



**SINGAPORE POST LIMITED
AND ITS SUBSIDIARIES**

(Registration number: 199201623M)

**SGXNET ANNOUNCEMENT
UNAUDITED RESULTS FOR THE
FIRST QUARTER ENDED 30 JUNE 2018**

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

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

Consolidated Income Statement

	FY2018/19 Q1 S\$'000	FY2017/18 Q1 S\$'000 (Restated)*	Variance %
Revenue	372,584	360,547	3.3%
Other income and gains (net)	1,706	2,755	(38.1%)
Labour and related expenses	(78,251)	(82,771)	(5.5%)
Volume-related expenses ¹	(200,341)	(188,621)	6.2%
Administrative and other expenses	(38,387)	(34,664)	10.7%
Depreciation and amortisation	(14,340)	(14,115)	1.6%
Selling expenses	(2,367)	(3,058)	(22.6%)
Finance expenses	(2,663)	(4,392)	(39.4%)
Total expenses	(336,349)	(327,621)	2.7%
Exceptional items ²	(5,962)	4,027	N.M.
Share of loss of associated companies and joint venture	(3,477)	(2,803)	(24.0%)
Profit before income tax	28,502	36,905	(22.8%)
Income tax expense	(11,626)	(8,377)	38.8%
Profit after tax	16,876	28,528	(40.8%)
Attributable to:			
Equity holders of the Company	18,715	31,375	(40.4%)
Non-controlling interests	(1,839)	(2,847)	35.4%
Operating profit ³	33,269	42,796	(22.3%)
Underlying net profit ⁴	24,677	27,348	(9.8%)
Earnings per share for results attributable to the equity holders of the Company during the period: ⁵			
- Basic	0.66 cents	1.22 cents	
- Diluted	0.66 cents	1.22 cents	

Notes

- Volume-related expenses comprise mainly of traffic expenses and cost of sales.
- Exceptional items comprised one-off items such as asset impairment, fair value changes on investment properties, gains or losses on sale of investments and property, plant and equipment and M&A related professional fees.
- Operating profit for the purposes of paragraph 8 "Review of the performance of the Group" is defined as profit before net interest expense, tax and share of profit or loss of associated companies and joint ventures.
- Underlying net profit is defined as net profit before exceptional items, net of tax.
- Earnings per share were calculated based on net profit attributable to equity holders of the Company less distribution attributable to perpetual securities holders, divided by the weighted average number of ordinary shares outstanding (excluding treasury shares).

N.M. Not meaningful.

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

Consolidated Statement of Comprehensive Income

	FY2018/19	FY2017/18	Variance
	Q1	Q1	%
	S\$'000	S\$'000	
		(Restated)	
Profit after tax	16,876	28,528	(40.8%)
Other comprehensive loss (net of tax):			
Items that may be reclassified subsequently to profit or loss:			
Financial assets at fair value	(8)	(81)	(90.1%)
Currency translation differences arising from consolidation - Gains / (losses)	2,532	(1,213)	N.M.
Other comprehensive gain / (loss) for the period (net of tax)	2,524	(1,294)	N.M.
Total comprehensive income for the period *	19,400	27,234	(28.8%)
Total comprehensive income attributable to:			
Equity holders of the Company	21,541	30,379	(29.1%)
Non-controlling interests	(2,141)	(3,145)	(31.9%)
	19,400	27,234	(28.8%)

* As shown in the Statement of Changes in Equity on page 8.

Underlying Net Profit Reconciliation Table

	FY2018/19	FY2017/18	Variance
	Q1	Q1	%
	S\$'000	S\$'000	
Profit attributable to equity holders of the Company	18,715	31,375	(40.4%)
Gains on disposal of property, plant and equipment	(24)	(61)	(60.7%)
Professional fees	28	718	(96.1%)
Fair value loss / (gain) on warrants from an associated company	5,958	(5,675)	N.M.
Provision for the restructuring of operation	-	991	N.M.
Underlying net profit	24,677	27,348	(9.8%)

N.M. Not meaningful.

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

	FY2018/19	FY2017/18	Variance
	Q1	Q1	
	S\$'000	S\$'000	%
		(Restated)	
Other income and gains (net)	1,706	2,755	(38.1%)
Interest on borrowings	2,369	2,839	(16.6%)
Depreciation and amortisation	14,340	14,115	1.6%
Allowance for doubtful debts and bad debts written off	297	301	(1.3%)
Foreign exchange losses	(355)	(622)	(42.9%)
Gains on disposal of property, plant and equipment	24	61	(60.7%)

N.M. Not meaningful.

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

	The Group			The Company		
	30-June-18 S\$'000	31-March-18 S\$'000 (Restated)*	1-April-17 S\$'000 (Restated)*	30-June-18 S\$'000	31-March-18 S\$'000 (Restated)*	1-April-17 S\$'000 (Restated)*
ASSETS						
Current assets						
Cash and cash equivalents	377,583	314,050	366,614	315,534	258,112	303,179
Other financial assets	4,165	1,921	4,301	4,165	1,921	3,954
Trade and other receivables	262,603	271,583	199,007	231,520	231,983	173,304
Derivative financial instruments	13,187	19,856	16,079	13,187	19,856	16,142
Inventories	903	959	4,450	21	66	107
Other current assets	22,405	18,204	17,174	9,191	7,867	5,180
	680,846	626,573	607,625	573,618	519,805	501,866
Non-current assets						
Other financial assets	32,947	35,460	36,010	32,688	35,201	35,748
Trade and other receivables	7,125	7,087	7,091	392,198	391,821	405,122
Investments in associated companies and joint ventures	112,385	114,925	117,783	15,366	15,366	14,849
Investments in subsidiaries	-	-	-	340,533	340,533	340,533
Investment properties	1,014,268	1,014,315	970,392	970,378	970,378	927,538
Property, plant and equipment	487,631	491,711	515,719	238,434	241,463	240,371
Intangible assets	386,626	385,730	400,683	-	-	-
Deferred income tax assets	3,585	3,197	6,218	-	-	-
Other non-current assets	3,561	5,137	5,198	-	-	-
	2,048,128	2,057,562	2,059,094	1,989,597	1,994,762	1,964,161
Total assets	2,728,974	2,684,135	2,666,719	2,563,215	2,514,567	2,466,027
LIABILITIES						
Current liabilities						
Trade and other payables	538,691	525,791	395,084	468,347	458,762	353,681
Current income tax liabilities	49,526	39,172	34,774	39,135	30,926	30,367
Contract liabilities	7,118	7,140	7,043	6,920	6,858	6,614
Deferred income	-	-	175	-	-	175
Derivative financial instruments	218	465	1,055	188	451	1,055
Borrowings	22,909	23,475	148,786	-	-	117,743
	618,462	596,043	586,917	514,590	496,997	509,635
Non-current liabilities						
Trade and other payables	22,030	23,468	44,462	1,358	1,358	2,070
Borrowings	225,313	220,503	215,199	201,376	201,569	202,318
Contract liabilities	43,712	45,484	52,624	43,691	45,444	52,302
Deferred income tax liabilities	53,089	52,392	62,547	22,822	23,253	22,603
	344,144	341,847	374,832	269,247	271,624	279,293
Total liabilities	962,606	937,890	961,749	783,837	768,621	788,928
NET ASSETS	1,766,368	1,746,245	1,704,970	1,779,378	1,745,946	1,677,099
EQUITY						
Capital and reserves attributable to the Company's equity holders						
Share capital	638,762	638,762	638,756	638,762	638,762	638,756
Treasury shares	(15,079)	(16,023)	(1,227)	(15,079)	(16,023)	(1,227)
Other reserves	84,272	81,667	89,628	37,875	38,104	37,249
Retained earnings	669,673	654,667	579,418	767,285	738,277	655,495
Ordinary equity	1,377,628	1,359,073	1,306,575	1,428,843	1,399,120	1,330,273
Perpetual securities	350,535	346,826	346,826	350,535	346,826	346,826
	1,728,163	1,705,899	1,653,401	1,779,378	1,745,946	1,677,099
Non-controlling interests	38,205	40,346	51,569	-	-	-
Total equity	1,766,368	1,746,245	1,704,970	1,779,378	1,745,946	1,677,099

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

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

	Jun-18	Mar-18
	S\$'000	S\$'000
Amount repayable in one year or less, or on demand		
- Borrowings (secured)	5,909	6,475
- Borrowings (unsecured)	17,000	17,000
Amount repayable after one year:		
- Borrowings (secured)	23,937	18,934
- Borrowings (unsecured)	201,376	201,569
	248,222	243,978

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 assets of a subsidiary, or guaranteed by a director of a subsidiary with non-controlling interests.

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

	The Group	
	FY2018/19 Q1 S\$'000	FY2017/18 Q1 S\$'000 (Restated)*
Cash flows from operating activities		
Profit after tax	16,876	28,528
Adjustments for:		
Income tax expense	11,626	8,377
Allowance for doubtful debts and bad debts written off	297	301
Amortisation of contract liabilities	(1,794)	(2,266)
Amortisation of deferred income	-	(45)
Amortisation of intangible assets	2,629	2,369
Depreciation	11,711	11,860
Gains on disposal of property, plant and equipment	(24)	(61)
Loss / (gain) on derivative instruments	5,958	(5,675)
Share-based staff costs	470	385
Interest expense	2,369	2,839
Interest income	(1,373)	(1,304)
Share of loss of associated companies and joint venture	3,477	2,803
	35,346	19,583
Operating cash flow before working capital changes	52,222	48,111
Changes in working capital, net of effects from acquisition and disposal of subsidiaries		
Inventories	56	147
Trade and other receivables	7,140	(22,868)
Trade and other payables	13,197	33,746
Cash generated from operations	72,615	59,136
Income tax paid	(1,362)	(715)
Net cash provided by operating activities	71,253	58,421
Cash flows from investing activities		
Additions to property, plant and equipment, investment properties and intangible assets	(9,155)	(26,391)
Interest received	1,041	1,008
Proceeds from sale of financial assets	106	-
Proceeds from disposal of property, plant and equipment	43	75
Net cash used in investing activities	(7,965)	(25,308)
Cash flows from financing activities		
Interest paid	(4,020)	(436)
Purchase of treasury shares	-	(2,906)
Proceeds from re-issuance of treasury shares	253	-
Proceeds from bank loans	42,727	22,292
Repayment of bank loans	(38,715)	(54,316)
Net cash provided by / (used in) financing activities	245	(35,366)
Net increase / (decrease) in cash and cash equivalents	63,533	(2,253)
Cash and cash equivalents at beginning of financial period /year	314,050	366,614
Cash and cash equivalents at end of financial period	377,583	364,361

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

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

The Group – Q1

	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 April 2018									
As previously reported	638,762	(16,023)	716,159	63,826	1,402,724	346,826	1,749,550	40,346	1,789,896
Effects of changes from adoption of SFRS(I)s	-	-	(61,492)	17,841	(43,651)	-	(43,651)	-	(43,651)
Restated	638,762	(16,023)	654,667	81,667	1,359,073	346,826	1,705,899	40,346	1,746,245
Total comprehensive income / (loss) for the period	-	-	18,715	2,826	21,541	-	21,541	(2,141)	19,400
Transactions with owners, recognised directly in equity									
Distribution of perpetual securities	-	-	(3,709)	-	(3,709)	3,709	-	-	-
Employee share option scheme:									
- Value of employee services	-	-	-	470	470	-	470	-	470
- Treasury shares re-issued	-	944	-	(691)	253	-	253	-	253
Total	-	944	(3,709)	(221)	(2,986)	3,709	723	-	723
Balance at 30 June 2018	638,762	(15,079)	669,673	84,272	1,377,628	350,535	1,728,163	38,205	1,766,368
Balance at 1 April 2017	638,756	(1,227)	650,007	71,787	1,359,323	346,826	1,706,149	51,569	1,757,718
Effects of changes from adoption of SFRS(I)s	-	-	(70,589)	17,841	(52,748)	-	(52,748)	-	(52,748)
Restated	638,756	(1,227)	579,418	89,628	1,306,575	346,826	1,653,401	51,569	1,704,970
Total comprehensive income / (loss) for the period (restated)	-	-	31,375	(996)	30,379	-	30,379	(3,145)	27,234
Transactions with owners, recognised directly in equity									
Distribution of perpetual securities	-	-	(3,709)	-	(3,709)	3,709	-	-	-
Employee share option scheme:									
- Value of employee services	-	-	-	385	385	-	385	-	385
- Treasury shares re-issued	-	940	-	(940)	-	-	-	-	-
Purchase of treasury shares	-	(2,906)	-	-	(2,906)	-	(2,906)	-	(2,906)
Total	-	(1,966)	(3,709)	(555)	(6,230)	3,709	(2,521)	-	(2,521)
Balance at 30 Jun 2017	638,756	(3,193)	607,084	88,077	1,330,724	350,535	1,681,259	48,424	1,729,683

The Company – Q1

	Attributable to ordinary shareholders of the Company						
	Share capital	Treasury shares	Retained earnings	Other reserves	Total	Perpetual securities	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 April 2018							
As previously reported	638,762	(16,023)	741,034	38,104	1,401,877	346,826	1,748,703
Effects of changes from adoption of SFRS(I)s	-	-	(2,757)	-	(2,757)	-	(2,757)
Restated	638,762	(16,023)	738,277	38,104	1,399,120	346,826	1,745,946
Total comprehensive income / (loss) for the period	-	-	32,717	(8)	32,709	-	32,709
<i>Transactions with owners, recognised directly in equity</i>							
Distribution on perpetual securities	-	-	(3,709)	-	(3,709)	3,709	-
Employee share option scheme:							
- Value of employee services	-	-	-	470	470	-	470
- Treasury shares re-issued	-	944	-	(691)	253	-	253
Total	-	944	(3,709)	(221)	(2,986)	3,709	723
Balance at 30 June 2018	638,762	(15,079)	767,285	37,875	1,428,843	350,535	1,779,378
Balance at 1 April 2017							
As previously reported	638,756	(1,227)	657,628	37,249	1,332,406	346,826	1,679,232
Effects of changes from adoption of SFRS(I)s	-	-	(2,133)	-	(2,133)	-	(2,133)
Restated	638,756	(1,227)	655,495	37,249	1,330,273	346,826	1,677,099
Total comprehensive income / (loss) for the period (restated)	-	-	37,449	(81)	37,368	-	37,368
<i>Transactions with owners, recognised directly in equity</i>							
Distribution on perpetual securities	-	-	(3,709)	-	(3,709)	3,709	-
Employee share option scheme:							
- Value of employee services	-	-	-	385	385	-	385
- Treasury shares re-issued	-	940	-	(940)	-	-	-
Purchase of treasury shares	-	(2,906)	-	-	(2,906)	-	(2,906)
Total	-	(1,966)	(3,709)	(555)	(6,230)	3,709	(2,521)
Balance at 30 June 2017	638,756	(3,193)	689,235	36,613	1,361,411	350,535	1,711,946

- (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 first quarter ended 30 June 2018, no share was issued under the Singapore Post Share Option Scheme.

As at 30 June 2018, there were unexercised options for 20,523,000 (30 June 2017: 31,206,000) unissued ordinary shares under the Singapore Post Share Option Scheme (including Performance Option Plan but excluding Restricted Share Plan) and unvested shares for 5,921,182 (30 June 2017: 1,476,824) unissued ordinary shares under the Restricted Share Plan.

As at 30 June 2018, the Company held 11,594,283 treasury shares (30 June 2017: 2,508,405).

- (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 June 2018, total issued shares excluding treasury shares were 2,263,495,242 (31 March 2018: 2,262,762,720).

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

During the first quarter ended 30 June 2018, the Company re-issued 232,000 treasury shares at prices ranging from \$1.07 to \$1.10 upon the exercise of options granted under the Singapore Post Share Option Scheme and 500,522 treasury shares at a prices ranging from S\$1.04 to S\$1.316 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 2018.

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

Reclassification of revenue and expenses

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

- (i) Revenue from merchant of record service is presented on a net basis; and
- (ii) Labour costs from contract hires are reclassified from "Labour and related expenses" to "Volume-related expenses".

	FY2017/18 Q1	FY2017/18 Q1
Group Profit or Loss and Consolidated Statement of Comprehensive income	Previously reported S\$'000	After Restatement S\$'000
Revenue	354,122	351,048
Labour and related expenses	89,433	82,771
Volume-related expenses	185,033	188,621

In addition to the above, rental revenue from commercial properties has been reclassified from "Other income and gains" to "Revenue".

Adoption of a new financial reporting framework

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

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

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

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

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

(i) Currency translation

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

(ii) Fair value of property, plant and equipment

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

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

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

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

(i) Classification and measurement

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

(ii) Impairment of financial assets

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

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

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

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

d) Comparative

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

		FY2017/18 Q1		FY2017/18 Q1				
Group Profit or Loss and Consolidated Statement of Comprehensive income		Reported under SFRS S\$'000		Reported under SFRS(I) S\$'000				
Revenue		351,048		351,505				
Depreciation and amortisation		14,566		14,115				
Interest expenses		2,333		2,839				
Profit for the period		28,126		28,528				
Attributable to:								
Shareholders of the Company		30,973		31,375				
Non-controlling interests		(2,847)		(2,847)				
Earnings per share								
- basic		1.20 cents		1.22 cents				
- diluted		1.20 cents		1.22 cents				
Total comprehensive income for the period		26,832		27,234				
Attributable to:								
Shareholders of the Company		29,977		30,379				
Non-controlling interests		(3,145)		(3,145)				
Group Consolidated Statement of Financial Position		Note	As at 31/3/18 reported under SFRS S\$'000	Effect of transition and adoption of SFRS(I) S\$'000	As at 31/3/18 reported under SFRS(I) S\$'000	As at 1/4/17 reported under SFRS S\$'000	Effect of transition and adoption of SFRS(I) S\$'000	As at 1/4/17 reported under SFRS(I) S\$'000
Equity								
Retained earnings	5a & 5c	716,159	(61,492)	654,667	650,007	(70,589)	579,418	
Foreign currency translation reserve	5a	(25,145)	17,841	(7,304)	(17,841)	17,841	-	
Total equity		1,789,896	(43,651)	1,746,245	1,757,718	(52,748)	1,704,970	
Non-current assets								
Property, plant and equipment	5a	532,283	(40,572)	491,711	565,583	(49,864)	515,719	
Total non-current assets		2,098,134	(40,572)	2,057,562	2,108,958	(49,864)	2,059,094	
Non-current liabilities								
Deferred income	5c	7,238	(7,238)	-	7,413	(7,238)	175	
Contract liabilities	5c	-	7,140	7,140	-	7,043	7,043	
Current liabilities								
Deferred income	5c	42,307	(42,307)	-	49,545	(49,545)	-	
Contract liabilities	5c	-	45,484	45,484	-	52,624	52,624	
Total current assets		626,573	-	626,573	607,625	-	607,625	
Net assets		1,789,896	(43,651)	1,746,245	1,757,718	(52,748)	1,704,970	

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

	The Group	
	FY2018/19	FY2017/18
	Q1	Q1
		(Restated)
Based on weighted average number of ordinary shares in issue	0.66 cents	1.22 cents
On fully diluted basis	0.66 cents	1.22 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	
	Jun-18	Mar-18	Jun-18	Mar 18
		(Restated)		(Restated)
Net asset value per ordinary share based on issued share capital of the Company at the end of the financial period (cents)	76.35	75.39	78.61	77.16

	The Group		The Company	
	Jun-18	Mar-18	Jun-18	Mar 18
		(Restated)		(Restated)
Ordinary equity per ordinary share based on issued share capital of the Company at the end of the financial period (cents)	60.86	60.06	63.13	61.83

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

First Quarter Ended 30 June 2018

Revenue

	FY18/19	FY17/18	
	Q1	Q1	Variance
	S\$'000	S\$'000	%
		(Restated)	
Post and Parcel	185,961	175,980	5.7%
Logistics	120,362	123,044	(2.2%)
eCommerce	55,217	57,706	(4.3%)
Property	22,632	17,050	32.7%
Inter-segment eliminations*	(11,588)	(13,233)	12.4%
Total	372,584	360,547	3.3%

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

From 1 April 2018, SingPost Group has reclassified the reporting of certain business units into four key business segments, namely Post and Parcel, Logistics, eCommerce and Property.

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

Logistics segment comprises the Logistics businesses of the Group. This includes Quantum Solutions, Couriers Please and Famous Holdings.

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

Property segment includes commercial property rental, as well as the self-storage business of General Storage Company ("GSC").

Operating Revenue

Group operating revenue rose 3.3% for the first quarter ("Q1") ended 30 June 2018, with growth driven by International mail and Property.

Post and Parcel revenue rose 5.7%. International mail and SP Parcels revenue rose due to higher eCommerce deliveries for both cross-border and domestic Singapore. This helped offset the impact of lower domestic letter mail volumes.

In the Logistics segment, revenue declined 2.2% in Q1, largely due to lower volumes recorded in the freight forwarding business.

In the eCommerce segment, revenue declined 4.3% largely due to the US businesses, as pricing pressures resulted in the price per order declining compared to last year.

Property segment revenue, which comprises commercial property rental and revenue from GSC, rose 32.7%, due to the SingPost Centre retail mall which reopened in October 2017 after a period of redevelopment. Committed occupancy for the mall improved to 96.7% as at 30 June 2018, from 95.6% as at 31 March 2018.

Other Income

Miscellaneous other income was S\$1.7 million in Q1, compared to S\$2.8 million in the corresponding period last year, due to lower gains on trade-related foreign exchange differences.

Total Expenses

Total expenses increased 2.7% in Q1, largely due to the increase in volume-related expenses, as the Group seeks to grow eCommerce volumes to benefit from economies of scale from operating leverage.

Volume-related expenses remain the largest cost component for the Group, and rose 6.2% in Q1 due largely to higher International mail terminal dues.

Labour and related expenses declined by 5.5% on cost management initiatives.

Administrative and other expenses rose 10.7%, largely due to higher insurance and property tax expenses.

Operating Profit

	FY2018/19 Q1 S\$'000	FY2017/18 Q1 S\$'000 (Restated)	Variance %
Post and Parcel	41,770	43,418	(3.8%)
Logistics	86	(2,452)	N.M.
eCommerce	(9,313)	(4,800)	(94.0%)
Property	13,204	7,901	67.1%
Others*	(6,516)	(5,298)	(23.0%)
Operating profit before exceptional items	39,231	38,769	1.2%
Exceptional items	(5,962)	4,027	N.M.
Operating profit	33,269	42,796	(22.3%)

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

Operating Profit

In the Post and Parcel segment, contribution from SP Parcels rose with strong growth in domestic eCommerce last-mile deliveries, which helped mitigate the decline from domestic letter mails. For International mail, the Group had implemented measures which helped mitigate the adverse impact of higher terminal dues. However, margins were lower compared to last year. Consequently, Post and Parcel operating profit declined 3.8%.

The Logistics segment registered operating profit of S\$0.1 million compared to operating losses of S\$2.5 million last year, due largely to the turnaround in Quantum Solutions, which narrowed its losses by 44.6% compared to the corresponding quarter last year. Earnings contribution from Famous Holdings and Couriers Please rose.

In the eCommerce segment, operating losses rose to S\$9.3 million compared to S\$4.8 million in the prior year. This was largely due to the US Businesses, which experienced pricing pressures that resulted in the price per order declining versus last year, as well as a change in sales mix with a decline in fulfillment revenue with higher gross margins, and growth in freight revenue which had a significantly lower gross margin. Further, there was an increase in technical labour cost to support business integration efforts.

Under Property, operating profit rose 67.1% to S\$13.2 million, boosted by rental income from the SingPost Centre retail mall.

Under the Others segment, expenses were S\$6.5 million, compared to S\$5.3 million in the same period last year, due largely to trade-related foreign exchange losses compared to gains in the same period last year.

Exceptional Items

In Q1, the Group recorded an exceptional loss of S\$6.0 million due mainly to fair value loss on warrants from an associated company, compared to an exceptional gain of S\$4.0 million last year due mainly to fair value gain of the same warrants.

Consequently, Group Operating profit declined 22.3% to S\$33.3 million.

Excluding exceptional items, Group Operating profit rose 1.2% in Q1, led by higher Property contribution.

Share of Results of Associated Companies and Joint Venture

Share of results of associated companies and joint venture declined 24.0% largely due to an associated company in China, which incurred higher expenses as it continues to invest in warehousing and infrastructure for growth.

Income Tax Expense

Income tax expense rose 38.8% to S\$11.6 million largely due to an additional tax provision for a foreign subsidiary.

Net Profit and Underlying Net Profit

Net profit attributable to equity holders declined 40.4% to S\$18.7 million in Q1 due to exceptional items and higher tax.

Underlying net profit declined 9.8% to S\$24.7 million as the improved operating profit before exceptional items was offset by lower associates' contribution and higher taxes.

Statement of Financial Position

The Group's total assets amounted to S\$2.7 billion as at 30 June 2018, higher than as at 31 March 2018, due largely to higher cash and cash equivalents, contributed by cash from operations.

Current assets rose to S\$680.8 million from S\$626.6 million.

Current other financial assets increased from S\$1.9 million to S\$4.2 million due to a reclassification from the non-current portion of bonds.

Current trade and other receivables declined from S\$271.6 million as at 31 March 2018 to S\$262.6 million as at 30 June 2018, with a decrease in outstanding amount driven by higher collection of outstanding receivables.

Current derivative financial instruments declined from S\$19.9 million to S\$13.2 million due to fair value losses on warrants held in an associated company.

Other current assets rose from S\$18.2 million to S\$22.4 million due to increase in prepayments of certain fees and higher security deposits, both in relation to the property business.

Under non-current assets, other financial assets declined to S\$32.9 million from S\$35.5 million, due largely to a reclassification to current portion of bonds as mentioned above.

The Group's total liabilities were S\$962.6 million as at 30 June 2018, compared to S\$937.9 million as at 31 March 2018.

Current liabilities rose to S\$618.5 million from S\$596.0 million.

Current trade and other payables rose to S\$538.7 million from S\$525.8 million, due largely to higher balances arising from higher international mail trade payables in line with increased eCommerce volumes.

Current income tax liabilities rose to S\$49.5 million from S\$39.2 million due to income tax provisioning for the period.

Non-current trade and other payables declined to S\$22.0 million from S\$23.5 million due to a partial reclassification of about S\$1.6 million to the current portion of trade and other payables.

Non-current contract liabilities mainly relates to upfront payments received from our postassurance collaboration with AXA Life Insurance Singapore Private Limited for which a financing component exists. The decline to S\$43.7 million from S\$45.5 million was mainly due to amortisation for the period.

Total borrowings rose marginally from S\$244.0 million as at 31 March 2018 to S\$248.2 million as at 30 June 2018.

A foreign subsidiary has tax-related contingent liabilities which are yet to be determined.

As at 30 June 2018, the Group was in a net cash position of S\$129.4 million, compared to S\$70.1 million as at 31 March 2018.

Interest coverage ratio stands at 18.6 times as at 30 June 2018 compared to 21.3 times as at 31 March 2018.

Ordinary shareholders' equity was slightly higher at S\$1.4 billion as at 30 June 2018, compared to 31 March 2018 due to retained profit for the period.

Cash Flow

Net cash inflow from operating activities for the quarter ended 30 June 2018 rose to S\$71.3 million, from S\$58.4 million for the quarter ended 30 June 2017. Operating cash flow before working capital changes rose to S\$52.2 million from S\$48.1 million, while working capital movement improved to S\$20.4 million from S\$11.0 million.

With the completion of the SingPost Centre retail mall redevelopment, capital expenditure declined to S\$9.2 million for the quarter, compared to S\$26.4 million in the corresponding period last year.

As a result, net cash outflow for investing activities for the quarter declined to S\$8.0 million compared to S\$25.3 million last year.

Net cash inflow from financing activities for the quarter was S\$0.2 million, compared to outflow of S\$35.4 million in the same period last year. This was largely due to net receipts of bank borrowings of S\$4.0 million, compared to net repayment of S\$32.0 million of bank borrowings last year.

Last year, the Group also recorded outflows of S\$2.9 million for the purchase of treasury shares.

(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.**

The Group remains well-positioned to benefit from the strong growth in global eCommerce and last-mile deliveries.

Domestic mail volumes are expected to trend downwards. While international mail has grown due to cross-border eCommerce deliveries, transshipment competition continues to be intense and volumes may come under pressure, especially with higher terminal dues. As part of our mitigating measures, we are managing our revenue mix while keeping focused on margins and profitability.

The Group is integrating its eCommerce and Logistics businesses to derive synergy benefits. The US market remains challenging, and we continue to focus on our turnaround plan and the coming peak season.

We are executing a cost transformation program to optimise the Group's cost base, for competitiveness in the eCommerce logistics space.

- (11) Dividends**

Current financial period reported on

Interim dividend

In relation to financial period ended 30 June 2018, the Board of Directors has declared an interim dividend of 0.50 cent per ordinary share (tax exempt one-tier).

The interim quarterly dividend of 0.50 cent per ordinary share will be paid on 31 August 2018. The transfer book and register of members of the Company will be closed on 20 August 2018 for the preparation of dividend warrants. Duly completed registrable transfers of the ordinary shares in the capital of the Company received by the Company's registrar up to 5.00 pm on 17 August 2018 will be registered to determine members' entitlements to the dividend.

Corresponding period of the immediately preceding financial year

Interim dividend

An interim dividend of 0.50 cent per ordinary share (tax exempt one-tier) in relation to the first quarter ended 30 June 2017 was declared on 4 August 2017 and paid on 31 August 2017.

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

- ◆ **Post and Parcel** segment comprises the core Postal and Singapore Parcel delivery business of the Group. This includes Domestic mail, International mail, vPost, products and services transacted at the Post Offices, as well as Parcel deliveries in Singapore.
- ◆ **Logistics** segment comprises the Logistics businesses of the Group. This includes Quantum Solutions, Couriers Please and Famous Holdings. The comparative period last year had included the Singapore Parcel delivery business SP Parcels, self-storage business General Storage Company (“GSC”) and other logistics businesses, which have accordingly been adjusted to Post and Parcel (for SP Parcels) and Property (for GSC).
- ◆ **eCommerce** segment comprises the front-end related eCommerce businesses. This includes SP eCommerce in Asia Pacific, as well as our US eCommerce businesses, TradeGlobal and Jagged Peak.
- ◆ **Property** segment includes the provision of commercial property rental, as well as the self-storage business of GSC.

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

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

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

(14) Interested Person Transactions

During the first quarter ended 30 June 2018, the following interested person transactions were entered into by the Group:

	Aggregate value of all interested person transactions during the financial period (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)		Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)	
	FY2018/19 Q1 S\$'000	FY2017/18 Q1 S\$'000	FY2018/19 Q1 S\$'000	FY2017/18 Q1 S\$'000
Sales				
Mediacorp Group	-	-	-	370*
Singapore Airlines Group	-	-	-	-
Singapore Telecommunications Group	-	-	-	192
Starhub Group	-	-	558	638
	-	-	558	1,200
Purchases				
Certis Cisco Group	-	-	-	-
PSA Corporation	-	-	151	-
Sembcorp Group	-	-	-	-
Singapore Airlines Group	-	-	5,100	4,248
	-	-	5,251	4,248
Total interested person transactions	-	-	5,809	5,448

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 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 first quarter ended 30 June 2018 to be false or misleading.

On behalf of the Board of Directors



MR SIMON CLAUDE ISRAEL
Chairman



MR PAUL COUTTS
Director

Singapore

3 August 2018