375)	-	(32,375)	-	(32,375)	-	(32,375)
Total comprehensive income for the period	-	-	39,754	3,288	43,042	3,750	46,792	3,135	49,927
	438,440	(2,203)	680,384	4,478	1,121,099	350,535	1,471,634	9,123	1,480,757
Employee share option scheme:									
- Value of employee services	-	-	-	708	708	-	708	-	708
- New shares issued	8,703	-	-	(683)	8,020	-	8,020	-	8,020
- Treasury shares re-issued	-	87	-	(87)	-	-	-	-	-
Balance at 31 December 2015	447,143	(2,116)	680,384	4,416	1,129,827	350,535	1,480,362	9,123	1,489,485

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 2016	448,775	(2,116)	749,647	7,258	1,203,564	346,826	1,550,390	11,113	1,561,503
Partial divestment of a subsidiary	-	-	(5,191)	39,624	34,433	-	34,433	51,494	85,927
Distribution paid on perpetual securities	-	-	-	-	-	(7,499)	(7,499)	-	(7,499)
Dividends	-	-	(108,180)	-	(108,180)	-	(108,180)	-	(108,180)
Total comprehensive income for the year	-	-	87,442	20,210	107,652	11,207	118,859	896	119,755
	448,775	(2,116)	723,718	67,092	1,237,469	350,534	1,588,003	63,503	1,651,506
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
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	-	-	(134,576)	-	(134,576)	-	(134,576)	-	(134,576)
Total comprehensive income / (loss) for the year	-	-	132,323	(4,189)	128,134	11,208	139,342	5,448	144,790
	429,980	(2,831)	680,384	3,261	1,110,794	350,535	1,461,329	9,123	1,470,452
Employee share option scheme:									
- Value of employee services	-	-	-	3,179	3,179	-	3,179	-	3,179
- New shares issued	17,163	-	-	(1,309)	15,854	-	15,854	-	15,854
- Treasury shares re-issued	-	715	-	(715)	-	-	-	-	-
Balance at 31 December 2015	447,143	(2,116)	680,384	4,416	1,129,827	350,535	1,480,362	9,123	1,489,485

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 October 2016	452,259	(1,227)	758,605	35,531	1,245,168	346,785	1,591,953
Dividends	-	-	(21,648)	-	(21,648)	-	(21,648)
Total comprehensive income / (loss) for the period	-	-	33,143	(33)	33,110	3,749	36,859
	452,259	(1,227)	770,100	35,498	1,256,630	350,534	1,607,164
Employee share option scheme:							
- Value of employee services	-	-	-	869	869	-	869
- New shares issued	420	-	-	(29)	391	-	391
Balance at 31 December 2016	452,679	(1,227)	770,100	36,338	1,257,890	350,534	1,608,424
Balance at 1 October 2015	438,440	(2,203)	707,365	6,401	1,150,003	346,785	1,496,788
Dividends	-	-	(32,375)	-	(32,375)	-	(32,375)
Total comprehensive income / (loss) for the period	-	-	40,515	(79)	40,436	3,750	44,186
	438,440	(2,203)	715,505	6,322	1,158,064	350,535	1,508,599
Employee share option scheme:							
- Value of employee services	-	-	-	708	708	-	708
- New shares issued	8,703	-	-	(683)	8,020	-	8,020
- Treasury shares re-issued	-	87	-	(87)	-	-	-
Balance at 31 December 2015	447,143	(2,116)	715,505	6,260	1,166,792	350,535	1,517,327

The Company – 9M

	Attributable to ordinary shareholders of the Company					Perpetual securities	Total
	Share capital	Treasury shares	Retained earnings	Other reserves	Total		
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 April 2016	448,775	(2,116)	780,232	34,713	1,261,604	346,826	1,608,430
Distribution paid on perpetual securities	-	-	-	-	-	(7,499)	(7,499)
Dividends	-	-	(108,180)	-	(108,180)	-	(108,180)
Total comprehensive income / (loss) for the period	-	-	98,048	(26)	98,022	11,207	109,229
	448,775	(2,116)	770,100	34,687	1,251,446	350,534	1,601,980
Employee share option scheme:							
- Value of employee services	-	-	-	2,782	2,782	-	2,782
- New shares issued	3,904	-	-	(242)	3,662	-	3,662
- Treasury shares re-issued	-	889	-	(889)	-	-	-
Balance at 31 December 2016	452,679	(1,227)	770,100	36,338	1,257,890	350,534	1,608,424
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	-	-	(134,576)	-	(134,576)	-	(134,576)
Total comprehensive income / (loss) for the period	-	-	161,484	(697)	160,787	11,208	171,995
	429,980	(2,831)	715,505	5,105	1,147,759	350,535	1,498,294
Employee share option scheme:							
- Value of employee services	-	-	-	3,179	3,179	-	3,179
- New shares issued	17,163	-	-	(1,309)	15,854	-	15,854
- Treasury shares re-issued	-	715	-	(715)	-	-	-
Balance at 31 December 2015	447,143	(2,116)	715,505	6,260	1,166,792	350,535	1,517,327

- (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 2016, the Company issued 327,000 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 31 December 2016, there were unexercised options for 26,428,000 (31 December 2015: 48,215,000) unissued ordinary shares under the Singapore Post Share Option Scheme (including Performance Option Plan but excluding Restricted Share Plan) and unvested shares for 2,800,421 (31 December 2015: 1,650,832) unissued ordinary shares under the Restricted Share Plan.

As at 31 December 2016, the Company held 1,181,409 treasury shares (31 December 2015: 2,045,709).

- (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 2016, total issued shares excluding treasury shares were 2,164,894,209 (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 third quarter ended 31 December 2016, 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 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 Q3	FY2015/16 Q3	FY2016/17 9M	FY2015/16 9M
Based on weighted average number of ordinary shares in issue	1.28 cents	1.84 cents	4.04 cents	6.15 cents
On fully diluted basis	1.28 cents	1.84 cents	4.04 cents	6.12 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	
	Dec-16	Mar-16	Dec-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)	76.58	72.26	74.30	74.43
	The Group	The Company		
	Dec-16	Mar-16	Dec-16	Mar 16
Ordinary equity per ordinary share based on issued share capital of the Company at the end of the financial period (cents)	57.46	55.70	58.10	58.38

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

Third Quarter And Nine Months Ended 31 December 2016

Revenue

	FY16/17	FY15/16		FY16/17	FY15/16	
	Q3	Q3	Variance	9M	9M	Variance
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Postal	143,352	139,305	2.9%	407,339	400,283	1.8%
Logistics	171,252	162,247	5.6%	482,065	458,374	5.2%
eCommerce	81,132	39,228	106.8%	210,390	55,114	281.7%
Inter-segment eliminations*	(26,348)	(24,596)	(7.1%)	(75,301)	(79,808)	5.6%
Total	369,388	316,184	16.8%	1,024,493	833,963	22.8%

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

Group revenue grew 16.8% and 22.8% respectively in the third quarter and nine months ended 31 December 2016, largely due to the inclusion of the US eCommerce subsidiaries.

In the Postal segment, Domestic mail revenue declined in line with lower letter mail volumes, in particular with financial institutions pushing e-statements. This was offset by growth in International mail revenue which was driven by higher cross-border eCommerce related deliveries, especially with higher volumes from the Alibaba Group. Consequently, Postal revenue rose slightly in the third quarter and nine months respectively.

Logistics revenue rose by 5.6% and 5.2% for third quarter and nine months respectively, driven by higher contribution from Couriers Please and Quantum Solutions from increased eCommerce-related activities.

eCommerce revenue rose 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 1.4% and 7.1% in the third quarter and nine months 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 other income was a loss of S\$1.8 million and a gain of S\$7.3 million in the third quarter and nine months respectively, compared to gains of S\$3.0 million and S\$46.2 million in the comparative periods. The drop in Q3 was due to trade-related translation differences whilst the decline in 9M was 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 23.3% and 26.6% in the third quarter and nine months 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.

The increase in volume-related expenses reflects the change in business mix as part of the Group's transformation, with higher International mail terminal dues as well as higher cost of sales and outsourced services related to TradeGlobal and Jagged Peak respectively.

For Q3 and 9M, administrative and other expenses increased 11.9% and 5.7% respectively 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.

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 decreased S\$2.0 million and S\$7.3 million in third quarter and nine months respectively due to favourable non-trade related foreign translation differences compared to the same period last year.

Operating Profit

	FY16/17	FY15/16		FY16/17	FY15/16	
	Q3	Q3	Variance	9M	9M	Variance
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Postal	38,545	41,250	(6.6%)	113,925	120,408	(5.4%)
Logistics	8,837	12,665	(30.2%)	21,043	27,224	(22.7%)
eCommerce	(8,406)	1,812	N.M.	(18,685)	(2,227)	@
Property & others #	(1,680)	(1,128)	48.9%	8,525	31,389	(72.8%)
Operating Profit	37,296	54,599	(31.7%)	124,808	176,794	(29.4%)

Others refer to the commercial property rental operations, unallocated corporate overhead items and one-off items.

N.M. Not meaningful.

@ Denotes variance exceeding 300%.

Operating profit decreased 31.7% in Q3 with lower contribution from all three segments. For 9M, operating profit under "Property & others" included one-off gains from the divestment of Novation Solutions (S\$8.4 million) in Q1 and DataPost (S\$24.9 million) in Q2 last year.

Postal operating profit declined 6.6% and 5.4% in Q3 and 9M respectively, largely due to the decline in contribution from Domestic mail, and the shift in revenue mix towards lower margin international transshipment mail.

In Logistics, operating profit decreased 30.2% and 22.7% in Q3 and 9M respectively. These reflect costs incurred in relation to the new Regional eCommerce Logistics Hub, as well as pricing pressures in the eCommerce Logistics space.

Operating losses from eCommerce segment were S\$8.4 million and S\$18.7 million in Q3 and 9M, impacted by higher costs and challenges in the US eCommerce business. In particular, TradeGlobal's performance was impacted by cost pressures arising from tight competition in the Cincinnati area for seasonal fulfilment labour. Additionally, TradeGlobal's performance in Q3 was impacted by developments at two of its key customers, one of which decided to insource its eCommerce freight operations while another filed for bankruptcy under Chapter 11 of the US Bankruptcy Code. On the other hand, Jagged Peak showed good growth in volumes and revenue, and generated positive earnings for the Group.

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, which incurred higher depreciation cost as a result of business expansion. 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

Third quarter and nine month net profit attributable to equity holders declined 27.9% and 31.3% respectively.

Excluding one-off items, underlying net profit declined 28.5% from S\$43.9 million to S\$31.4 million in Q3 due mainly to operating losses in the US eCommerce business, costs related to the Regional eCommerce Logistics Hub as well as a decline in Postal operating profit due to lower domestic letter mail volumes.

Underlying net profit declined 22.6% from S\$121.8 million to S\$94.2 million in the nine months due largely to operating losses in the US eCommerce business, costs related to the Regional eCommerce Logistics Hub, loss of rental income arising from the SPC retail mall redevelopment as well as a decline in Postal operating profit.

Balance Sheet

The Group's total assets amounted to S\$2.7 billion as at 31 December 2016, compared to S\$2.4 billion as at 31 March 2016 on higher cash, investment properties, property, plant and equipment, intangible assets and trade receivables.

Total liabilities were S\$1.0 billion, compared to S\$854.3 million as at 31 March 2016. The increase was mainly due to higher short-term borrowings and trade and other payables. A foreign subsidiary has tax-related contingent liabilities which are yet to be determined.

Due to an increase in short-term borrowings, the Group showed a net current liability position of S\$182.3 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 31 December 2016, the Group was in a net debt position^[1] of S\$185.8 million. Total borrowings increased from S\$280.3 million as at 31 March 2016 to S\$414.9 million as at 31 December 2016. Interest coverage ratio^[2] remained healthy at 24.7 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 31 December 2016 at S\$1.2 billion, compared to the opening position as at 31 March 2016.

^[1] Cash and cash equivalents less borrowings

^[2] EBITDA to interest expense

Cash Flow

Net cash inflow from operating activities for the nine months amounted to S\$152.5 million, compared to S\$72.0 million last year. Operating cash inflow before working capital changes was down S\$4.2 million and working capital improved S\$84.6 million due to lower receivables and higher trade and other payables largely for settlement of terminal dues.

Net cash outflow for investing activities was S\$65.4 million, compared to S\$463.9 million for the same nine months last year. Capital expenditure of S\$158.8 million in the period comprised committed capital expenditures for the ongoing redevelopment of SPC retail mall and the construction of the Regional eCommerce Logistics Hub. This was partially offset by proceeds from the partial divestment of Quantum Solutions International.

Net cash inflow from financing activities was S\$15.4 million, compared to net cash outflow of S\$7.1 million last year, largely due to net proceeds from bank loans which have a positive carry.

- (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.**

SingPost continues to build its capabilities to transform from a Singapore postal company into a leading eCommerce logistics provider, which is fundamental to securing its future. SingPost has been working to integrate acquisitions and this will remain a priority.

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.

While the Logistics segment is expected to benefit from growing eCommerce trends, the industry faces tight operating margins. The focus is to increase volumes on the network so as to derive operating leverage from economies of scale but this will take time.

The Regional eCommerce Logistics Hub obtained TOP in April 2016 and enhanced SingPost's eCommerce logistics capabilities in the region. The facility has resulted in higher depreciation and operating expenses. This is a long-term investment, and there will not be any immediate benefits to the bottom line.

The eCommerce segment operates in an environment where margins are under pressure amid intense competition and changing consumer behaviour. The Group is facing challenges in the operating environment in the US. For the nine months ended 31 December 2016, TradeGlobal has not achieved the underlying profit assumptions of the business plan which supported the investment. TradeGlobal incurred a significant loss instead of a projected profit in the third quarter peak season and it is expected to make a loss for the full year. The business is being restructured to improve its performance.

Due to the poor performance of TradeGlobal, the Board of SingPost is of the view that there is a risk of significant impairment to TradeGlobal's carrying value. The Board will also be conducting a review of all the investments of SingPost. Impairments, if any, will be assessed based on the full financial year results and future plans for the businesses.

The redevelopment of SPC retail mall is expected to be completed around mid-2017, and leasing of the mall is on track. The Group continues to forgo rental income during the redevelopment.

For the rest of FY2016/17, there will be residual capital expenditure committed for the redevelopment of the SPC retail mall.

On 11 January 2017, SingPost completed the issuance of new shares to the Alibaba Group. This increased Alibaba's stake in SingPost to 14.4 per cent, up from 10.2 per cent, and has deepened the strategic partnership.

(11) Dividends

Current financial period reported on

Interim dividend

For the third quarter ended 31 December 2016, 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 9 March 2017. The transfer book and register of members of the Company will be closed on 27 February 2017 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 24 February 2017 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 third quarter ended 31 December 2015 was declared on 4 February 2016 and paid on 4 March 2016.

Dividend Policy

The dividend policy is based on a payout ratio ranging from 60% to 80% of underlying net profit for each financial year, paid quarterly.

(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 Quantum 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 third quarter and nine months ended 31 December 2016, 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)	
	FY2016/17 Q3 S\$'000	FY2015/16 Q3 S\$'000	FY2016/17 Q3 S\$'000	FY2015/16 Q3 S\$'000
Sales				
Singapore Telecommunications Group	-	-	12,565*	1,298*
	-	-	12,565	1,298
Purchases				
SATS Group	-	-	-	400*
SembCorp Group	-	-	300*	3,267
	-	-	300	3,667
Total interested person transactions	-	-	12,865	4,965

	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)	
	FY2016/17	FY2015/16	FY2016/17	FY2015/16
	9M S\$'000	9M S\$'000	9M S\$'000	9M S\$'000
Sales				
Mediacorp Group	-	-	-	799*
Postea Group	-	-	-	198*
Singapore Airlines Group	-	-	-	1,704*
Singapore Telecommunications Group	-	-	14,366*	2,952*
Starhub Group	-	-	759	860
	-	-	15,125	6,513
Purchases				
Certis Cisco Group	-	-	450	162*
PSA Corporation Limited	-	-	-	1,808*
SATS Group	-	-	-	57,239*
SembCorp Group	-	-	5,524*	3,267
Singapore Airlines Group	-	-	4,588	1,540
	-	-	10,562	64,016
Total interested person transactions	-	-	25,687	70,529

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 27 days 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.

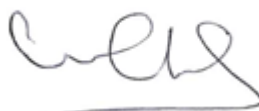
(16) Confirmation by the Board pursuant to rule 705(5) of the Listing Manual

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 third quarter and nine months ended 31 December 2016 to be false or misleading.

On behalf of the Board of Directors



MR SIMON CLAUDE ISRAEL
Chairman



MR SOO NAM CHOW
Director

Singapore
10 February 2017