



**SINGAPORE POST LIMITED  
AND ITS SUBSIDIARIES**  
(Registration number: 199201623M)

**SGXNET ANNOUNCEMENT  
UNAUDITED RESULTS FOR THE  
FOURTH QUARTER AND  
FINANCIAL YEAR ENDED 31 MARCH 2017**

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

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

**Consolidated Income Statement**

	FY2016/17 Q4 S\$'000	FY2015/16 Q4 S\$'000 (Restated)	Variance %	FY2016/17 Full Year S\$'000	FY2015/16 Full Year S\$'000 (Restated)	Variance %
Revenue	324,009	317,579	2.0%	1,348,502	1,151,542	17.1%
Other income and gains (net)						
- Rental and property-related income	8,807	9,486	(7.2%)	36,574	39,373	(7.1%)
- Miscellaneous	7,332	(67)	N.M.	9,777	11,992	(18.5%)
Labour and related expenses	<b>(84,110)</b>	(79,616)	5.6%	<b>(345,099)</b>	(300,444)	14.9%
Volume-related expenses <sup>1</sup>	<b>(169,610)</b>	(159,685)	6.2%	<b>(688,653)</b>	(535,425)	28.6%
Administrative and other expenses	<b>(36,469)</b>	(41,821)	(12.8%)	<b>(144,336)</b>	(131,942)	9.4%
Depreciation and amortisation	<b>(15,996)</b>	(8,539)	87.3%	<b>(51,018)</b>	(31,886)	60.0%
Selling expenses	<b>(6,204)</b>	(2,959)	109.7%	<b>(15,298)</b>	(10,025)	52.6%
Finance expenses	<b>(5,378)</b>	(2,755)	95.2%	<b>(5,674)</b>	(10,365)	(45.3%)
Total expenses	<b>(317,767)</b>	(295,375)	7.6%	<b>(1,250,078)</b>	(1,020,087)	22.5%
Exceptional items <sup>2</sup>	<b>(93,058)</b>	73,583	N.M.	<b>(88,653)</b>	95,342	N.M.
Share of (loss) / profit of associated and joint ventures	<b>(1,881)</b>	5,454	N.M.	<b>(1,177)</b>	9,066	N.M.
(Loss) / profit before income tax	<b>(72,558)</b>	110,660	N.M.	<b>54,945</b>	287,228	(80.9%)
Income tax expense	<b>1,766</b>	(3,804)	N.M.	<b>(25,233)</b>	(34,189)	(26.2%)
<b>Total (loss) / profit</b>	<b>(70,792)</b>	106,856	N.M.	<b>29,712</b>	253,039	(88.3%)
Attributable to:						
Equity holders of the Company	<b>(65,246)</b>	105,379	N.M.	<b>33,403</b>	248,910	(86.6%)
Non-controlling interests	<b>(5,546)</b>	1,477	N.M.	<b>(3,691)</b>	4,129	N.M.
<b>Operating (loss) / profit<sup>3</sup></b>	<b>(66,451)</b>	107,465	N.M.	<b>58,357</b>	284,259	(79.5%)
<b>Underlying Net Profit<sup>4</sup></b>	<b>21,368</b>	31,796	(32.8%)	<b>115,612</b>	153,568	(24.7%)
<b>Exceptional items</b>	<b>(93,058)</b>	73,583		<b>(88,653)</b>	95,342	
- Other (losses) / income and gains (net)	<b>(81,622)</b>	75,092		<b>(76,726)</b>	109,201	
- Administrative and other expenses	<b>(2,087)</b>	(1,509)		<b>(2,578)</b>	(13,859)	
- Impairment	<b>(9,349)</b>	-		<b>(9,349)</b>	-	
(Loss) / earnings per share for results attributable to the equity holders of the Company during the period / year: <sup>5</sup>						
- Basic	<b>(3.03 cents)</b>	4.36 cents		<b>0.85 cents</b>	10.86 cents	
- Diluted	<b>(3.03 cents)</b>	4.35 cents		<b>0.84 cents</b>	10.83 cents	

**Notes**

- 1 Volume-related expenses comprise mainly of traffic expenses and cost of sales.
- 2 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.
- 3 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.
- 4 Underlying net profit is defined as net profit before exceptional items, net of tax.
- 5 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 Q4 S\$'000	FY2015/16 Q4 S\$'000	Variance %	FY2016/17 Full Year S\$'000	FY2015/16 Full Year S\$'000	Variance %
<b>Total (loss) / profit</b>	<b>(70,792)</b>	106,856	N.M.	<b>29,712</b>	253,039	(88.3%)
<b>Other comprehensive income / (loss) (net of tax):</b>						
<b>tax)</b>						
<b>Items that may be reclassified subsequently to profit or loss:</b>						
Available for sale financial assets - fair value gains / (losses)	472	60	@	446	(637)	N.M.
Currency translation differences arising from Consolidation						
- (Losses) / gains	(12,407)	(20,243)	(38.7%)	6,797	(18,913)	N.M.
- Transfers to profit & loss arising from disposals of subsidiaries and associates	-	-	-	73	(2,026)	N.M.
Revaluation gain on property, plant and equipment upon transfer to investment properties	17,386	20,029	(13.2%)	17,386	20,029	(13.2%)
<b>Other comprehensive income/(loss) for the period / year (net of tax)</b>	<b>5,451</b>	(154)	N.M.	<b>24,702</b>	(1,547)	N.M.
<b>Total comprehensive income for the period / year*</b>	<b>(65,341)</b>	106,702	N.M.	<b>54,414</b>	251,492	(78.4%)
Total comprehensive (loss)/ income attributable to:						
Equity holders of the Company	(60,851)	107,452	N.M.	58,008	246,794	(76.5%)
Non-controlling interests	(4,490)	(750)	@	(3,594)	4,698	N.M.
	<b>(65,341)</b>	106,702	N.M.	<b>54,414</b>	251,492	(78.4%)

\* As shown in the Statement of Changes in Equity on pages 8 and 9.

## Underlying Net Profit Reconciliation Table

	FY2016/17 Q4 S\$'000	FY2015/16 Q4 S\$'000	Variance %	FY2016/17 Full Year S\$'000	FY2015/16 Full Year S\$'000	Variance %
Profit attributable to equity holders of the Company	(65,246)	105,379	N.M.	33,403	248,910	(86.6%)
Loss on disposal of property, plant and equipment	663	3,408	(80.5%)	659	2,242	(70.6%)
Gain on sale of investments	-	(78,500)	N.M.	-	(111,443)	N.M.
Gain on dilution of interest in an associated company	-	-	-	(4,892)	-	N.M.
M & A related professional fees	1,129	1,509	(25.2%)	1,620	13,859	(88.3%)
Impairment of goodwill, investments and property, plant and equipment (net of tax)*	208,619	-	N.M.	208,619	-	N.M.
Fair value gains on investment properties (net)	(108,744)	-	N.M.	(108,744)	-	N.M.
Fair value gain on warrants from an associated company	(16,011)	-	N.M.	(16,011)	-	N.M.
Provision for the restructuring of overseas operation	958	-	N.M.	958	-	N.M.
<b>Underlying Net Profit</b>	<b>21,368</b>	31,796	(32.8%)	<b>115,612</b>	153,568	(24.7%)

N.M. Not meaningful.

@ Denotes variance exceeding 300%.

\* Includes a \$20.6M gain arising from the full write-back of contingent consideration for a subsidiary assessed to be no longer payable. This write-back was offset by a purchase price adjustment that reduced the carrying value of goodwill on acquisition of this subsidiary by the same amount of the write-back.

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

	<b>FY2016/17</b>	FY2015/16		<b>FY2016/17</b>	FY2015/16	
	<b>Q4</b>	Q4	Variance	<b>Full Year</b>	Full Year	Variance
	<b>S\$'000</b>	S\$'000	%	<b>S\$'000</b>	S\$'000	%
Other operating income and interest income	<b>16,139</b>	9,419	71.4%	<b>46,351</b>	51,365	(9.8%)
Interest on borrowings	<b>2,336</b>	2,134	9.5%	<b>8,846</b>	7,766	13.9%
Depreciation, amortisation and impairment	<b>25,459</b>	8,890	186.4%	<b>60,875</b>	33,290	82.9%
Allowance for doubtful debts and bad debts written off	<b>3,184</b>	679	@	<b>2,940</b>	1,189	147.3%
Foreign exchange gains / (losses)	<b>2,156</b>	(1,947)	N.M.	<b>4,551</b>	1,894	140.3%
Gain on dilution of investment in associated company	-	-	-	<b>4,892</b>	-	N.M.
(Loss) / gains on sale of investments, property, plant and equipment	<b>(663)</b>	75,346	N.M.	<b>(315)</b>	109,856	N.M.
Fair value gains in investment properties (net)	<b>(108,744)</b>	-	N.M.	<b>(108,744)</b>	-	N.M.
Stock obsolescence	<b>81</b>	128	(36.7%)	<b>141</b>	128	10.2%
Impairment / (write-off) of intangible assets	<b>205,714</b>	256	@	<b>205,714</b>	256	@

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	
	Mar-17 S\$'000	Mar-16 S\$'000 (Restated)*	Mar-17 S\$'000	Mar-16 S\$'000
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	366,614	126,640	303,179	49,626
Financial assets	4,301	8,127	3,954	7,780
Trade and other receivables	199,007	210,177	173,304	194,719
Derivative financial instruments	16,079	846	16,142	846
Inventories	4,450	4,499	107	367
Other current assets	17,174	17,206	5,180	4,915
	<b>607,625</b>	<b>367,495</b>	<b>501,866</b>	<b>258,253</b>
<b>Non-current assets</b>				
Financial assets	36,010	38,083	35,748	37,832
Trade and other receivables	7,091	5,351	405,122	563,193
Investments in associated companies and joint ventures	117,783	146,401	14,849	14,348
Investments in subsidiaries	-	-	340,533	356,229
Investment properties	970,392	745,844	927,538	760,842
Property, plant and equipment	565,583	517,376	240,371	241,943
Intangible assets	400,683	593,984	-	227
Deferred income tax assets	6,218	5,544	-	-
Other non-current asset	5,198	6,408	-	-
	<b>2,108,958</b>	<b>2,058,991</b>	<b>1,964,161</b>	<b>1,974,614</b>
<b>Total assets</b>	<b>2,716,583</b>	<b>2,426,486</b>	<b>2,466,027</b>	<b>2,232,867</b>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Trade and other payables	395,084	385,679	353,681	274,432
Current income tax liabilities	34,774	35,918	30,367	29,950
Deferred income <sup>1</sup>	7,413	7,268	7,413	7,268
Derivative financial instruments	1,055	801	1,055	759
Borrowings	148,786	71,090	117,743	33,000
	<b>587,112</b>	<b>500,756</b>	<b>510,259</b>	<b>345,409</b>
<b>Non-current liabilities</b>				
Trade and other payables	44,462	32,225	2,070	-
Borrowings	215,199	209,182	202,318	203,044
Deferred income <sup>1</sup>	49,545	56,785	49,545	56,785
Deferred income tax liabilities	62,547	66,035	22,603	19,199
	<b>371,753</b>	<b>364,227</b>	<b>276,536</b>	<b>279,028</b>
<b>Total liabilities</b>	<b>958,865</b>	<b>864,983</b>	<b>786,795</b>	<b>624,437</b>
<b>NET ASSETS</b>	<b>1,757,718</b>	<b>1,561,503</b>	<b>1,679,232</b>	<b>1,608,430</b>
<b>EQUITY</b>				
Capital and reserves attributable to the Company's equity holders				
Share capital	638,756	448,775	638,756	448,775
Treasury shares	(1,227)	(2,116)	(1,227)	(2,116)
Other reserves	71,787	7,258	37,249	34,713
Retained earnings	650,007	749,647	657,628	780,232
Ordinary equity	1,359,323	1,203,564	1,332,406	1,261,604
Perpetual securities <sup>2</sup>	346,826	346,826	346,826	346,826
	<b>1,706,149</b>	<b>1,550,390</b>	<b>1,679,232</b>	<b>1,608,430</b>
Non-controlling interests	51,569	11,113	-	-
<b>Total equity</b>	<b>1,757,718</b>	<b>1,561,503</b>	<b>1,679,232</b>	<b>1,608,430</b>

**Notes**

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

\* 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.**

	<b>Mar-17</b>	Mar-16
	<b>S\$'000</b>	S\$'000
Amount repayable in one year or less, or on demand		
- Borrowings (secured)	<b>14,043</b>	11,667
- Borrowings (unsecured)	<b>134,743</b>	59,423
Amount repayable after one year:		
- Borrowings (secured)	<b>12,881</b>	6,138
- Borrowings (unsecured)	<b>202,318</b>	203,044
	<b>363,985</b>	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 Q4 S\$'000	FY2015/16 Q4 S\$'000 (Restated)*	FY2016/17 Full Year S\$'000	FY2015/16 Full Year S\$'000 (Restated)*
<b>Cash flows from operating activities</b>				
Total (loss) / profit	(70,792)	106,856	29,712	253,039
Adjustments for:				
Income tax expense	(1,766)	3,804	25,233	34,189
Amortisation of deferred income	(2,269)	(1,826)	(8,174)	(7,425)
Amortisation of intangible assets	3,806	760	7,691	3,212
Depreciation and impairment	21,653	8,130	53,184	30,078
Fair value gain on investment properties	(108,744)	-	(108,744)	-
Loss / (gains) on sale of investments, property, plant and equipment	663	(75,346)	(4,577)	(109,856)
Gain on derivative financial instruments	(16,011)	-	(16,011)	-
Share-based staff costs	569	874	3,351	4,053
Interest expense	2,336	2,134	8,846	7,766
Interest income	(1,152)	(496)	(3,439)	(4,268)
Impairment/write-off of intangible assets	205,714	256	205,714	256
Share of loss / (profit) of associated companies and joint ventures	1,881	(5,454)	1,177	(9,066)
	<b>106,680</b>	<b>(67,164)</b>	<b>164,251</b>	<b>(51,061)</b>
<b>Operating cash flow before working capital changes</b>	<b>35,888</b>	<b>39,692</b>	<b>193,963</b>	<b>201,978</b>
Changes in working capital, net of effects from acquisition and disposal of subsidiaries				
Inventories	(11)	315	49	332
Trade and other receivables	14,961	15,422	(4,867)	(28,287)
Trade and other payables	(2,589)	4,961	41,437	(12,008)
<b>Cash generated from operations</b>	<b>48,249</b>	<b>60,390</b>	<b>230,582</b>	<b>162,015</b>
Income tax paid	(944)	(914)	(30,516)	(30,582)
<b>Net cash provided by operating activities</b>	<b>47,305</b>	<b>59,476</b>	<b>200,066</b>	<b>131,433</b>
<b>Cash flows from investing activities</b>				
Acquisition of non-controlling interests	(2,375)	-	(2,375)	-
Acquisition of subsidiaries, net of cash acquired	-	(16,046)	-	(272,480)
Additions to property, plant and equipment and investment properties	(35,661)	(49,811)	(199,767)	(279,742)
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	923	959	2,583	2,167
Investment in associated companies and joint ventures	(798)	(36,169)	(798)	(49,430)
Interest received	735	679	2,682	4,782
Loan to an associated company	(323)	-	(1,844)	(1,360)
Repayment of secured loan to a shareholder of an associated company	-	10,881	-	-
Proceeds from sale of financial assets	-	15,294	-	15,294
Payment relating to purchase of assets	-	-	-	(250)
Proceeds from partial divestment of shares in an associated company	-	78,910	-	78,910
Proceeds from partial divestment of interest in a subsidiary	-	-	85,643	-
Proceeds from disposal of property, plant and equipment	82	14	1,976	1,553
Proceeds on maturity of financial assets	2,000	2,000	6,250	19,250
Purchase of financial assets	-	-	-	(28,321)
Repayment of loans by associated companies	11,542	142	18,147	1,578
<b>Net cash (used in) / provided by investing activities</b>	<b>(23,875)</b>	<b>6,853</b>	<b>(89,599)</b>	<b>(457,087)</b>
<b>Cash flows from financing activities</b>				
Distribution paid to perpetual securities	(7,376)	(7,416)	(14,875)	(14,915)
Dividends paid to shareholders	(11,368)	(32,409)	(119,548)	(166,985)
Interest paid	(2,515)	(4,118)	(9,637)	(8,444)
Proceeds from issuance of ordinary shares	185,943	1,527	189,605	17,381
Proceeds from bank loans	15,029	42,916	537,060	296,029
Repayment of bank loans	(65,583)	(125,252)	(453,098)	(254,912)
<b>Net cash provided by / (used in) financing activities</b>	<b>114,130</b>	<b>(124,752)</b>	<b>129,507</b>	<b>(131,846)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>137,560</b>	<b>(58,423)</b>	<b>239,974</b>	<b>(457,500)</b>
Cash and cash equivalents at beginning of financial period / year	229,054	185,063	126,640	584,140
<b>Cash and cash equivalents at end of financial period / year</b>	<b>366,614</b>	<b>126,640</b>	<b>366,614</b>	<b>126,640</b>

**Significant non-cash transactions**

In the current financial year, contingent consideration amounting to S\$2,060,000 (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.

\* Prior year comparatives are restated. Please see paragraph 5 for 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 – Q4**

	Attributable to ordinary shareholders of the Company					Perpetual securities	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 January 2017	452,679	(1,227)	723,718	68,743	1,243,913	350,534	1,594,447	63,503	1,657,950
Reclassification	-	-	6,571	-	6,571	-	6,571	(6,571)	-
Acquisition of non-controlling interests	-	-	-	(1,599)	(1,599)	-	(1,599)	(776)	(2,375)
Partial divestment of subsidiary	-	-	-	(187)	(187)	-	(187)	(97)	(284)
Distribution paid on perpetual securities	-	-	-	-	-	(7,376)	(7,376)	-	(7,376)
Dividends	-	-	(11,368)	-	(11,368)	-	(11,368)	-	(11,368)
Total comprehensive (loss) / income for the period	-	-	(68,914)	4,395	(64,519)	3,668	(60,851)	(4,490)	(65,341)
	452,679	(1,227)	650,007	71,352	1,172,811	346,826	1,519,637	51,569	1,571,206
New shares issued	183,960	-	-	-	183,960	-	183,960	-	183,960
Employee share option scheme:									
- Value of employee services	-	-	-	569	569	-	569	-	569
- New shares issued	2,117	-	-	(134)	1,983	-	1,983	-	1,983
Balance at 31 March 2017	638,756	(1,227)	650,007	71,787	1,359,323	346,826	1,706,149	51,569	1,757,718
Balance at 1 January 2016	447,143	(2,116)	680,384	4,416	1,129,827	350,535	1,480,362	9,123	1,489,485
Acquisition of subsidiaries	-	-	-	-	-	-	-	2,740	2,740
Distribution paid on perpetual securities	-	-	-	-	-	(7,416)	(7,416)	-	(7,416)
Dividends	-	-	(32,409)	-	(32,409)	-	(32,409)	-	(32,409)
Total comprehensive income for the period	-	-	101,672	2,073	103,745	3,707	107,452	(750)	106,702
	447,143	(2,116)	749,647	6,489	1,201,163	346,826	1,547,989	11,113	1,559,102
Employee share option scheme:									
- Value of employee services	-	-	-	874	874	-	874	-	874
- New shares issued	1,632	-	-	(105)	1,527	-	1,527	-	1,527
Balance at 31 March 2016	448,775	(2,116)	749,647	7,258	1,203,564	346,826	1,550,390	11,113	1,561,503



## The Group – Full Year

	Attributable to ordinary shareholders of the Company						Non-		Total equity
	Share capital	Treasury shares	Retained earnings	Other reserves	Total	Perpetual securities	Total	controlling interests	
	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
Reclassification	-	-	6,571	-	6,571	-	6,571	(6,571)	-
Acquisition of non-controlling interests	-	-	-	(1,599)	(1,599)	-	(1,599)	(776)	(2,375)
Partial divestment of a subsidiary	-	-	(5,191)	39,437	34,246	-	34,246	51,397	85,643
Distribution paid on perpetual securities	-	-	-	-	-	(14,875)	(14,875)	-	(14,875)
Dividends	-	-	(119,548)	-	(119,548)	-	(119,548)	-	(119,548)
Total comprehensive income for the year	-	-	18,528	24,605	43,133	14,875	58,008	(3,594)	54,414
	448,775	(2,116)	650,007	69,701	1,166,367	346,826	1,513,193	51,569	1,564,762
New shares issued	183,960	-	-	-	183,960	-	183,960	-	183,960
Employee share option scheme:									
- Value of employee services	-	-	-	3,351	3,351	-	3,351	-	3,351
- New shares issued	6,021	-	-	(376)	5,645	-	5,645	-	5,645
- Treasury shares re-issued	-	889	-	(889)	-	-	-	-	-
Balance at 31 March 2017	638,756	(1,227)	650,007	71,787	1,359,323	346,826	1,706,149	51,569	1,757,718
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
Transfer to statutory reserve	-	-	(2)	2	-	-	-	-	-
Acquisition of subsidiaries	-	-	-	-	-	-	-	2,740	2,740
Distribution paid on perpetual securities	-	-	-	-	-	(14,915)	(14,915)	-	(14,915)
Dividends	-	-	(166,985)	-	(166,985)	-	(166,985)	-	(166,985)
Total comprehensive income / (loss) for the year	-	-	233,995	(2,116)	231,879	14,915	246,794	4,698	251,492
	429,980	(2,831)	749,647	5,334	1,182,130	346,826	1,528,956	11,113	1,540,069
Employee share option scheme:									
- Value of employee services	-	-	-	4,053	4,053	-	4,053	-	4,053
- New shares issued	18,795	-	-	(1,414)	17,381	-	17,381	-	17,381
- Treasury shares re-issued	-	715	-	(715)	-	-	-	-	-
Balance at 31 March 2016	448,775	(2,116)	749,647	7,258	1,203,564	346,826	1,550,390	11,113	1,561,503

## The Company – Q4

	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 January 2017	<b>452,679</b>	<b>(1,227)</b>	<b>770,100</b>	<b>36,338</b>	<b>1,257,890</b>	<b>350,534</b>	<b>1,608,424</b>
Distribution paid on perpetual securities	-	-	-	-	-	(7,376)	(7,376)
Dividends	-	-	(11,368)	-	(11,368)	-	(11,368)
Total comprehensive income / for the period	-	-	(101,104)	476	(100,628)	3,668	(96,960)
	<b>452,679</b>	<b>(1,227)</b>	<b>657,628</b>	<b>36,814</b>	<b>1,145,894</b>	<b>346,826</b>	<b>1,492,720</b>
New shares issued	<b>183,960</b>	-	-	-	<b>183,960</b>	-	<b>183,960</b>
Employee share option scheme:							
- Value of employee services	-	-	-	569	569	-	569
- New shares issued	2,117	-	-	(134)	1,983	-	1,983
Balance at 31 March 2017	<b>638,756</b>	<b>(1,227)</b>	<b>657,628</b>	<b>37,249</b>	<b>1,332,406</b>	<b>346,826</b>	<b>1,679,232</b>
Balance at 1 January 2016	447,143	(2,116)	715,505	6,260	1,166,792	350,535	1,517,327
Distribution paid on perpetual securities	-	-	-	-	-	(7,416)	(7,416)
Dividends	-	-	(32,409)	-	(32,409)	-	(32,409)
Total comprehensive income for the period	-	-	97,136	27,684	124,820	3,707	128,527
	<b>447,143</b>	<b>(2,116)</b>	<b>780,232</b>	<b>33,944</b>	<b>1,259,203</b>	<b>346,826</b>	<b>1,606,029</b>
Employee share option scheme:							
- Value of employee services	-	-	-	874	874	-	874
- New shares issued	1,632	-	-	(105)	1,527	-	1,527
Balance at 31 March 2016	<b>448,775</b>	<b>(2,116)</b>	<b>780,232</b>	<b>34,713</b>	<b>1,261,604</b>	<b>346,826</b>	<b>1,608,430</b>

## The Company – Full Year

	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		
Balance at 1 April 2016	<b>448,775</b>	<b>(2,116)</b>	<b>780,232</b>	<b>34,713</b>	<b>1,261,604</b>	<b>346,826</b>	<b>1,608,430</b>
Distribution paid on perpetual securities	-	-	-	-	-	<b>(14,875)</b>	<b>(14,875)</b>
Dividends	-	-	<b>(119,548)</b>	-	<b>(119,548)</b>	-	<b>(119,548)</b>
Total comprehensive income for the period	-	-	<b>(3,056)</b>	<b>450</b>	<b>(2,606)</b>	<b>14,875</b>	<b>12,269</b>
	<b>448,775</b>	<b>(2,116)</b>	<b>657,628</b>	<b>35,163</b>	<b>1,139,450</b>	<b>346,826</b>	<b>1,486,276</b>
New shares issued	<b>183,960</b>	-	-	-	<b>183,960</b>	-	<b>183,960</b>
Employee share option scheme:							
- Value of employee services	-	-	-	<b>3,351</b>	<b>3,351</b>	-	<b>3,351</b>
- New shares issued	<b>6,021</b>	-	-	<b>(376)</b>	<b>5,645</b>	-	<b>5,645</b>
- Treasury shares re-issued	-	<b>889</b>	-	<b>(889)</b>	-	-	-
Balance at 31 March 2017	<b>638,756</b>	<b>(1,227)</b>	<b>657,628</b>	<b>37,249</b>	<b>1,332,406</b>	<b>346,826</b>	<b>1,679,232</b>
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	-	-	-	-	-	(14,915)	(14,915)
Dividends	-	-	(166,985)	-	(166,985)	-	(166,985)
Total comprehensive income for the year	-	-	258,620	26,987	285,607	14,915	300,522
	429,980	(2,831)	780,232	32,789	1,240,170	346,826	1,586,996
Employee share option scheme:							
- Value of employee services	-	-	-	4,053	4,053	-	4,053
- New shares issued	18,795	-	-	(1,414)	17,381	-	17,381
- Treasury shares re-issued	-	715	-	(715)	-	-	-
Balance at 31 March 2016	<b>448,775</b>	<b>(2,116)</b>	<b>780,232</b>	<b>34,713</b>	<b>1,261,604</b>	<b>346,826</b>	<b>1,608,430</b>

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

During the fourth quarter ended 31 March 2017, the Company issued 1,455,000 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.

During the fourth quarter ended 31 March 2017, the Company issued 107,553,907 ordinary shares at S\$1.74 to the investor, Alibaba Investment Limited.

As at 31 March 2017, there were unexercised options for 39,431,000 (31 March 2016: 45,270,000) unissued ordinary shares under the Singapore Post Share Option Scheme (including Performance Option Plan but excluding Restricted Share Plan) and unvested shares for 2,655,087 (31 March 2016: 1,619,630) unissued ordinary shares under the Restricted Share Plan.

As at 31 March 2017, the Company held 1,181,409 treasury shares (31 March 2016: 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 March 2017, total issued shares excluding treasury shares were 2,273,903,116 (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 fourth quarter ended 31 March 2017, no treasury share was re-issued.

- (2) Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.**

The figures have not been audited nor reviewed.

- (3) Where figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).**

Not applicable.

- (4) **Whether the same accounting policies and methods of computation as in the issuer’s most recently audited annual financial statements have been applied.**

Except as disclosed under paragraph 5 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period compared with the audited financial statements for the financial year ended 31 March 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 except for the following.

Completion of Purchase Price Allocation (“PPA”) exercise

During the financial year ended 31 March 2016, the Group acquired Rotterdam Harbour Holding B.V., L+S Self Storage Pte Ltd (“LSSS”) (Formerly known as Store Friendly Self Storage Group Pte Ltd), TG Group and Jagged Peak, Inc. The fair values of assets (including intangible assets) and liabilities from the acquisitions had initially been determined based on provisional fair values. The Group completed the Purchase Price Allocation (“PPA”) exercise in FY2016/17 and the effects of the PPA exercise, together with the revision to contingent consideration payable, is summarised below. These adjustments are accounted for as if they had been recognised on acquisition date and adjusted in the comparative financial statements as prior year adjustments. The effects on the Group’s consolidated balance sheet as at 31 March 2016 as follows:

	As At 31 March 2016		
	As previously reported	After adjustment	Increase / (Decrease)
	S\$’000	S\$’000	S\$’000
<b>Assets</b>			
Trade and other receivables	210,287	210,177	(110)
Goodwill	493,504	482,322	(11,182)
Intangible assets, excluding goodwill	89,689	111,662	21,973
<b>Net increase</b>			<b>10,681</b>
<b>Liabilities</b>			
Trade and other payables	415,902	417,904	2,002
Deferred income tax liabilities	57,356	66,035	8,679
<b>Net increase</b>			<b>10,681</b>

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

	<b>The Group</b>			
	<b>FY2016/17 Q4</b>	<b>FY2015/16 Q4</b>	<b>FY2016/17 Full Year</b>	<b>FY2015/16 Full Year</b>
Based on weighted average number of ordinary shares in issue	<b>(3.03 cents)</b>	4.36 cents	<b>0.85 cents</b>	10.86 cents
On fully diluted basis	<b>(3.03 cents)</b>	4.35 cents	<b>0.84 cents</b>	10.83 cents

- (7) **Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the current financial period reported on and immediately preceding financial year.**

	<b>The Group</b>		<b>The Company</b>	
	<b>Mar-17</b>	<b>Mar-16</b>	<b>Mar-17</b>	<b>Mar 16</b>
Net asset value per ordinary share based on issued share capital of the Company at the end of the financial period (cents)	<b>77.30</b>	72.26	<b>73.85</b>	74.43

	<b>The Group</b>		<b>The Company</b>	
	<b>Mar-17</b>	<b>Mar-16</b>	<b>Mar-17</b>	<b>Mar 16</b>
Ordinary equity per ordinary share based on issued share capital of the Company at the end of the financial period (cents)	<b>59.78</b>	55.70	<b>58.60</b>	58.38

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

#### **Fourth Quarter And Full Year Ended 31 March 2017**

##### *Revenue*

	<b>FY16/17 Q4</b>	<b>FY15/16 Q4</b>	<b>Variance</b>	<b>FY16/17 Full Year</b>	<b>FY15/16 Full Year</b>	<b>Variance</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>%</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>%</b>
Postal	<b>136,802</b>	135,953	0.6%	<b>544,141</b>	536,236	1.5%
Logistics	<b>154,736</b>	167,598	(7.7%)	<b>636,801</b>	625,972	1.7%
eCommerce	<b>56,692</b>	43,309	30.9%	<b>267,082</b>	98,423	171.4%
Inter-segment eliminations*	<b>(24,221)</b>	(29,281)	17.3%	<b>(99,522)</b>	(109,089)	8.8%
<b>Total</b>	<b>324,009</b>	317,579	2.0%	<b>1,348,502</b>	1,151,542	17.1%

\* 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 2.0% for the fourth quarter and 17.1% for the full year ended 31 March 2017, largely due to the inclusion of the US eCommerce subsidiaries.

In the Postal segment, Domestic mail revenue continued to decline with more companies implementing e-statements. This was offset by growth in International mail revenue which was driven by higher crossborder eCommerce deliveries, especially with higher volumes from the Alibaba Group. Consequently, Postal revenue rose slightly in Q4 and full year respectively.

The deepening collaboration with Alibaba has increased transshipment volumes in the Postal segment. SingPost is working towards developing its business with Alibaba on its commercial network within the Logistics segment.

Logistics revenue declined 7.7% in Q4, as higher revenue from Couriers Please and SP Parcels was offset by decline in Quantum Solutions and Famous Holdings, which were impacted by intense competitive pressures and depressed industry freight rates and volumes respectively. For the full year, Logistics revenue rose 1.7%, driven by higher contribution from Couriers Please from increased eCommerce-related activities, offset by a decline in Quantum Solutions.

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

#### Other Income

Rental and property-related income decreased 7.2% for Q4 and 7.1% for the full year. This was due to lower retail rental revenue with the redevelopment of Singapore Post Centre ("SPC") retail mall.

Miscellaneous other income was a gain of S\$7.3 million for Q4 and a gain of S\$9.8 million for the full year, compared to a small loss of S\$67K and gain of S\$12.0 million in the comparative periods. The differences were mainly attributed to trade-related translation differences.

#### Total Expenses

Total expenses increased by 7.6% for Q4 and 22.5% for the full 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.

Administrative and other expenses declined 12.8% for Q4 due to lower discretionary spending and utility costs. For the full year, administrative and other expenses rose 9.4% from property-related expenses such as warehouse rental costs from new subsidiaries.

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 rose S\$2.6 million in Q4 due to unfavourable non-trade related foreign translation differences compared to the same period last year, and declined S\$4.7 million for the full year due to favourable non-trade related foreign translation differences.

## Operating Profit

	<b>FY16/17</b>	FY15/16		<b>FY16/17</b>	FY15/16	
	<b>Q4</b>	Q4	<b>Variance</b>	<b>Full Year</b>	Full Year	Variance
	<b>S\$'000</b>	S\$'000	<b>%</b>	<b>S\$'000</b>	S\$'000	<b>%</b>
Postal	<b>36,782</b>	36,916	(0.4%)	<b>150,707</b>	157,324	(4.2%)
Logistics	<b>2,553</b>	11,588	(78.0%)	<b>23,596</b>	38,812	(39.2%)
eCommerce	<b>(15,105)</b>	(5,073)	(197.8%)	<b>(33,790)</b>	(7,300)	@
Property & others #	<b>(90,681)</b>	64,034	N.M.	<b>(82,156)</b>	95,423	N.M.
<b>Operating Profit / (loss)</b>	<b>(66,451)</b>	107,465	N.M.	<b>58,357</b>	284,259	(79.5%)

# 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 declined for Q4 and full year, mainly due to exceptional items.

Postal operating profit declined 0.4% for Q4 and 4.2% for the full year, largely due to the decline in contribution from Domestic mail, and the shift in mix towards lower margin international transshipment mail.

In Logistics, operating profit decreased 78.0% for Q4 and 39.2% for the full year. The decline reflects a combination of three factors: i) costs arising from planned investments to build out our eCommerce logistics network, such as depreciation and running expenses related to the new Regional eCommerce Logistics Hub, and network expansion at Couriers Please; ii) intense pricing and competitive pressures in the eCommerce Logistics space; and iii) depressed freight rates and volumes in the freight forwarding industry.

Operating losses from eCommerce segment were S\$15.1 million for Q4 and S\$33.8 million for the full year. While SP eCommerce and Jagged Peak performed well, TradeGlobal faced continuing challenges with the loss of key customers and recorded higher operating losses. eCommerce segment operating losses in Q4 also included a one-time write-off of receivables at TradeGlobal arising from customers' bankruptcy, and a one-off amortisation expense at Jagged Peak post the completion of the purchase price allocation exercise.

For Q4 and full year, operating profit improvements under "Property & others" were largely due to trade-related translation gains and lower corporate costs.

### Exceptional items

Further to the announcement in the Q3 quarterly results of the risk of significant impairment, the management of SingPost has reviewed the carrying value of SingPost's investments and assets. The valuation process involved a review of the FY16/17 performance and a detailed evaluation of the underlying assumptions of future business plans for each of the businesses.

Given the extent of the impairment to SingPost's investment in TradeGlobal, SingPost had also appointed FTI Consulting, an independent global business advisory firm, which has verified that the impairment provision was properly calculated following an appropriate review process and that the assumptions adopted were reasonable.



The total impairment for FY16/17 is \$208.6 million, comprising largely TradeGlobal (\$185.0 million), Postea (\$20.5 million) and Toh Guan building (\$9.3 million). This is net of a write-back of deferred tax liability of \$6.4 million in relation to the impairment of intangible asset of TradeGlobal. The impairment was partially offset by a fair value gain on investment properties of \$108.7 million largely for SingPost Centre.

#### *Impairment of TradeGlobal*

The principal issue is that TradeGlobal has significantly underperformed the business case which supported the investment. Instead of a projected profit of \$9.4 million for FY16/17, TradeGlobal incurred a significant loss of \$25.8 million.

TradeGlobal has experienced both operational and structural challenges. Operational difficulties included a surge in labour costs during the recent peak season, delays in warehouse automation which impacted productivity as well as management changes

Measures have been put in place to improve TradeGlobal's operating performance, particularly during the peak season.

Key structural challenges which will impact the business moving forward include:

- Disruption in the US fashion retail industry which is adversely affecting key customers.
- Loss of two large key customers which accounted for 30% to 40% of revenue; and
- Sustained cost pressures arising from labour shortage in the Cincinnati area.

A turnaround business plan is being executed by management. In the plan, TradeGlobal's prospects have been rebased given the structural changes.

Management will focus on extracting post acquisition synergies from the network and capabilities of SingPost's eCommerce units. Under financial reporting standards, the value-in-use computation for purpose of impairment testing has not included these potential synergistic benefits.

eCommerce remains an important part of SingPost's strategy and provides us with the capability to offer end-to-end eCommerce Logistics solutions for customers.

#### *Other impairment*

The Group also recorded an impairment for Postea of \$20.5 million. The carrying value of the investment was no longer supported by the value in use as Postea's management had made material changes to its business projections

#### *Fair value gain/loss on investment properties, and property, plant & equipment (PPE)*

The Group recorded fair value gains on investment properties of \$108.7 million, mainly for SingPost Centre, where redevelopment of the retail section of the building is nearing completion.

The Group recorded an impairment charge of \$9.3 million on an industrial property at Toh Guan Road, reflecting the decline in current market valuation of the property against its purchase price in May 2015.

### *Independent committee appointed*

Following the announcement of the risk of significant impairment in the Q3 quarterly results, the Board formed an independent committee to conduct a thorough review of the circumstances surrounding SingPost's consideration and approval of the TradeGlobal acquisition. To assure stakeholders of the independence of the review, the committee comprises Ms Elizabeth Kong, Mrs Fang Ai Lian and Mr Bob Tan, independent directors all appointed to the Board after the acquisition of TradeGlobal.

The committee has engaged WongPartnership as legal counsel to assist and advise it on the review of the TradeGlobal acquisition. It has also engaged FTI Consulting to assess the adequacy of the financial and commercial due diligence performed in relation to the transaction.

The Board will update shareholders on the outcome of the review, and will seek legal advice on appropriate actions, if any, to be taken arising from the findings of the committee. The review is expected to be completed and the findings released before the Annual General Meeting in July 2017.

### *Other exceptional items*

The Group recorded a gain on dilution of interest in 4PX of \$4.9 million and a fair value gain on warrants from GD Express of \$16.0 million.

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

Share of profit of associated companies and joint ventures declined, largely due to share of losses from 4PX, which is incurring higher depreciation and other expenses as a result of business expansion.

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*

Net profit attributable to equity holders was a loss of \$65.2 million for Q4 and declined 86.6% to \$33.4 million for the full year as a result of exceptional items.

Excluding one-off items, underlying net profit declined 32.8% from S\$31.8 million to S\$21.4 million in Q4, and 24.7% from S\$153.6 million to S\$115.6 million for the full year. The decline was due to the impact of planned investments in building out our eCommerce Logistics platform such as the Regional eCommerce Logistics Hub, associates which are investing for growth; as well as higher losses in the US eCommerce business and a decline in Postal operating profit.

### **Balance Sheet**

The Group's total assets amounted to S\$2.7 billion as at 31 March 2017, compared to S\$2.4 billion as at 31 March 2016 on higher investment properties and property, plant and equipment.

Total liabilities were S\$958.9 million, compared to S\$865.0 million as at 31 March 2016. The increase was mainly due to higher short-term borrowings and trade and other payables.

The Group showed a net current asset position of S\$20.5 million, compared to a net current liability of S\$133.3 million as at 31 March 2016.

As at 31 March 2017, the Group was in a net cash position<sup>[1]</sup> of S\$2.6 million, largely due to net proceeds received from Alibaba Investment Limited for the share issue.

Total borrowings increased from S\$280.3 million as at 31 March 2016 to S\$364.0 million as at 31 March 2017. Interest coverage ratio<sup>[2]</sup> has fallen to 13.3 times compared to 42.1 times last year, largely due to the decline in earnings caused by one-off exceptional items.

Ordinary shareholders' equity was higher as at 31 March 2017 at S\$1.4 billion, compared to the opening position as at 31 March 2016 due to new shares issued.

### **Cash Flow**

Net cash inflow from operating activities for the full year amounted to S\$200.1 million, compared to S\$131.4 million last year. Operating cash inflow before working capital changes was down S\$8.0 million while working capital improved S\$76.6 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\$89.6 million, compared to S\$457.1 million last year. Capital expenditure of S\$199.8 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\$129.5 million, compared to net cash outflow of S\$131.8 million last year, largely due to net proceeds from Alibaba Investment Limited for shares issued and 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.**

In FY2017/18, the Group plans to grow revenue and volumes through new business opportunities, integrating past acquisitions and extracting synergies, as well as leveraging the strategic partnership with Alibaba and its subsidiaries.

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<sup>[1]</sup> Cash and cash equivalents less borrowings

<sup>[2]</sup> EBITDA to interest expense

## **Postal**

In the Postal segment, Domestic letter mail volumes continue to decline, with increasing migration towards e-statements. The impact is expected to be partially offset by growth from International mail volumes due to higher cross-border eCommerce deliveries.

The International mail transshipment market remains highly competitive, and margins are relatively low. Changes in the international terminal dues system will take effect from 1 January 2018 and the Group is assessing the potential impact. With the shift in mix towards lower margin International mail, blended Postal margin is expected to decline.

The Group will continue to focus on improving productivity and efficiency to mitigate margin pressures while maintaining service quality. We will upskill our workers and deploy technology to drive innovative solutions such as automated self-service machines or SAMs, and the POPStation smart locker system.

## **Logistics**

In the Logistics segment, the Group is expected to benefit from growing eCommerce trends. We will seek to grow our customer base, and develop collaborations and alliances with strategic partners to increase volumes.

Quantum Solutions International (QSI), the joint venture between SingPost and Alibaba, will be used as a platform to develop and enhance eCommerce Logistics capabilities in Southeast Asia and Oceania.

Operating leverage will be derived from economies of scale as the Group grows volumes and increases utilisation of existing infrastructure such as the Regional eCommerce Logistics Hub.

The industry is likely to continue to experience tight operating margins and intense competition. It will take time for the Logistics segment to grow its profit contribution while it executes on its plans.

## **eCommerce**

The eCommerce business forms a vital part of the Group's end-to-end eCommerce logistics growth strategy. eCommerce revenue remains robust and will continue to contribute significantly to the Group's revenue.

TradeGlobal is facing operational and structural challenges. Management is executing on a turnaround business plan.

It will take time for these measures to deliver results. While business and cost initiatives are being put in place to improve performance, TradeGlobal is not expected to be profitable for the financial year ending 31 March 2018.

## **Property & Others**

In the Property and Others segment, the retail mall at the new SingPost Centre is expected to open in the second half of the year. SingPost has appointed CapitaLand as the retail mall manager which will help optimise returns from this asset.

The Group had foregone rental income during the period of re-development, and will begin to progressively recognise rental income from the second half of FY2017/18 onwards as occupancy ramps up towards a steady state.

### **Capital expenditure and Cash flow**

Capital expenditure for FY2017/18 is expected to be lower than FY2016/17, as the majority of development projects had been completed.

In FY2017/18, there will be residual capital expenditure committed for the remainder of the SPC retail mall redevelopment works, in addition to the regular maintenance capital expenditure.

With lower capital expenditure, free cash flow is expected to improve in FY2017/18.

SingPost continues to build its capabilities to transform from a Singapore postal company into a leading eCommerce Logistics provider. This will lay a foundation for long term sustainable growth. However, it will take time for the investments to contribute materially to earnings.

## **(11) Dividends**

### **Current financial period reported on**

#### Final dividend

In relation to financial year ended 31 March 2017, the Board of Directors has proposed a final dividend of 0.50 cents per ordinary share (tax exempt one-tier).

The final dividend, if approved by shareholders of the Company at the Annual General Meeting ("AGM"), will be paid on 10 August 2017.

Including the proposed final dividend, total dividend for the financial year would 3.5 cents, which represents a payout ratio of 66% of underlying net profit.

The transfer book and register of members of the Company will be closed on 28 July 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 27 July 2017 will be registered to determine members' entitlements to the dividend.

### **Corresponding period of the immediately preceding financial year**

#### Final dividend

A final tax exempt one-tier dividend of 2.5 cents per ordinary share in relation to the financial year ended 31 March 2016 was proposed on 10 May 2016 and approved at the AGM on 14 July 2016. This dividend was paid on 3 August 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.

## PART II ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

**(13) Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.**

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.

The segment information provided to the CODM for the reportable segments for the years ended 31 March 2017 and 31 March 2016 are as follows:

	Postal S\$'000	Logistics S\$'000	eCommerce S\$'000	All other segments S\$'000	Eliminations S\$'000	Total S\$'000
<b>2017</b>						
<b>Revenue:</b>						
- External	518,637	562,785	267,080	-	-	1,348,502
- Inter-segment	25,504	74,016	2	-	(99,522)	-
	<b>544,141</b>	<b>636,801</b>	<b>267,082</b>	<b>-</b>	<b>(99,522)</b>	<b>1,348,502</b>
<b>Other income and gains (net)</b>						
Rental, property-related and miscellaneous income						
- External	1,105	2,900	317	42,029	-	46,351
- Inter-segment	-	-	-	30,326	(30,326)	-
	<b>1,105</b>	<b>2,900</b>	<b>317</b>	<b>72,355</b>	<b>(30,326)</b>	<b>46,351</b>
<b>Operating profit / (loss)</b>	<b>150,707</b>	<b>23,596</b>	<b>(33,790)</b>	<b>(82,156)</b>	<b>-</b>	<b>58,357</b>
Depreciation, amortisation and and impairment						
	9,249	9,419	15,857	16,493	-	51,018
Segment assets	<b>103,117</b>	<b>667,184</b>	<b>183,816</b>	<b>1,408,877</b>	<b>-</b>	<b>2,362,994</b>
<b>Segment assets includes:</b>						
Investment in associated companies						
	-	62,367	-	55,416	-	117,783
Intangible assets	-	136,058	264,625	-	-	400,683
Additions to:						
- Property, plant and equipment	6,693	13,595	21,171	64,166	-	105,625
- Investment properties	-	-	-	97,818	-	97,818
<b>2016</b>						
<b>(Restated)</b>						
<b>Revenue:</b>						
- External	500,956	552,173	98,413	-	-	1,151,542
- Inter-segment	35,280	73,799	10	-	(109,089)	-
	<b>536,236</b>	<b>625,972</b>	<b>98,423</b>	<b>-</b>	<b>(109,089)</b>	<b>1,151,542</b>
<b>Other income and gains / (losses) (net)</b>						
- Rental, property-related and miscellaneous income / (losses)						
- External	1,063	2,910	(658)	48,050	-	51,365
- Inter-segment	-	-	-	33,977	(33,977)	-
	<b>1,063</b>	<b>2,910</b>	<b>(658)</b>	<b>82,028</b>	<b>(33,977)</b>	<b>51,365</b>
<b>Operating profit</b>	<b>157,324</b>	<b>38,812</b>	<b>(7,300)</b>	<b>95,423</b>	<b>-</b>	<b>284,259</b>
Depreciation and amortisation						
	8,758	9,092	4,146	9,890	-	31,886
Segment assets	<b>118,542</b>	<b>670,626</b>	<b>334,931</b>	<b>1,214,327</b>	<b>-</b>	<b>2,338,426</b>
<b>Segment assets includes:</b>						
Investment in associated companies						
	-	70,238	-	76,163	-	146,401
Intangible assets	227	338,999	254,758	-	-	593,984
Additions to:						
- Property, plant and equipment	5,270	14,381	7,365	163,115	-	190,131
- Investment property	-	3	-	88,980	-	88,983

Sales between segments are carried out at arm's length. The revenue from external parties reported to the CODM is measured in a manner consistent with that in the statement of comprehensive income.

(a) Reconciliation of segment profits

The CODM assesses the performance of the operating segments based on a measure of operating profit, which is profit before interest, tax and share of results of associated companies and joint ventures. Interest income and finance expenses are not allocated to segments.

A reconciliation of operating profit to profit before tax is provided as follows:

	<b>2017</b> <b>S\$'000</b>	2016 S\$'000 (Restated)
Operating profit for reportable segments	<b>140,513</b>	188,836
Other segments operating profit / (loss)	<b>(82,156)</b>	95,423
Finance expense	<b>(5,674)</b>	(10,365)
Interest income	<b>3,439</b>	4,268
Share of (loss) / profit of associated companies and joint ventures	<b>(1,177)</b>	9,066
<b>Profit before tax</b>	<b>54,945</b>	<b>287,228</b>

(b) Reconciliation of segment assets

Reportable segments' assets are reconciled to total assets as follows:

Segment assets are measured in a manner consistent with that of the financial statements. The CODM does not review balance sheet items by reportable segments, but rather monitors them at the Group level. All assets are allocated to reportable segments other than derivative financial instruments and financial assets, held-to-maturity. Cash and cash equivalents are allocated to reportable segments where applicable.

	<b>2017</b> <b>S\$'000</b>	2016 S\$'000 (Restated)
Segment assets for reportable segments	<b>954,117</b>	1,124,099
Other segments assets	<b>1,408,877</b>	1,214,327
Unallocated:		
Cash and cash equivalents	<b>297,808</b>	41,602
Financial assets, held-to-maturity	<b>39,702</b>	45,612
Derivative financial instruments	<b>16,079</b>	846
<b>Total assets</b>	<b>2,716,583</b>	<b>2,426,486</b>

(c) Revenue from major products and services

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



	<b>2017</b>	2016
	<b>S\$'000</b>	S\$'000
Domestic and International Mail services	<b>518,637</b>	466,597
Domestic and International distribution and delivery services	<b>562,785</b>	552,173
Retail & eCommerce sale of products and services	<b>267,080</b>	132,772
<b>Revenue</b>	<b>1,348,502</b>	1,151,542

(d) Geographical information

The Group's three business segments operate in four main geographical areas:

- Singapore – the Company is headquartered and has operations in Singapore where 50% (2016: 56%) of its revenues are generated. The operations in this area comprise principally of the core postal business, post office products and services, courier activities and investment holding.
- The United States - the operations in this area are principally front-end related e-commerce businesses.
- Australia – The operations in this area are principally delivery services and e-commerce logistics solutions.
- Other countries – the operations include warehousing and logistics delivery in Japan and Hong Kong, and freight forwarding businesses in Europe and New Zealand.

	<u>Revenue</u>	
	<b>FY2016/17</b>	FY2015/16
	<b>S\$'000</b>	S\$'000
Singapore	<b>667,474</b>	646,063
The United States	<b>236,337</b>	66,639
Australia	<b>188,087</b>	173,724
Other countries	<b>256,604</b>	265,116
	<b>1,348,502</b>	1,151,542

**(14) In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.**

Please refer to paragraph 8.

**(15) A breakdown of sales.**

	<b>FY2016/17</b> <b>S\$'000</b>	<b>The Group</b> <b>FY2015/16</b> <b>S\$'000</b>	<b>Variance</b> <b>%</b>
(a) Sales reported for the first half year	<b>655,105</b>	517,779	26.5%
(b) Total profit after tax before deducting minority interest reported for the first half year	<b>69,456</b>	101,519	(31.6%)
(c) Sales reported for the second half year	<b>693,397</b>	633,763	9.4%
(d) Total profit after tax before deducting minority interest reported for the second half year	<b>(39,744)</b>	151,520	N.M.

**(16) A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.**

	<b>Group and Company</b>	
	<b>FY2016/17</b> <b>S\$'000</b>	<b>FY2015/16</b> <b>S\$'000</b>
<i>Ordinary dividends paid</i>		
Final exempt (one-tier) dividend paid in respect of the previous financial year of 2.5 cents per share (2016: 2.5 cents)	<b>54,075</b>	<b>53,777</b>
Special exempt (one-tier) dividend paid in respect of the previous financial year of Nil per share (2016: 0.75 cents)	-	<b>16,133</b>
Interim exempt (one-tier) dividend paid in respect of the first quarter of current financial year of 1.5 cents per share (2016: 1.5 cents)	<b>32,457</b>	<b>32,291</b>
Interim exempt (one-tier) dividend paid in respect of the second quarter of current financial year of 1.0 cents per share (2016: 1.5 cents)	<b>21,648</b>	<b>32,375</b>
Interim exempt (one-tier) dividend paid in respect of the third quarter of current financial year of 0.5 cents per share (2016: 1.5 cents)	<b>11,368</b>	<b>32,409</b>
	<b>119,548</b>	<b>166,985</b>

## (17) Interested Person Transactions

During the fourth quarter and full year ended 31 March 2017, the following interested person transactions were entered into by the Group:

	Aggregate value of all interested person transactions during the financial period (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)		Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)	
	FY2016/17 Q4 S\$'000	FY2015/16 Q4 S\$'000	FY2016/17 Q4 S\$'000	FY2015/16 Q4 S\$'000
<b>Sales</b>				
Singapore Telecommunications Group	-	-	-	2,669
SP Services Ltd	-	-	1,157	1,218
	-	-	1,157	3,887
<b>Purchases</b>				
CapitaLand Group	-	-	10,920*	-
HarbourFront Centre Pte Ltd	-	-	490*	-
SATS Group	-	-	-	-
SembCorp Group	-	-	-	-
Singapore Telecommunications Group	-	-	724*	365*
	-	-	12,134	365
<b>Total interested person transactions</b>	-	-	13,291	4,252

	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 Full Year S\$'000	FY2015/16 Full Year S\$'000	FY2016/17 Full Year S\$'000	FY2015/16 Full Year S\$'000
<b>Sales</b>				
Mediacorp Group	-	-	-	799
Postea Group	-	-	-	198
Singapore Airlines Group	-	-	-	1,704
Singapore Telecommunications Group	-	-	14,366*	5,621
SP Services Ltd	-	-	1,157	1,218
Starhub Group	-	-	759	860
	-	-	16,282	10,400
<b>Purchases</b>				
CapitaLand Group	-	-	10,920*	-
Certis Cisco Group	-	-	450	162
HarbourFront Centre Pte Ltd	-	-	490*	-
PSA Corporation Limited	-	-	-	1,808
SATS Group	-	-	-	57,239
SembCorp Group	-	-	5,524*	3,267
Singapore Airlines Group	-	-	4,588	1,540
Singapore Telecommunications Group	-	-	724*	365
	-	-	22,696	64,381
<b>Total interested person transactions</b>	-	-	38,978	74,781

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.

**(18) 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.

**(19) Report of persons occupying managerial positions who are related to a director, chief executive officer or substantial shareholder**

Pursuant to Rule 704(13) of the Listing Manual of the Singapore Exchange Securities Trading Limited, the Company confirms that there is no person occupying a managerial position in the Company or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the Company.