



**SINGAPORE POST LIMITED
AND ITS SUBSIDIARIES**

(Registration number: 199201623M)

**UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SECOND HALF YEAR AND FULL YEAR ENDED
31 MARCH 2023 AND DIVIDEND ANNOUNCEMENT**

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SINGAPORE POST LIMITED AND ITS SUBSIDIARIES

CONDENSED INTERIM CONSOLIDATED INCOME STATEMENT For the second half year and full year ended 31 March 2023

Group	Note	Second half year ended			Full year ended		
		31 March			31 March		
		2023	2022	Variance	2023	2022	Variance
		S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue	4	913,380	934,190	(2.2%)	1,872,259	1,665,579	12.4%
Labour and related expenses		(175,317)	(159,134)	10.2%	(350,743)	(309,916)	13.2%
Volume-related expenses		(571,361)	(611,609)	(6.6%)	(1,214,042)	(1,051,023)	15.5%
Administrative and other expenses		(67,146)	(60,148)	11.6%	(126,227)	(115,267)	9.5%
Depreciation and amortisation		(42,196)	(40,573)	4.0%	(82,570)	(74,424)	10.9%
Selling-related expenses		(6,034)	(3,954)	52.6%	(9,731)	(7,363)	32.2%
(Impairment loss) / reversal of impairment loss on trade and other receivables		(363)	(2,159)	(83.2%)	131	(2,211)	N.M.
Operating expenses		(862,417)	(877,577)	(1.7%)	(1,783,182)	(1,560,204)	14.3%
Other income		864	4,373	(80.2%)	4,089	6,699	(39.0%)
Operating profit		51,827	60,986	(15.0%)	93,166	112,074	(16.9%)
Share of (loss) / profit of associated companies and joint venture		(115)	2,106	N.M.	23	4,847	(99.5%)
Exceptional items	5	16,264	4,210	286.3%	(7,705)	1,858	N.M.
Earnings before interest and tax		67,976	67,302	1.0%	85,484	118,779	(28.0%)
Interest income and investment income (net)		2,891	2,070	39.7%	2,148	3,366	(36.2%)
Finance expenses		(9,752)	(7,709)	26.5%	(19,623)	(14,779)	32.8%
Profit before tax	6	61,115	61,663	(0.9%)	68,009	107,366	(36.7%)
Income tax expense	7	(19,952)	(8,890)	124.4%	(29,249)	(19,623)	49.1%
Profit after tax		41,163	52,773	(22.0%)	38,760	87,743	(55.8%)
Profit attributable to:							
Equity holders of the Company		34,583	48,063	(28.0%)	24,679	83,112	(70.3%)
Non-controlling interests		6,580	4,710	39.7%	14,081	4,631	204.1%
		41,163	52,773	(22.0%)	38,760	87,743	(55.8%)
Underlying net profit ¹		18,319	43,853	(58.2%)	32,384	81,254	(60.1%)
Earnings per share attributable to ordinary shareholders of the Company							
- Basic and diluted	8	1.30 cents	1.86 cents		0.62 cents	3.09 cents	

Notes

1 Underlying net profit is defined as net profit before exceptional items, net of tax.

N.M. Not meaningful.

@ Denotes variance more than 300%

SINGAPORE POST LIMITED AND ITS SUBSIDIARIES

CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the second half year and full year ended 31 March 2023

<u>Group</u>	Second half year ended			Full year ended		
	31 March			31 March		
	2023	2022	Variance	2023	2022	Variance
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Profit after tax	41,163	52,773	(22.0%)	38,760	87,743	(55.8%)
Other comprehensive income (net of tax):						
Items that may be reclassified subsequently to profit or loss:						
Currency translation differences						
- Gain / (loss) on translation of foreign operations	(3,000)	2,928	N.M.	(12,350)	(2,131)	@
- Disposal / liquidation of foreign subsidiaries	-	(246)	N.M.	(34)	(246)	(86.2%)
- Transfer to profit or loss arising from change in ownership interest from an associated company to a subsidiary	-	(63)	N.M.	-	(63)	N.M.
Items that will not be reclassified subsequently to profit or loss:						
Equity investments at fair value through other comprehensive income						
- Fair value loss	10 (43,453)	(13,541)	220.9%	(48,532)	(10,992)	@
- Gain on fair value hedge of an equity instrument designated at FVTOCI	11 56,879	-	N.M.	56,879	-	N.M.
Revaluation gain on property, plant and equipment upon transfer to investment properties	298	6,278	(95.3%)	298	6,412	(95.4%)
Other comprehensive income / (loss) for the period (net of tax)	10,724	(4,644)	N.M.	(3,739)	(7,020)	(46.7%)
Total comprehensive income for the period	51,887	48,129	7.8%	35,021	80,723	(56.6%)
Total comprehensive income attributable to:						
Equity holders of the Company	40,725	45,472	(10.4%)	19,996	76,845	(74.0%)
Non-controlling interests	11,162	2,657	@	15,025	3,878	287.5%
	51,887	48,129	7.8%	35,021	80,723	(56.6%)

N.M. Not meaningful.
 @ Denotes variance more than 300%

SINGAPORE POST LIMITED AND ITS SUBSIDIARIES

CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

As at 31 March 2023

	Note	Group		Company	
		As at 31 Mar 2023 S\$'000	As at 31 Mar 2022 S\$'000	As at 31 Mar 2023 S\$'000	As at 31 Mar 2022 S\$'000
ASSETS					
Current assets					
Cash and cash equivalents		495,696	280,438	375,071	200,598
Financial assets	10	-	8,006	-	8,006
Trade and other receivables		229,831	234,060	117,132	101,776
Derivative financial instruments	11	372	391	372	391
Inventories		513	523	5	16
Other current assets		25,394	35,335	7,851	8,909
		751,806	558,753	500,431	319,696
Assets classified as held for sale	12	11,700	5,499	11,700	-
		763,506	564,252	512,131	319,696
Non-current assets					
Financial assets	10	42,076	90,631	-	-
Derivative financial instruments	11	56,879	-	-	-
Trade and other receivables		4,945	4,945	218,238	212,920
Investments in associated companies and joint venture		31,949	34,072	21,891	21,891
Investments in subsidiaries		-	-	361,313	361,313
Investment properties	13	965,771	956,610	953,033	945,274
Property, plant and equipment	14	386,928	412,454	229,741	245,818
Right-of-use assets		71,565	71,266	38,259	19,647
Intangible assets	15	500,958	529,441	-	-
Deferred income tax assets		7,361	8,657	-	-
Other non-current assets		5,832	7,076	-	-
		2,074,264	2,115,152	1,822,475	1,806,863
Total assets		2,837,770	2,679,404	2,334,606	2,126,559
LIABILITIES					
Current liabilities					
Trade and other payables		632,539	667,500	416,086	392,352
Current income tax liabilities		22,359	24,542	9,149	13,161
Contract liabilities		30,037	29,397	26,541	23,597
Lease liabilities		32,152	29,833	12,257	8,288
Derivative financial instruments	11	1,413	552	1,132	552
Borrowings	16	1,370	77,527	-	50,000
		719,870	829,351	465,165	487,950
Liabilities directly associated with assets classified as held for sale	12	-	2,082	-	-
		719,870	831,433	465,165	487,950
Non-current liabilities					
Trade and other payables		21,616	148,567	604,565	354,948
Borrowings	16	623,020	439,481	-	-
Contract liabilities		7,177	15,394	7,177	15,394
Lease liabilities		47,575	53,612	26,859	12,115
Deferred income tax liabilities		44,214	48,816	22,521	22,478
		743,602	705,870	661,122	404,935
Total liabilities		1,463,472	1,537,303	1,126,287	892,885
NET ASSETS		1,374,298	1,142,101	1,208,319	1,233,674
EQUITY					
Capital and reserves attributable to the Company's equity holders					
Share capital	17	638,762	638,762	638,762	638,762
Treasury shares	17	(29,516)	(29,724)	(29,516)	(29,724)
Other reserves		(77,620)	81,841	35,390	37,308
Retained earnings		598,558	616,527	563,683	587,328
Ordinary equity		1,130,184	1,307,406	1,208,319	1,233,674
Perpetual securities	18	251,504	-	-	-
		1,381,688	1,307,406	1,208,319	1,233,674
Non-controlling interests		(7,390)	(165,305)	-	-
Total equity		1,374,298	1,142,101	1,208,319	1,233,674

SINGAPORE POST LIMITED AND ITS SUBSIDIARIES

CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY For the full year ended 31 March 2023

Group	Note	Attributable to ordinary shareholders of the Company					Perpetual securities	Total	Non-controlling interests	Total equity
		Share capital	Treasury shares	Retained earnings	Other reserves	Total				
		S\$'000	S\$'000	S\$'000	S\$'000	S\$'000				
Balance at 1 April 2022		638,762	(29,724)	616,527	81,841	1,307,406	-	1,307,406	(165,305)	1,142,101
Total comprehensive income for the year		-	-	24,679	(4,683)	19,996	-	19,996	15,025	35,021
Transactions with owners, recognised directly in equity										
Acquisition of non-controlling interest	(a)	-	-	-	(152,860)	(152,860)	-	(152,860)	152,873	13
Issuance of perpetual securities	18	-	-	-	-	-	248,972	248,972	-	248,972
Distribution of perpetual securities	18	-	-	(10,726)	-	(10,726)	10,726	-	-	-
Distribution paid on perpetual securities		-	-	-	-	-	(8,194)	(8,194)	-	(8,194)
Dividends paid to shareholders	19	-	-	(33,296)	-	(33,296)	-	(33,296)	-	(33,296)
Dividends paid to non-controlling interests in a subsidiary		-	-	-	-	-	-	-	(9,983)	(9,983)
Issuance of shares to employee		-	208	-	(104)	104	-	104	-	104
Employee share option scheme: - Value of employee services		-	-	1,374	(1,814)	(440)	-	(440)	-	(440)
Total		-	208	(42,648)	(154,778)	(197,218)	251,504	54,286	142,890	197,176
Balance at 31 March 2023		638,762	(29,516)	598,558	(77,620)	1,130,184	251,504	1,381,688	(7,390)	1,374,298

Notes

(a) The acquisition of non-controlling interest in a subsidiary comprises:

- (i) A net amount of S\$13,000 measured by reference to the proportionate share of the reserves and net assets and liabilities on acquisition date; less
- (ii) This amount was a reserve for an obligation which arose from a put option written with the non-controlling shareholder of Freight Management Holdings Pty Ltd ("FMH"). In March 2023, the put option was exercised for the acquisition of an additional 37% equity interest in FMH.

SINGAPORE POST LIMITED AND ITS SUBSIDIARIES

CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY For the full year ended 31 March 2023

Group	Note	Attributable to ordinary shareholders of the Company					Perpetual securities	Total	Non-controlling interests	Total equity
		Share capital	Treasury shares	Retained earnings	Other reserves	Total				
		S\$'000	S\$'000	S\$'000	S\$'000	S\$'000				
Balance at 1 April 2021		638,762	(29,724)	564,708	103,005	1,276,751	346,826	1,623,577	47,846	1,671,423
Total comprehensive income for the year		-	-	83,112	(6,267)	76,845	-	76,845	3,878	80,723
Transactions with owners, recognised directly in equity										
Acquisition of subsidiaries	(a)	-	-	-	-	-	-	-	(214,720)	(214,720)
Transfer of revaluation gain on property, plant and equipment and other capital reserve on loss of control of a subsidiary	5	-	-	6,017	(6,017)	-	-	-	-	-
Adjustment to other reserves		-	-	-	1,139	1,139	-	1,139	-	1,139
Redemption of perpetual securities	18	-	-	(4,397)	-	(4,397)	(345,603)	(350,000)	-	(350,000)
Distribution of perpetual securities	18	-	-	(13,652)	-	(13,652)	13,652	-	-	-
Distribution paid on perpetual securities		-	-	-	-	-	(14,875)	(14,875)	-	(14,875)
Dividends paid to shareholders	19	-	-	(24,745)	-	(24,745)	-	(24,745)	-	(24,745)
Dividends paid to non-controlling interests in a subsidiary		-	-	-	-	-	-	-	(2,309)	(2,309)
Employee share option scheme: - Value of employee services		-	-	5,484	(10,019)	(4,535)	-	(4,535)	-	(4,535)
Total		-	-	(31,293)	(14,897)	(46,190)	(346,826)	(393,016)	(217,029)	(610,045)
Balance at 31 March 2022		638,762	(29,724)	616,527	81,841	1,307,406	-	1,307,406	(165,305)	1,142,101

Notes

(a) The acquisition of non-controlling interest in a subsidiary comprises:

- (i) An amount of S\$26,665,000 measured by reference to the share of fair value of the net identifiable assets and liabilities on acquisition date; less
- (ii) An amount of S\$241,385,000 relating to a reserve for an obligation arising from a put option written with the non-controlling shareholders of Freight Management Holdings Pty Ltd ("FMH"). When exercised under certain conditions, this will require the Group to purchase the remaining 49% ownership interest in FMH.

SINGAPORE POST LIMITED AND ITS SUBSIDIARIES

CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY For the full year ended 31 March 2023

<u>Company</u>	<u>Note</u>	Attributable to ordinary shareholders of the Company					Perpetual <u>securities</u> S\$'000	<u>Total</u> S\$'000
		Share <u>capital</u> S\$'000	Treasury <u>shares</u> S\$'000	Retained <u>earnings</u> S\$'000	Other <u>reserves</u> S\$'000	<u>Total</u> S\$'000		
Balance at 1 April 2022		638,762	(29,724)	587,328	37,308	1,233,674	-	1,233,674
Total comprehensive income for the year		-	-	8,277	-	8,277	-	8,277
<i>Transactions with owners, recognised directly in equity</i>								
Dividends paid to shareholders	19	-	-	(33,296)	-	(33,296)	-	(33,296)
Issuance of shares to employee		-	208	-	(104)	104	-	104
Employee share option scheme: - Value of employee services		-	-	1,374	(1,814)	(440)	-	(440)
Total		-	208	(31,922)	(1,918)	(33,632)	-	(33,632)
Balance at 31 March 2023		638,762	(29,516)	563,683	35,390	1,208,319	-	1,208,319
Balance at 1 April 2021		638,762	(29,724)	584,072	46,836	1,239,946	346,826	1,586,772
Total comprehensive income for the year		-	-	40,566	491	41,057	-	41,057
<i>Transactions with owners, recognised directly in equity</i>								
Redemption of perpetual securities	18	-	-	(4,397)	-	(4,397)	(345,603)	(350,000)
Distribution on perpetual securities	18	-	-	(13,652)	-	(13,652)	13,652	-
Distribution paid on perpetual securities		-	-	-	-	-	(14,875)	(14,875)
Dividends paid to shareholders	19	-	-	(24,745)	-	(24,745)	-	(24,745)
Employee share option scheme: - Value of employee services		-	-	5,484	(10,019)	(4,535)	-	(4,535)
Total		-	-	(37,310)	(10,019)	(47,329)	(346,826)	(394,155)
Balance at 31 March 2022		638,762	(29,724)	587,328	37,308	1,233,674	-	1,233,674

SINGAPORE POST LIMITED AND ITS SUBSIDIARIES

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS For the full year ended 31 March 2023

Group	Full year ended 31 March	
	2023 S\$'000	2022 S\$'000
Cash flows from operating activities		
Profit after tax	38,760	87,743
Adjustments for:		
Income tax expense	29,249	19,623
(Reversal of) / Impairment loss on trade and other receivables	(131)	2,211
Amortisation of contract liabilities	(7,925)	(7,754)
Amortisation of intangible assets	7,641	3,148
Depreciation	74,929	71,276
Fair value loss on put option redemption liability	21,719	1,945
Gain on change of ownership interest from an associated company to a subsidiary	-	(32,427)
Fair value gain on investment properties	(18,565)	(1,279)
Loss on disposal of property, plant and equipment	227	574
Gain on disposal of an associated company	(99)	-
Reversal of provision for restructuring of overseas operations	-	(101)
Net (gain) / loss on disposal / liquidation of subsidiaries	(448)	6,317
Reversal of share-based staff costs	(440)	(4,535)
Finance expenses	19,623	14,779
Interest income	(7,500)	(1,760)
Fair value gain on contingent consideration	(1,284)	-
Impairment of property, plant and equipment	1,441	4,374
Impairment of associated companies	-	2,700
(Reversal of) / Impairment of loans to associated companies	(525)	1,644
Impairment of disposal group classified as held for sale	-	5,469
Share of profit of associated companies and joint venture	(23)	(4,847)
	117,889	81,357
Operating cash flow before working capital changes	156,649	169,100
Changes in working capital, net of effects from acquisition and disposal of subsidiaries		
Inventories	10	21
Trade and other receivables	20,832	(21,016)
Trade and other payables	(29,397)	(34,839)
Contract liabilities	348	297
Cash generated from operations	148,442	113,563
Income tax paid	(32,786)	(24,037)
Net cash provided by operating activities	115,656	89,526
Cash flows from investing activities		
Acquisition of subsidiaries, net of cash acquired	(18,679)	(111,484)
Disposal / liquidation of subsidiaries, net of cash disposed	418	71,814
Additions to property, plant and equipment, investment properties and intangible assets	(28,429)	(24,258)
Dividends received from associated companies	-	1,788
Interest received	6,614	1,881
Investment in a joint venture company	(10)	-
Proceeds from disposal of an associated company	1,380	-
Proceeds from disposal of property, plant and equipment	721	448
Proceeds on sale / maturity of financial assets	8,000	6,500
Repayment of loans by associated company	2,803	8
Net cash used in investing activities	(27,182)	(53,303)

SINGAPORE POST LIMITED AND ITS SUBSIDIARIES

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS
For the full year ended 31 March 2023

Group	Full year ended 31 March	
	2023 S\$'000	2022 S\$'000
Cash flows from financing activities		
Acquisition of additional interest in existing subsidiary	(156,119)	-
Distribution paid to perpetual securities	(8,194)	(14,875)
Dividends paid to shareholders	(33,296)	(24,745)
Dividends paid to non-controlling interests in a subsidiary	(9,983)	(2,309)
Finance expenses paid	(21,899)	(13,544)
Repayment of principal portion of lease liabilities	(21,501)	(31,841)
Proceeds from issuance of perpetual securities	248,972	-
Redemption of perpetual securities	-	(350,000)
Proceeds from bank loans and notes	185,952	288,286
Repayment of bank loans and notes	(57,148)	(106,739)
Net cash provided by / (used in) financing activities	126,784	(255,767)
Net increase / (decrease) in cash and cash equivalents	215,258	(219,544)
Cash and cash equivalents at beginning of financial year	280,438	501,212
Changes in cash and cash equivalents transferred to assets held for sale	-	(1,230)
Cash and cash equivalents at end of financial year	495,696	280,438

SINGAPORE POST LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the second half year and full year ended 31 March 2023

1. General information

Singapore Post Limited (the "Company") is listed on the Singapore Exchange and incorporated and domiciled in Singapore. The address of its registered office and principal place of business is 10 Eunos Road 8, Singapore Post Centre, Singapore 408600.

The principal activities of the Company consist of the operation and provision of post & parcel, eCommerce logistics and property. Its subsidiaries are principally engaged in provision of delivery services and eCommerce logistics solutions, provision of integrated supply chain and distributions services, freight forwarding and investment holding.

2. Significant accounting policies

2.1 Basis of preparation

The condensed interim financial statements for the second half year and full year ended 31 March 2023 have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)") 1-34 *Interim Financial Reporting* and International Accounting Standard 34 *Interim Financial Reporting* and should be read in conjunction with the Group's audited financial statements as at and for the year ended 31 March 2022. SFRS(I)s are issued by the Accounting Standards Council and comprise standards and interpretations that are equivalent to International Financial Reporting Standards ("IFRSs") as issued by the International Accounting Standard Board. All references to SFRS(I)s and IFRSs are subsequently referred to as SFRS(I)s in these condensed interim financial statements unless otherwise stated.

The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements for the year ended 31 March 2022.

The accounting policies applied are consistent with those disclosed in the Group's financial statements as at and for the year ended 31 March 2022 which were prepared in accordance with SFRS(I)s, except for the below:

Hedge Accounting

The Group applies the requirements of SFRS(I) 9 for hedge accounting.

Fair value hedges

The fair value change on qualifying hedging instruments is recognised in profit or loss except when the hedging instrument hedges an equity instrument designated at FVTOCI in which case it is recognised in other comprehensive income.

The carrying amount of a hedged item not already measured at fair value is adjusted for the fair value change attributable to the hedged risk with a corresponding entry in profit or loss. For debt instruments measured at FVTOCI, the carrying amount is not adjusted as it is already at fair value, but the hedging gain or loss is recognized in profit or loss instead of other comprehensive income. When the hedged item is an equity instrument designated at FVTOCI, the hedging gain or loss remains in other comprehensive income to match that of the hedging instrument.

Where hedging gains or losses are recognised in profit or loss, they are recognised in the same line as the hedged item.

SINGAPORE POST LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS For the second half year and full year ended 31 March 2023

2. Significant accounting policies (continued)

2.1 Basis of preparation (continued)

Hedge Accounting (continued)

The Group discontinues hedge accounting only when the hedging relationship (or a part thereof) ceases to meet the qualifying criteria (after rebalancing, if applicable). This includes instances when the hedging instrument expires or is sold, terminated or exercised. The discontinuation is accounted for prospectively. The fair value adjustment to the carrying amount of the hedged item arising from the hedged risk is amortised to profit or loss from that date.

The Group adopted various new and amended pronouncements which are effective from 1 April 2022. The adoption of these new and amended pronouncements did not have a material effect on the condensed interim financial statements.

The condensed interim financial statements are presented in Singapore dollars, which is the Company's functional currency. All financial information has been rounded to the nearest thousand, unless otherwise stated.

2.2 Critical accounting estimates, assumptions and judgements

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 March 2022. In the current financial year, critical accounting estimates, assumptions and judgement were also applied in the accounting for acquisition of the additional 37% interest in Freight Management Holdings Pty Ltd. and the application of fair value hedge accounting over the Group's equity investment designated at fair value through other comprehensive income.

In respect of the fair value hedge above, the fair value change of the qualifying hedging instruments is recognised in other comprehensive income. As the hedged item is an equity instrument designated at FVTOCI, the hedging gain or loss remains in other comprehensive income to match that of the hedging instrument.

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

3. Seasonality

The Group's business experiences seasonality which is tied to holiday seasons and eCommerce promotions that could vary from market to market. However, on a Group basis, the performance in the first half of the financial year when compared to the second half of the financial year is not significantly different. This is because the differences between the two periods in the various markets broadly even out on a Group basis.

SINGAPORE POST LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS For the second half year and full year ended 31 March 2023

4. Revenue

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

	Group		Group	
	Second half year ended 31 March	2022	Full year ended 31 March	2022
	2023	2022	2023	2022
	S\$'000	S\$'000	S\$'000	S\$'000
Post and Parcel	252,546	286,214	505,546	604,784
Logistics	637,128	613,930	1,313,027	988,450
Property	23,706	34,046	53,686	72,345
	913,380	934,190	1,872,259	1,665,579

A disaggregation of the Group's revenue is as follows:

	Group					
	Second half year ended 31 March					
	2023			2022		
Revenue from services rendered	Sale of products	Total	Revenue from services rendered	Sale of products	Total	
S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	
Post and Parcel	251,908	638	252,546	285,087	1,127	286,214
Logistics	637,128	-	637,128	613,930	-	613,930
Property	23,706	-	23,706	34,046	-	34,046
	912,742	638	913,380	933,063	1,127	934,190

Timing of revenue recognition in respect of revenue from contracts with customers

At a point in time	4,194	638	4,832	3,213	1,127	4,340
Over time	890,384	-	890,384	905,292	-	905,292
	894,578	638	895,216	908,505	1,127	909,632

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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS For the second half year and full year ended 31 March 2023

4. Revenue (continued)

	Group					
	Full year ended 31 March					
	2023			2022		
Revenue from services rendered	Sale of products	Total	Revenue from services rendered	Sale of products	Total	
S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	
Post and Parcel	504,282	1,264	505,546	602,498	2,286	604,784
Logistics	1,313,027	-	1,313,027	988,450	-	988,450
Property	53,686	-	53,686	72,345	-	72,345
	1,870,995	1,264	1,872,259	1,663,293	2,286	1,665,579
Timing of revenue recognition in respect of revenue from contracts with customers⁽¹⁾						
At a point in time	9,328	1,264	10,592	5,097	2,286	7,383
Over time	1,822,215	-	1,822,215	1,616,234	-	1,616,234
	1,831,543	1,264	1,832,807	1,621,331	2,286	1,623,617

⁽¹⁾ These disclosures under SFRS(I) 15 are not applicable to revenue from lease contracts amounting to S\$39,452,000 (2022: S\$41,962,000).

SINGAPORE POST LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS For the second half year and full year ended 31 March 2023

5. Exceptional items

	Group			
	Second half year ended 31 March		Full year ended 31 March	
	2023	2022	2023	2022
	S\$'000	S\$'000	S\$'000	S\$'000
Disposals:				
- Gain on change in ownership interest from an associated company to a subsidiary	-	32,427	-	32,427
- Loss on disposal of property, plant and equipment	(92)	(780)	(227)	(574)
- Gain on disposal of an associated company	-	-	99	-
- Net (loss) / gain on disposal / liquidation of subsidiaries ⁽¹⁾	-	(6,135)	448	(6,317)
Acquisitions:				
- Gain on contingent consideration	1,284	-	1,284	-
Fair value gain / (loss):				
- Investment properties (Note 13)	18,565	1,279	18,565	1,279
- Derivative instruments for hedging	(282)	-	(282)	-
- Put option redemption liability ⁽²⁾	(707)	(1,945)	(21,719)	(1,945)
Reversal of impairment charges/ (Impairment charges) ⁽³⁾ :				
- Property, plant and equipment	(425)	(4,374)	(1,441)	(4,374)
- Associated company	-	(2,700)	-	(2,700)
- Disposal group classified as held for sale ⁽⁴⁾	-	(5,469)	-	(5,469)
- Loans to associated companies	-	-	525	(1,644)
M&A related expenses	(2,079)	(8,093)	(3,399)	(8,926)
Restructuring of operations	-	-	(1,558)	101
	16,264	4,210	(7,705)	1,858

(1) Before considering the effect of transfer of revaluation gain on property, plant and equipment and other capital reserve of S\$Nil (2022: S\$6,017,000) directly to retained earnings.

(2) On 31 March 2023, the Group completed its acquisition of additional 37% equity interest in Freight Management Holdings Pty Limited ("FMH") through exercising of a put option written with the non-controlling shareholder. The fair value loss of put option redemption liability of S\$22.9 million included as part of the \$21.7 million loss above (offset by a separate fair value gain) arises from fair value movement of this liability from 1 April 2022 to 31 March 2023. Further details on the acquisitions are included in the announcements dated 30 November 2021, 14 March 2022, 2 December 2022, 11 January 2023, 30 March 2023 and 31 March 2023.

(3) Total impairment charges amounted to S\$916,000 (2022: S\$14,187,000).

(4) Before considering the effect of the reversal of tax provision of S\$5,200,000 for the preceding financial year ended 31 March 2022 (Note 7).

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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the second half year and full year ended 31 March 2023

6. Profit before tax

Other than as disclosed elsewhere in these condensed interim financial statements, profit before tax for the period has been arrived at after charging/(crediting) the following:

	Group			
	Second half year ended		Full year ended	
	31 March		31 March	
	2023	2022	2023	2022
	S\$'000	S\$'000	S\$'000	S\$'000
Depreciation of property, plant and equipment	20,289	20,973	40,970	40,163
Depreciation of right-of-use assets	18,754	16,680	33,959	31,113
Amortisation	3,153	2,920	7,641	3,148
Interest expense:				
- Fixed rate notes	4,764	1,586	9,555	6,352
- Bank borrowings	2,274	3,249	4,740	2,036
- Lease liabilities	2,159	2,192	4,031	4,043
- Significant financing component from contracts with customers	321	223	717	996
Other borrowing costs	234	459	580	1,352
Currency exchange losses / (gains) - net	2,350	(3,830)	5,184	(4,876)

7. Income tax expense

	Group			
	Second half year ended		Full year ended	
	31 March		31 March	
	2023	2022	2023	2022
	S\$'000	S\$'000	S\$'000	S\$'000
Tax expense / (benefit) attributable to profit is made up of:				
- Current income tax	22,575	14,310	32,536	24,486
- Deferred income tax	(3,587)	155	(2,816)	462
	18,988	14,465	29,720	24,948
Under / (Over) provision in preceding financial periods:				
- Current income tax	(177)	(5,408)	(1,612)	(5,325)
- Deferred income tax	1,141	(167)	1,141	-
	19,952	8,890	29,249	19,623

SINGAPORE POST LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS For the second half year and full year ended 31 March 2023

8. Earnings per share

(a) Basic earnings per share

Basic earnings per share is calculated by dividing the net profit attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding, excluding treasury shares, during the financial period.

	Group			
	Second half year ended 31 March	2022	Full year ended 31 March	2022
Net profit attributable to equity holders of the Company (S\$'000)	34,583	48,063	24,679	83,112
Less: Net profit attributable to perpetual securities holders of the Company (S\$'000)	(5,423)	(6,194)	(10,726)	(13,652)
Net profit attributable to ordinary shareholders of the Company (S\$'000)	29,160	41,869	13,953	69,460
Weighted average number of ordinary shares outstanding for basic earnings per share ('000)	2,249,740	2,249,577	2,249,700	2,249,577
Basic earnings per share (cents per share)	1.30	1.86	0.62	3.09

(b) Diluted earnings per share

For the purpose of calculating diluted earnings per share, profit attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding, excluding treasury shares, are adjusted for the effects of all dilutive potential ordinary shares. The Company's dilutive potential ordinary shares are in the form of share options.

For share options, the weighted average number of shares on issue has been adjusted as if all dilutive share options were exercised. The number of shares that could have been issued upon the exercise of all dilutive share options less the number of shares that could have been issued at fair value (determined as the Company's average share price for the financial period) for the same total proceeds is added to the denominator as the number of shares issued for no consideration. No adjustment is made to the net profit.

There is no dilution of earnings per share for the second half years and financial years ended 31 March 2023 and 2022.

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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS For the second half year and full year ended 31 March 2023

9. Net asset value

	<u>Group</u>		<u>Company</u>	
	As at 31 Mar 23	As at 31 Mar 22	As at 31 Mar 23	As at 31 Mar 22
Net asset value per ordinary share (cents)	61.42	58.12	53.71	54.84
Ordinary equity ⁽¹⁾ per ordinary share (cents)	50.24	58.12	53.71	54.84

⁽¹⁾ Total equity excluding non-controlling interests and perpetual securities.

10. Financial assets

	<u>Group</u>		<u>Company</u>	
	As at 31 Mar 23	As at 31 Mar 22	As at 31 Mar 23	As at 31 Mar 22
	S\$'000	S\$'000	S\$'000	S\$'000
<u>Current</u>				
<i>Financial assets at amortised cost</i>				
- Bonds - quoted in Singapore	-	8,006	-	8,006
	-	8,006	-	8,006
<u>Non-current</u>				
<i>Financial assets designated as FVTOCI</i>				
- Equity investments – unquoted	42,076	90,631	-	-
	42,076	90,631	-	-

The Group carries an investment in Shenzhen 4PX Information Technology Co., Limited (“4PX”) classified as an equity investment designated at FVTOCI amounting to S\$41.9 million for which fair value hedge accounting (Note 11) has been applied. During the full year ended 31 March 2023, the fair value loss arising from the investment is S\$48.5 million (2022: S\$10.4 million).

As at 31 March 2022, the debt securities were corporate bonds at fixed rates between 3.2% to 3.7% per annum and due between 3 June 2022 and 29 August 2022.

The fair values of the financial assets at the end of the reporting period are as follows:

	<u>Group</u>		<u>Company</u>	
	As at 31 Mar 23	As at 31 Mar 22	As at 31 Mar 23	As at 31 Mar 22
	S\$'000	S\$'000	S\$'000	S\$'000
<u>Current</u>				
<i>Financial assets at amortised cost</i>				
- Bonds - quoted in Singapore	-	8,170	-	8,170
	-	8,170	-	8,170
<u>Non-current</u>				
<i>Financial assets designated as FVTOCI</i>				
- Equity investments - unquoted	42,076	90,631	-	-
	42,076	90,631	-	-

The fair values of quoted securities are based on published price quotations at the end of the reporting period.

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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS For the second half year and full year ended 31 March 2023

11. Derivative financial instruments

	<u>Group</u>		<u>Company</u>	
	As at 31 Mar 23 S\$'000	As at 31 Mar 22 S\$'000	As at 31 Mar 23 S\$'000	As at 31 Mar 22 S\$'000
<u>Current assets</u>				
Other non-hedging derivatives				
Currency forwards	372	391	372	391
<u>Non-current assets</u>				
Hedge instrument relating to fair value hedge				
Equity option (Note 10)	56,879	-	-	-
	<u>57,251</u>	391	<u>372</u>	391
<u>Current liabilities</u>				
Other non-hedging derivatives				
Interest rate swap	281	-	-	-
Currency forwards	1,132	552	1,132	552
	<u>1,413</u>	552	<u>1,132</u>	552

The Group has equity options over its investment in 4PX classified as hedge instruments relating to fair value hedge amounting to S\$56.9 million which hedges the fair value changes arising from the financial assets designated at FVTOCI (Note 10). During the full year ended 31 March 2023, the fair value gain arising from the hedge instrument is S\$56.9 million (2022: S\$Nil).

12. Assets classified as held for sale and Liabilities directly associated with assets classified as held for sale

2023

As at 31 March 2023, the Group and Company have a property over which land has been gazetted for compulsory acquisition by the Singapore government. The major classes of assets comprising the "non-current assets held for sale" were as follows:

	<u>Group</u> As at 31 March 23 S\$'000
Assets classified as held for sale	
Investment properties (Note 13)	10,914
Property, plant and equipment	786
	<u>11,700</u>

The assets classified as held for sale were included in Property segment for the purpose of segmental reporting.

2022

As at 31 March 2022, the Group had entered into various sales and purchase agreements to divest a foreign subsidiary and an associated company. Accordingly, the Group's assets classified as held for sale and liabilities directly associated with assets classified as held for sale comprised the assets and liabilities of the foreign subsidiary and associated company.

The divestment of the foreign subsidiary and the associated company was completed during the current financial year.

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For the second half year and full year ended 31 March 2023

12. Assets classified as held for sale and Liabilities directly associated with assets classified as held for sale (continued)

2022

	<u>Group</u> As at 31 March 22 S\$'000
Assets classified as held for sale	
Cash and cash equivalents	1,230
Trade and other receivables	2,928
Investment in an associated company	1,341
	<u>5,499</u>
Liabilities directly associated with assets classified as held for sale	
Trade and other payables	1,226
Current income tax liabilities	856
	<u>2,082</u>

The assets and liabilities classified as held for sale were included in the Logistics segment for the purpose of segmental reporting.

13. Investment properties

	<u>Group</u>		<u>Company</u>	
	As at 31 Mar 23 S\$'000	As at 31 Mar 22 S\$'000	As at 31 Mar 23 S\$'000	As at 31 Mar 22 S\$'000
Beginning of financial year	956,610	1,010,804	945,274	956,362
Additions	-	70	-	70
Reclassification from / (to) property, plant and equipment (net)	1,353	(3,172)	52	(12,417)
Reclassification from right-of-use assets	157	950	-	-
Reclassification to held for sale (Note 12)	(10,914)	-	(10,914)	-
Loss of control of a subsidiary	-	(53,321)	-	-
Fair value gain recognised in profit or loss	18,565	1,279	18,621	1,259
End of financial year	965,771	956,610	953,033	945,274

SINGAPORE POST LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS For the second half year and full year ended 31 March 2023

13. Investment properties (continued)

<u>Group</u>	<u>Fair value measurements using</u>		
	<u>Quoted prices in active markets for identical assets (Level 1) S\$'000</u>	<u>Significant other observable inputs (Level 2) S\$'000</u>	<u>Significant unobservable inputs (Level 3) S\$'000</u>
As at 31 March 2023			
- Commercial and retail / warehousing – Singapore	-	2,483	963,288
As at 31 March 2022			
- Commercial and retail / warehousing – Singapore	-	2,484	954,126

There were no transfers in or out of fair value hierarchy levels.

Valuation techniques and processes

The valuation techniques used to derive Level 2 and 3 fair values and the valuation processes used by the Group were the same as those disclosed in the Group's financial statements as at 31 March 2022.

14. Property, plant and equipment

During the full year ended 31 March 2023,

- The Group acquired assets amounting to 24,011,000 (2022: S\$22,453,000) and disposed assets amounting to S\$948,000 (2022: S\$1,022,000).
- The Company acquired assets amounting to S\$8,750,000 (2022: S\$6,331,000) and disposed assets amounting to S\$526,000 (2022: S\$417,000).

As at 31 March 2023, commitments for the purchase of property, plant and equipment amount to S\$15,334,000 (2022: S\$21,588,000) and S\$6,189,000 (2022: S\$6,758,000) for the Group and Company respectively.

15. Intangible assets

	<u>Group</u>	
	<u>As at 31 Mar 23 S\$'000</u>	<u>As at 31 Mar 22 S\$'000</u>
Goodwill on acquisitions	415,659	430,120
Customer relationships	21,258	28,357
Acquired software license	15,309	15,028
Trademarked brands	48,732	55,936
	<u>500,958</u>	<u>529,441</u>

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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS For the second half year and full year ended 31 March 2023

16. Borrowings

	<u>Group</u>		<u>Company</u>	
	As at 31 Mar 23 S\$'000	As at 31 Mar 22 S\$'000	As at 31 Mar 23 S\$'000	As at 31 Mar 22 S\$'000
<u>Current</u>				
- Borrowings (secured)	1,370	27,527	-	-
- Borrowings (unsecured)	-	50,000	-	50,000
	1,370	77,527	-	50,000
<u>Non-current</u>				
- Borrowings (secured)	39,809	-	-	-
- Borrowings (unsecured)	583,211	439,481	-	-
	623,020	439,481	-	-
Total borrowings	624,390	517,008	-	50,000

Secured borrowings comprise external bank loans and are secured over trade receivables with carrying amount of S\$75.5 million (2022: S\$64.8 million), or property, plant and equipment with carrying amount of S\$36.2 million (2022: S\$36.4 million) at the end of the reporting period.

As at 31 March 2023, the Group's unsecured borrowings consist of S\$250 million 10-year Notes, S\$100 million 5-year Notes and A\$264.4 million (S\$235.2 million) 5-year term loan facilities.

As at 31 March 2022, the Group's unsecured borrowings consist of S\$250 million 10-year Notes, S\$100 million 5-year Notes, A\$89.4 million (S\$90.6 million) 5-year term loan facility and short-term loan of S\$50.0 million.

Fair value of non-current borrowings

	<u>Group</u>	
	As at 31 Mar 23 S\$'000	As at 31 Mar 22 S\$'000
<u>Non-current</u>		
- Borrowings (secured)	39,809	-
- Borrowings (unsecured)	551,912	423,988
	591,721	423,988

The fair value of the Notes above is determined based on the over-the-counter quoted price.

The fair value of external bank loans is computed based on cash flows discounted at market borrowing rates. The fair value is classified within Level 2 of the fair value hierarchy.

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17. Share capital and treasury shares

	<u>Number of ordinary shares</u>		<u>Amount</u>	
	<u>Issued share capital</u> <u>'000</u>	<u>Treasury shares</u> <u>'000</u>	<u>Share capital</u> <u>S\$'000</u>	<u>Treasury shares</u> <u>S\$'000</u>
<u>Group and Company</u>				
As at 1 April 2021 and 31 March 2022	2,275,089	(25,512)	638,762	(29,724)
Issuance of shares to employee	-	162	-	208
As at 31 March 2023	2,275,089	(25,350)	638,762	(29,516)

All issued ordinary shares are fully paid. There is no par value for these ordinary shares.

Treasury shares

During the financial year ended 31 March 2023, 162,000 treasury shares (2022:Nil) amounting to S\$208,000 were reissued.

Share options

During the financial years ended 31 March 2023 and 2022, no share was issued under the Singapore Post Share Option Scheme.

As at 31 March 2023, there were unexercised options for 3,253,000 (2022: 6,807,000) unissued ordinary shares under the Singapore Post Share Option Scheme (including Performance Option Plan but excluding Restricted Share Plan) and unvested shares for 8,129,828 (2022: 5,543,255) unissued ordinary shares under the Restricted Share Plan.

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18. Perpetual securities

- (a) On 2 March 2012, the Company issued senior perpetual cumulative securities ("Perpetual Securities 2012") with an aggregate principal amount of S\$350,000,000. Incremental costs incurred amounting to S\$4,397,000 were recognised in equity as a deduction from proceeds. Perpetual Securities 2012 bear distributions at a rate of 4.25% per annum, payable semi-annually. Perpetual Securities 2012 were fully redeemed on 2 March 2022.
- (b) On 6 April 2022, a wholly owned subsidiary of the Group issued SGD Subordinated Perpetual Securities with an aggregate principal amount of S\$250,000,000 ("Perpetual Securities 2022") under the S\$1 billion Multicurrency Debt Issuance Programme which is guaranteed by the Company. Incremental costs incurred amounting to S\$1,028,000 were recognised in equity as a deduction from proceeds. Perpetual Securities 2022 bear distributions at a rate of 4.35% per annum up to 6 July 2027, payable semi-annually. The distribution rate will be reset every 5 years starting 6 July 2027.

Subject to the relevant terms and conditions in the offering memorandum, the Group and Company may elect to defer making distributions on the perpetual securities, and is not subject to any limits as to the number of times a distribution can be deferred.

As a result, the Group and Company are considered to have no contractual obligations to repay its principal or to pay any distributions and the perpetual securities do not meet the definition for classification as a financial liability under SFRS(I) 1-32 *Financial Instruments: Presentation*. The whole instrument is presented within equity, and distributions are treated as dividends.

During the financial year, distributions to perpetual securities holders amounted to S\$10,726,000 (2022: S\$13,652,000).

19. Dividends

	<u>Group and Company</u>	
	Full year ended	
	31 March	
	2023	2022
	S\$'000	S\$'000
<i>Ordinary dividends paid</i>		
Final exempt (one-tier) dividend paid in respect of the previous financial year of 1.3 cent per share (2022: 0.6 cents)	29,247	13,497
Interim exempt (one-tier) dividend paid in respect of the first half of the current financial year of 0.18 cent per share (2022: 0.5 cent)	4,049	11,248
	33,296	24,745

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19. Dividends (continued)

Final dividend

The Board is recommending a final exempt (one-tier) dividend of 0.40 cents per ordinary share amounting to S\$8.9 million for the financial year ended 31 March 2023. Including the interim dividend of 0.18 cents per share paid out in November 2022, total dividend would amount to 0.58 cents per share, or approximately 40% of the underlying net profit.

The proposed final dividend is subject to the approval of shareholders at the 31st Annual General Meeting to be duly convened. The date payable and record date of the final dividend will be announced at a later date. These condensed interim financial statements do not reflect this dividend, which will be accounted for in shareholders' equity as an appropriation of retained earnings in the financial year ending 31 March 2024.

20. Fair value measurement

The following table presents financial assets and liabilities measured at fair value and classified by level of the following fair value measurement hierarchy:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2); and
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

<u>Group</u>	<u>Level 1</u> S\$'000	<u>Level 2</u> S\$'000	<u>Level 3</u> S\$'000	<u>Total</u> S\$'000
As at 31 March 2023				
Assets				
Financial assets designated as at FVTOCI	-	-	42,076	42,076
Derivative financial instruments	-	372	56,879	57,251
Liabilities				
Derivative financial instruments	-	1,413	-	1,413
Contingent consideration payable	-	-	27,775	27,775
Put option redemption liability	-	-	72,827	72,827
As at 31 March 2022				
Assets				
Financial assets designated as at FVTOCI	-	-	90,631	90,631
Derivative financial instruments	-	391	-	391
Liabilities				
Derivative financial instruments	-	552	-	552
Contingent consideration payable	-	-	7,971	7,971
Put option redemption liability	-	-	249,215	249,215

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20. Fair value measurement (continued)

	<u>Level 1</u> S\$'000	<u>Level 2</u> S\$'000	<u>Level 3</u> S\$'000	<u>Total</u> S\$'000
<u>Company</u>				
As at 31 March 2023				
Assets				
Derivative financial instruments	-	372	-	372
Liabilities				
Derivative financial instruments	-	1,132	-	1,132
As at 31 March 2022				
Assets				
Derivative financial instruments	-	391	-	391
Liabilities				
Derivative financial instruments	-	552	-	552

There were no transfers between Levels 1, 2 and 3 during the full years ended 31 March 2023 and 2022.

21. Related party transactions

The Group had the following significant transactions with its related parties at terms agreed between the parties:

Sales and purchases of goods and services

	<u>Group</u>			
	Second half year ended 31 March	2022	Full year ended 31 March	2022
	2023 S\$'000	S\$'000	2023 S\$'000	S\$'000
Services rendered to an associated company	-	1,314	-	2,677
Services received from associated companies	(4,069)	(1,814)	(6,765)	(3,072)
Services rendered to related companies of a substantial shareholder	6,066	6,948	11,974	13,901
Services received from related companies of a substantial shareholder	(9,518)	(8,136)	(14,526)	(16,926)
Interest received from loans to associated companies	-	45	17	92

During the full year ended 31 March 2023, the Company made payments on behalf of subsidiaries totaling S\$2.0 million (2022: S\$5.2 million) which were subsequently reimbursed.

SINGAPORE POST LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS For the second half year and full year ended 31 March 2023

22. Segment information

Management has determined the operating segments based on the reports reviewed by the Group Chief Executive Officer and Group Chief Financial Officer (“Chief Operating Decision Maker” or “CODM”) that are used to make strategic decisions.

SingPost Group classifies the reporting of business units into three key business segments, namely Post and Parcel, Logistics and Property.

- **Post and Parcel** segment comprises the core postal and parcel delivery business of the Group. This includes Domestic post and parcels, International post and parcels, as well as products and services transacted at the post offices.
- **Logistics** segment comprises the logistics businesses of the Group. The services are divided into Freight forwarding and eCommerce logistics, which includes front-end related eCommerce solutions, warehousing, fulfilment, delivery and other value-added services in Asia Pacific.
- **Property** segment includes the provision of commercial property rental, as well as the self-storage business.

All other segments comprising of unallocated corporate overhead items are categorised as Others.

(a) Segment revenues and results

The following is an analysis of the Group’s revenues and results by reportable segments that were provided to the CODM for the second half years and full years ended 31 March 2023 and 2022.

Group	Post and Parcel		Property	Eliminations	Total	All other segments	Total
	Parcel	Logistics					
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Second half year ended 31 March 2023							
Revenue:							
- External	252,546	637,128	23,706	-	913,380	-	913,380
- Inter-segment	7,068	4,381	13,853	(25,302)	-	-	-
	<u>259,614</u>	<u>641,509</u>	<u>37,559</u>	<u>(25,302)</u>	<u>913,380</u>	<u>-</u>	<u>913,380</u>
Operating profit	<u>(3,772)</u>	<u>43,213</u>	<u>21,324</u>	<u>-</u>	<u>60,765</u>	<u>(8,938)</u>	<u>51,827</u>
Second half year ended 31 March 2022							
Revenue:							
- External	286,214	613,930	34,046	-	934,190	-	934,190
- Inter-segment	10,580	5,072	21,100	(36,752)	-	-	-
	<u>296,794</u>	<u>619,002</u>	<u>55,146</u>	<u>(36,752)</u>	<u>934,190</u>	<u>-</u>	<u>934,190</u>
Operating profit	<u>13,542</u>	<u>28,068</u>	<u>26,249</u>	<u>-</u>	<u>67,859</u>	<u>(6,873)</u>	<u>60,986</u>

SINGAPORE POST LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the second half year and full year ended 31 March 2023

22. Segment information (continued)

(a) Segment revenues and results (continued)

Group	Post and				Total	All other segments	Total
	Parcel	Logistics	Property	Eliminations			
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Full year ended							
31 March 2023							
Revenue:							
- External	505,546	1,313,027	53,686	-	1,872,259	-	1,872,259
- Inter-segment	15,801	9,331	34,645	(59,777)	-	-	-
	521,347	1,322,358	88,331	(59,777)	1,872,259	-	1,872,259
Operating profit	(15,874)	84,742	44,012	-	112,880	(19,714)	93,166
Full year ended							
31 March 2022							
Revenue:							
- External	604,784	988,450	72,345	-	1,665,579	-	1,665,579
- Inter-segment	17,550	10,080	42,561	(70,191)	-	-	-
	622,334	998,530	114,906	(70,191)	1,665,579	-	1,665,579
Operating profit	24,851	44,295	52,867	-	122,013	(9,939)	112,074

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.

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 venture. Interest income and finance expenses are not allocated to segments.

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

	Group			
	Second half year ended		Full year ended	
	31 March	31 March	31 March	31 March
	2023	2022	2023	2022
	S\$'000	S\$'000	S\$'000	S\$'000
Operating profit for reportable segments	60,765	67,859	112,880	122,013
Operating loss for all other segments	(8,938)	(6,873)	(19,714)	(9,939)
Exceptional items	16,264	4,210	(7,705)	1,858
Finance expenses	(9,752)	(7,709)	(19,623)	(14,779)
Interest income and investment income (net)	2,891	2,070	2,148	3,366
Share of (loss) / profit of associated companies and joint venture	(115)	2,106	23	4,847
Profit before tax	61,115	61,663	68,009	107,366
Tax expense	(19,952)	(8,890)	(29,249)	(19,623)
Profit after tax	41,163	52,773	38,760	87,743

SINGAPORE POST LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the second half year and full year ended 31 March 2023

22. Segment information (continued)

(b) Segment assets (continued)

The following is an analysis of the Group's segment assets as at 31 March 2023 and 2022 that were provided to the CODM:

<u>Group</u>	<u>Post and Parcel</u> S\$'000	<u>Logistics</u> S\$'000	<u>Property</u> S\$'000	<u>Total</u> S\$'000	<u>All other segments</u> S\$'000	<u>Total</u> S\$'000
31 March 2023						
Segment assets	240,885	1,007,617	1,174,111	2,422,613	40,518	2,463,131
Segment assets include:						
Investment in associated companies	-	3,018	-	3,018	28,931	31,949
Intangible assets	4,329	496,629	-	500,958	-	500,958
31 March 2022						
Segment assets	140,154	1,008,165	1,274,804	2,423,123	48,390	2,471,513
Segment assets include:						
Investment in associated companies	-	2,575	-	2,575	31,497	34,072
Intangible assets	-	529,441	-	529,441	-	529,441

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 statement of financial position 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. Cash and cash equivalents are allocated to reportable segments where applicable.

	<u>Group</u>	
	As at 31 Mar 23 S\$'000	As at 31 Mar 22 S\$'000
Segment assets for reportable segments	2,422,613	2,423,123
Segment assets for all other segments	40,518	48,390
Unallocated:		
Cash and cash equivalents	374,267	199,494
Financial assets	-	8,006
Derivative financial instruments	372	391
Total assets	2,837,770	2,679,404

SINGAPORE POST LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the second half year and full year ended 31 March 2023

22. Segment information (continued)

(c) Geographical information

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

- Singapore - the Company is headquartered and has operations in Singapore where 32% (2022: 43%) 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.
- 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.

	Group		Group	
	Second half year ended 31 March	2022	Full year ended 31 March	2022
	2023 S\$'000	S\$'000	2023 S\$'000	2022 S\$'000
Revenue:				
Singapore	291,909	345,278	594,562	717,076
Australia	432,180	321,165	857,800	460,962
Other countries	189,291	267,747	419,897	487,541
	913,380	934,190	1,872,259	1,665,579

The geographical information on the Group's non-current assets is not presented as it is not used for segmental reporting purposes.

SINGAPORE POST LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS For the second half year and full year ended 31 March 2023

23. Acquisition of subsidiaries

2023

During the current financial year, the following acquisitions were completed:

Parcel Santa Pte. Ltd.

On 1 April 2022, the Group acquired 100% shares and voting interest in Parcel Santa Pte. Ltd. ("Parcel Santa"). Parcel Santa is the sole provider of smart locker systems for private residences in Singapore.

Belperio Transport QLD Pty Ltd, Belperio Transport NSW Pty Ltd, Spectrum Transport VIC Pty Ltd and Spectrum Transport Equipment Pty Ltd ("Spectrum Group")

On 30 June 2022, the Group acquired 100% of the shares and voting interest in Spectrum Group through its subsidiary, Freight Management Holdings Pty Ltd ("FMH"). The Spectrum Group is a specialist carrier providing Business to Business Metro distribution in Brisbane, Sydney and Melbourne with a focus on fast-moving consumer goods ("FMCG") product.

Details at the acquisition date of the consideration paid, the fair value amounts of assets acquired and liabilities assumed, and the effects on the cash flows of the Group, are as follows:

(i)	<u>Purchase consideration</u>		
	Cash paid to vendor	5,224	3,796
	Contingent consideration (Note (iv))	-	12,925
	Total purchase consideration	5,224	16,721
(ii)	<u>Effect on cash flows of the Group</u>		
	Effect on cash flows of the Group	5,224	3,796
	Less: Cash and cash equivalent balances	(55)	(983)
	Cash outflow on acquisition	5,169	2,813
(iii)	<u>Identifiable assets acquired and liabilities assumed, at fair value-</u>		
	<u>Current assets</u>		
	Cash and cash equivalents	55	983
	Trade and other receivables	337	2,806
	Other current assets	12	203
		404	3,992
	<u>Non-current assets</u>		
	Property, plant and equipment	890	2,822
	Intangible assets	1,258	-
		2,148	2,822
	<u>Current liabilities</u>		
	Trade and other payables	352	1,989
	Current income tax liabilities	2	9
	Other creditors and accruals	28	1,114
		382	3112
	<u>Non-current liability</u>		
	Deferred tax liabilities	214	-

SINGAPORE POST LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the second half year and full year ended 31 March 2023

23. Acquisition of subsidiaries (continued)

	Parcel Santa S\$'000	Spectrum Group S\$'000
Total identifiable assets acquired and liabilities	1,956	3,702
Add: Goodwill arising on acquisition (Note (v))	3,268	13,019
Consideration	5,224	16,721

The fair value of the financial assets includes receivables acquired (which principally comprised trade receivables) as below:

	Parcel Santa S\$'000	Spectrum Group S\$'000
Trade receivables		
Gross contractual value	337	2,806
Less: Loss allowance	337	2,806

(iv) Contingent consideration

The contingent consideration is dependent on the Earnings before Interest, Taxes, Depreciation and Amortisation ("EBITDA") of Spectrum Group for the period from 1 July 2022 to 30 June 2023.

The contingent consideration was revalued as at 31 March 2023 to S\$9,079,000 with a gain recognised for the year of S\$3,102,000 in exceptional item arising from the decrease in consideration payable by FMH on the interest in Spectrum Group. The remaining movement is attributable to translation reserves arising from foreign currency revaluation.

(v) Goodwill arising on acquisition

The goodwill of S\$3,268,000 arising on acquisition of Santa Parcel is attributable to the synergies expected to arise from combining the operations of the Group with Parcel Santa's network of parcel lockers.

The goodwill of S\$13,019,000 arising on acquisition of Spectrum group is attributable to synergies expected to arise from combining operations of the Group with Spectrum group's to help to expand the Group's reach and service offering to customers in FMCG industry.

None of the goodwill is expected to be deductible for tax purposes.

(vi) Acquisition-related cost

Acquisition-related costs of S\$235,000 are included in "administrative expenses" in the consolidated statement of comprehensive income and in operating cash flows in the consolidated statement of cash flows.

(vii) Impact of acquisition on the results of the Group

Parcel Santa contributed S\$1,430,000 revenue and a net loss of S\$691,000 to the Group's profit for the period between the date of acquisition and the reporting date. Spectrum Group contributed S\$21,957,000 revenue and S\$2,237,000 to the Group's profit for the period between the date of acquisition and the reporting date.

If the acquisition of Spectrum Group had been completed on the first day of the financial year, consolidated revenue and consolidated net profit for the year ended 31 March 2023 would have increased by S\$7,667,000 and S\$584,000 respectively.

SINGAPORE POST LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the second half year and full year ended 31 March 2023

24. Contingent liabilities

1st Arbitration

A non-controlling shareholder (the "Claimant") of Famous Holdings Pte Ltd ("FHPL"), a subsidiary of the Company, had exercised his put option in respect of his remaining 37.5% shares in FHPL in September 2016. As there were differences between the parties on the final valuation of the put option, the Claimant commenced arbitration proceedings against the Company in 2017 (the "1st Arbitration").

On 3 June 2020, the arbitral tribunal issued its partial award with respect to the 1st Arbitration (the "1st Partial Award for the 1st Arbitration") and dismissed the Claimant's various claims against the Company for damages for breach of a shareholders' agreement (the "SHA"), conspiracy and inducement of breach of contract. The tribunal also ruled in the Company's favour on material accounting and computational issues under the SHA, which are the most significant determinants of what sums, if any, are due to be paid either by the Company to the Claimant, or by the Claimant to the Company, for the transfer of the Claimant's remaining 37.5% shares in FHPL to the Company. Based on its findings, the tribunal directed the parties to see if they can agree on the final amount payable for the transfer of the Claimant's 37.5% shares in FHPL to the Company, failing which the tribunal will make a final determination.

As there was divergence between the Company and the Claimant on the precise computation for the final amount payable, on 19 January 2022, the tribunal issued a further partial award in respect of the 1st Arbitration (the "2nd Partial Award for the 1st Arbitration") that, amongst others, applies one out of several computation methodologies that were submitted by the parties within the parameters of the 1st Partial Award for the 1st Arbitration. The tribunal has not ruled on the final amount, but the tribunal's determination on the computation methodology, which remains subject to tax and minority interest adjustments, would entail the Company paying the Claimant for his 37.5% shares in FHPL at a fair value that would not have a material impact on the Group's net tangible assets or earnings per share for the financial year ended 31 March 2023.

2nd Arbitration

In addition to the 1st Arbitration, a second arbitration was commenced by the Claimant against FHPL and SingPost Logistics Investments Pte Ltd ("SPLI"), a subsidiary of the company, on 15 and 16 September 2021 (viz., the 2nd Arbitration), in which the Claimant alleged breaches of a shareholders' agreement (viz., the SHA), minority oppression, the existence of a conspiracy, and his purported entitlement to dividends. On 29 March 2023, the arbitral tribunal issued a Final Partial Award dismissing all of the Claimant's claims against SPLI and FHPL in the 2nd Arbitration (the "Final Partial Award"). The Final Partial Award was declared as immediately enforceable and matters relating to costs were reserved to a further award.

3rd Arbitration

A third arbitration was separately commenced by the Claimant against SPLI on 22 February 2022 (viz., the 3rd Arbitration), in which the Claimant alleged breaches of the SHA which impacted the final amount payable by the Company for the Claimant's remaining 37.5% shares in FHPL which are the subject of the 1st Arbitration. The Claimant had initially quantified his claim at S\$16,514,119 plus interest, based on his Statement of Claim filed on 8 August 2022. Based on the revised Statement of Claim and supporting documentation re-filed by the Claimant on 29 October 2022 and 1 November 2022, the Claimant changed the quantum of his claim to S\$13,996,884 plus interest.

High Court Proceedings and 4th Arbitration

The Claimant had also commenced proceedings against the Company in the High Court. Based on the Statement of Claim which was served on the Company on 26 September 2022, it was alleged that the Claimant suffered loss and damage as a result of the Company's conduct in the 1st Arbitration. The Claimant had alleged that the Company had engaged in fraud and/or concealed material evidence as regards the independence of a mutually appointed human resource consultant for the provision of market benchmarks on certain key management roles under the share purchase agreement in relation

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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the second half year and full year ended 31 March 2023

24. Contingent liabilities (continued)

to FHPL and its subsidiaries (the “SPA”), and which allegedly has had an impact on the decisions of the arbitral tribunal in the partial awards in respect of the 1st Arbitration. The Claimant had sought declarations from the High Court that the partial awards issued in the 1st Arbitration are null and void and/or unenforceable as against him and that the human resource consultant was not properly appointed under the SPA. He further claimed for damages to be assessed and for interest, costs and such other relief as the High Court deems just. Subsequently, the Claimant served a Notice of Arbitration on the Company on 28 December 2022 (viz., the 4th Arbitration) and has since discontinued his claim in the High Court. The allegations in the Notice of Arbitration are similar to those in the discontinued claim in the High Court, and the Claimant is seeking for damages to be assessed. Given the nature of the relief being sought by the Claimant, the potential financial impact of the 4th Arbitration cannot be quantified at this stage.

The Company will, in consultation with its advisors, continue to evaluate the various courses of action available to the Group.

SINGAPORE POST LIMITED AND ITS SUBSIDIARIES

OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2

For the second half year and full year ended 31 March 2023

Other Information Required by Listing Rule Appendix 7.2

(1) Audit / Review

The condensed interim financial statements of Singapore Post Limited and its subsidiaries (the "Group") as at and for the second half year and full year ended 31 March 2023 have not been audited nor reviewed.

(2) Review of the performance of the group

Revenue

	FY22/23	FY21/22		FY22/23	FY21/22	
	Second	Second	Variance	Full Year	Full Year	Variance
	half	half		Full Year	Full Year	
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Logistics	641,509	619,002	3.6%	1,322,358	998,530	32.4%
Post and Parcel	259,614	296,794	(12.5%)	521,347	622,334	(16.2%)
Property	37,559	55,146	(31.9%)	88,331	114,906	(23.1%)
Inter-segment eliminations*	(25,302)	(36,752)	31.2%	(59,777)	(70,191)	14.8%
Total	913,380	934,190	(2.2%)	1,872,259	1,665,579	12.4%

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

Operating profit

	FY22/23	FY21/22		FY22/23	FY21/22	
	Second	Second	Variance	Full Year	Full Year	Variance
	half	half		Full Year	Full Year	
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Logistics	43,213	28,068	54.0%	84,742	44,295	91.3%
Post and Parcel	(3,772)	13,542	N.M.	(15,874)	24,851	N.M.
Property	21,324	26,249	(18.8%)	44,012	52,867	(16.7%)
Others#	(8,938)	(6,873)	(30.0%)	(19,714)	(9,939)	(98.3%)
Operating profit	51,827	60,986	(15.0%)	93,166	112,074	(16.9%)

Others refer to unallocated corporate overhead items.
N.M. Not meaningful.

Group

The Group's transformation yielded results as revenue grew 12.4% to a record of S\$1.87 billion for the full year ended 31 March 2023 ("FY22/23"). The Group's new engine of growth in Australia replaced the declines in revenues from Post & Parcel and freight forwarding businesses during the year.

Growth from the Australia businesses was robust in the second half ("H2"). However, the normalising of supply chain following pandemic-related disruptions has resulted in lower revenue from the freight forwarding business during the period, in line with expectations. This, together with lower Post & Parcel revenues, offset the growth from FMH in H2, resulting in a 2.2% decline in the Group's revenue.

SINGAPORE POST LIMITED AND ITS SUBSIDIARIES

OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2

For the second half year and full year ended 31 March 2023

Logistics

Logistics revenue increased by 32.4% in FY2022/23, mainly due to the consolidation of FMH for the full year compared to four months in the previous financial year. In H2, Logistics revenue increased by 3.6% as growth from FMH offset the decline in Famous Holdings' international freight forwarding revenue.

Revenue from the Australia businesses, FMH and CouriersPlease, increased from S\$413.6 million to S\$815.1 million for the full year with the consolidation of FMH. The H2 revenue from the Australia businesses amounted to S\$413.4 million compared to S\$293.7 million. FMH's B2B business continued to perform well, driven by increased volumes from customers and acquisition of new customers, as well as inorganic contribution from its strategic acquisitions. This helped to offset the impact of lower revenue from CouriersPlease's B2C last mile delivery business due to decrease in eCommerce delivery volumes following the easing of pandemic restrictions.

Famous Holdings recorded exceptional revenues during the pandemic. Freight rates and volumes have since begun to normalise. Consequently, revenue declined 12.7% from S\$478.4 million to S\$417.7 million.

Overall Logistics operating profit grew by 54.0% in H2 and 91.3% for the full year, largely contributed by the strong performance of both FMH and Famous Holdings.

Post and Parcel

Post & Parcel revenue was lower by 12.5% in H2 and 16.2% for FY2022/23.

Domestic Post and Parcel ("DPP") revenue declined by 6.8% in H2 and 9.3% for the full year. There was a higher base effect from the previous year which recorded significant eCommerce volumes during the pandemic. eCommerce logistics volumes were also lower due to reduced volumes from a major eCommerce customer who insourced part of its logistics. The volume of letters and printed papers continued to decline.

International Post & Parcel ("IPP") revenue declined by 16.2% in H2 and 20.5% for the full year. IPP was negatively impacted, particularly in Q1, by pandemic-related lockdowns in China which reduced cross-border eCommerce logistics volumes.

The Post & Parcel segment recorded an operating loss of S\$3.8 million in H2 compared to a profit of S\$13.5 million in H2 last year, and a full year loss of S\$15.9 million, compared to a profit of S\$24.9 million last year. The full year loss in DPP and IPP was due to the decline in delivery volumes, coupled with inflationary increases in labour, utility, fuel and conveyance expenses.

Property

Property revenue, comprising revenue from SingPost Centre and other properties, was lower following the divestment of self-storage business General Storage Company in December 2021. Overall occupancy at SingPost Centre was higher at 98.2% as at 31 March 2023, compared to 95.8% as at 31 March 2022, due to increased take-up of office space.

SINGAPORE POST LIMITED AND ITS SUBSIDIARIES

OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2

For the second half year and full year ended 31 March 2023

Others

The Others segment refers to corporate overhead expenses which include share-based compensation. Prior year expenses included a reversal of share-based compensation. On a comparable basis, corporate overhead expenses were relatively flat.

Operating Expenses

Total operating expenses rose 14.3% for the full year. In H2, operating expenses recorded a decline of 1.7%, largely due to the lower volume related expenses during the period.

Volume-related expenses, which include conveyance costs and outpayments for international postal terminal dues, was lower by 6.6% in H2, in tandem with the decline in international freight forwarding business and cross-border eCommerce logistics volumes, as well as lower air freight rates. For the full year, volume-related expenses recorded an increase of 15.5% mainly due to the consolidation of the full year results of FMH which offset declines in conveyance costs in the cross-border eCommerce logistics and freight forwarding businesses.

The consolidation of FMH's full year results also resulted in increases in labour and related, administrative, depreciation and amortisation, and selling-related expenses.

Labour and related expenses were higher by 10.2% in H2 and 13.2% for the full year, largely due to higher manpower costs.

Administrative expenses rose by 11.6% in H2 and 9.5% for the full year. Besides the consolidation of FMH, the higher administrative expenses were also due to increase in property-related expenses.

Depreciation and amortisation expenses increased by 4.0% in H2 and 10.9% for the full year.

Selling-related expenses rose 52.6% to S\$6.0 million from S\$4.0 million in H2, and by 32.2% to S\$9.7 million from S\$7.4 million for the full year.

Other Income

Other income decreased from S\$6.7 million to S\$4.1 million for the full year primarily due to a decrease in trade-related foreign exchange gains.

Share of Results of Associated Companies and Joint Venture

Bulk of the share of profit from associated companies and joint ventures in the previous year was from FMH when it was an associated company. Following the increase in shareholding in FMH and its consolidation as a subsidiary from December 2021, share of profit from associated companies and joint ventures was not significant as contributions from associated companies in Hong Kong and Vietnam offset declines from associated companies in Malaysia.

Exceptional items

Exceptional loss amounted to S\$7.7 million, compared to a gain of S\$1.9 million last year. This was largely attributable to a fair value charge of S\$21.7 million arising from a higher put option redemption liability on FMH as a result of a higher valuation of the company, partially offset by fair value gain on investment properties of S\$18.6 million. The exceptional gain of S\$16.3 million in H2 was largely due to the fair value gain on investment properties.

Refer to Note 5 for details on exceptional items.

SINGAPORE POST LIMITED AND ITS SUBSIDIARIES

OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2

For the second half year and full year ended 31 March 2023

Interest Income and Investment Income

Interest and investment income amounted to S\$2.9 million in H2 and S\$2.1 million for the full year, as higher interest income offset foreign exchange loss on foreign currency loans.

Finance Expenses

The increase in finance expenses was due to higher interest expenses on the Group's borrowings.

Income Tax Expense

Income tax expense increased 124.4% in H2 and 49.1% for the full year largely due to higher tax expense contributed by FMH.

Non-controlling Interest

Non-controlling interest was higher largely attributable to the consolidation of FMH.

Net Profit

Net profit attributable to equity holders of the Company was S\$34.6 million in H2, an improvement over H1 which recorded a loss of S\$9.9 million, resulting in net profit of S\$24.7 million for the full year.

Compared to the previous corresponding periods, net profit declined by 28.0% in H2 and by 70.3% for the full year, mainly due to operating losses in Post & Parcel of S\$3.7 million and S\$15.9 million respectively, and increased finance and tax expenses.

Excluding exceptional items, underlying net profit was S\$18.3 million for H2 and S\$32.4 million for the full year.

STATEMENT OF FINANCIAL POSITION

Assets

The Group's total assets amounted to S\$2.8 billion as at 31 March 2023, compared to S\$2.7 billion as at 31 March 2022.

Current assets increased to S\$763.5 million compared to S\$564.3 million, mainly due to higher cash balance following the issuance of perpetual securities in April 2022.

Current financial assets, which comprise SingPost's investments in corporate bonds, have been fully redeemed upon maturity.

Trade and other receivables decreased to S\$229.8 million from S\$234.1 million as at 31 March 2022, due to improved collections.

Current derivative financial instruments and inventories were relatively stable at S\$0.4 million and S\$0.5 million respectively.

Other current assets declined to S\$25.4 million from S\$35.3 million, mainly due to lower prepayments. These prepayments were for items including insurance, rental, and maintenance.

Asset classified as held for sale of S\$11.7 million relate to a post office site gazetted for compulsory acquisition by the Singapore Land Authority compared to S\$5.5 million in the prior year which related to the divestment of a foreign subsidiary and an associated company.

Non-current assets were lower at S\$2.07 billion compared to S\$2.12 billion.

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Derivative financial instruments of S\$56.9 million relate to equity options designated by the Group to hedge the fair value risk arising from its equity investments recognised at fair value through other comprehensive income.

Non-current financial assets were lower at S\$42.1 million compared to S\$90.6 million mainly due to the decrease in fair value of the Group's equity investments recognised at fair value through other comprehensive income.

Non-current trade and other receivables were stable at S\$4.9 million.

Investments in associated companies and joint ventures were lower at S\$31.9 million compared to S\$34.1 million, due to currency translation loss.

Investment properties were higher at S\$965.8 million, compared to S\$956.6 million, due to fair value gain on SingPost Centre partially offset by the reclassification of a site to asset classified as held for sale, as described above.

Property, plant and equipment decreased to S\$386.9 million from S\$412.5 million. This was largely due to depreciation charges, partially offset by additions and acquisitions of Parcel Santa and FMH subsidiaries.

Right-of-use assets were steady at S\$71.6 million as depreciation charges were largely offset by additions from FMH and Famous.

Intangible assets were lower at S\$501.0 million compared to S\$529.4 million, mainly due to amortisation of intangible assets, and currency translation differences on the goodwill and intangible assets from the Australia businesses.

Deferred income tax assets were lower at S\$7.4 million due to currency translation loss.

Other non-current assets decreased to S\$5.8 million from S\$7.1 million mainly due to lower prepayments.

Liabilities

The Group's total liabilities were S\$1.46 billion as at 31 March 2023, compared to S\$1.54 billion as at 31 March 2022.

Current liabilities decreased to S\$719.9 million from S\$831.4 million mainly due to lower trade and other payables, as well as the refinancing of short-term borrowings with long-term debt.

Current trade and other payables declined to S\$632.5 million from S\$667.5 million as the acquisition of additional 37% interest in FMH reduced the redemption liability previously recognised on the FMH put options from the initial 49% to the remaining 12% interest in FMH.

Current income tax liabilities fell to S\$22.4 million from S\$24.5 million mainly due to settlements made.

Current contract liabilities, which include advance collections and deferred income, were marginally higher at S\$30.0 million compared to S\$29.4 million, due to reclassification from non-current lease liabilities partly offset by repayments, disposals of leases and currency translation difference.

Current lease liabilities were higher at S\$32.2 million compared to S\$29.8 million, largely due to reclassification from non-current lease liabilities.

Derivative financial instruments increased to S\$1.4 million from S\$0.6 million due to the purchase of forward currency contracts.

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Current borrowings decreased to S\$1.4 million from S\$77.5 million following the repayment of loans and refinancing of short-term borrowings to long term.

Liabilities directly associated with assets classified as held for sale were S\$Nil, compared to S\$2.1 million as at 31 March 2022, as the sale was completed during the year.

Non-current liabilities were higher at S\$743.6 million as at 31 March 2023, compared to S\$705.9 million as at 31 March 2022.

Non-current trade and other payables decreased to S\$21.6 million from S\$148.6 million due to the reduction in the redemption liability previously recognised on the FMH put options following the acquisition of additional 37% interest in the company and the reclassification of redemption liability for the remaining 12% interest to current trade and other payables.

Non-current borrowings increased to S\$623.0 million from S\$439.5 million due to additional bank borrowings as well as reclassification from current borrowings.

The Group was in a net debt of S\$128.7 million as at 31 March 2023, compared to S\$236.6 million as at 31 March 2022. The Group had increased its equity and cash holdings with the issuance of perpetual securities in April 2022, which offset the increase in its borrowings.

Non-current contract liabilities mainly relate to upfront payments received from our post assurance collaboration with AXA Life Insurance Singapore Private Limited for which a financing component exists. The decline to S\$7.2 million from S\$15.4 million was mainly due to amortisation for the year.

Non-current lease liabilities were lower at S\$47.6 million compared to S\$53.6 million previously, mainly to reclassification to current lease liabilities and retranslation of foreign currency denominated lease liabilities, partly offset by new leases.

Deferred income tax liabilities decreased to S\$44.2 million from S\$48.8 million as a result of translation difference and reclassification to current tax.

Equity

Ordinary shareholders' equity was lower at S\$1.1 billion as at 31 March 2023, compared to S\$1.3 billion as at 31 March 2022.

Other reserves decreased by S\$159.5 million to negative S\$77.6 million as the acquisition of the additional 37% interest in FMH resulted in a reclassification from non-controlling interests into other reserves.

Retained earnings were lower as a result of dividends paid to shareholders and distribution to perpetual securities holders, partly offset by profit for the year.

With the issuance of perpetual securities in April 2022, total equity amounted to S\$1.4 billion as at 31 March 2023, compared to S\$1.1 billion as at 31 March 2022.

Cash Flow

Operating cash flow before working capital changes as at 31 March 2023 was S\$156.6 million, compared to S\$169.1 million last year. Changes in net working capital of S\$8.2 million were largely due to movements in trade and other payables. Operating cash flow from operating activities were higher at S\$115.7 million compared to S\$89.5 million previously.

Net cash used in investing activities was S\$27.2 million, compared to S\$53.3 million in the previous period. The decrease was largely due to the proceeds from the maturity of financial assets, interest received, repayment of loans by associated companies and proceeds from the disposal of an associated company, compared to the significant cash outflow in prior years to acquire new subsidiaries.

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Net cash inflow from financing activities amounted to S\$126.8 million, compared to outflow of S\$255.8 million last year. This was mainly due to proceeds from the issuance of perpetual securities and additional bank loans, which offset cash paid for the acquisition of non-controlling interests in existing subsidiaries, repayments of other bank loans and principal portion of lease liabilities, interest paid, dividends paid to shareholders and non-controlling interests, and distribution paid to perpetual securities holders.

- (3) **Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

Not applicable.

- (4) **A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

In the near term, the operating environment continues to pose challenges as the global economic outlook remains weak amidst inflationary pressures and tight financial conditions. Weaker consumer spending may continue to negatively impact eCommerce activities, which have normalised to pre-pandemic growth trajectory. Operating costs such as manpower costs have increased across all our markets.

In Australia, the accelerated acquisition of additional interest in FMH, which raised SingPost's shareholdings in FMH from 51% to 88%, was completed on 31 March 2023. The Group is exploring further transformative acquisitions, as well as driving greater synergies among the Australian businesses.

Famous Holdings recorded exceptional profits during the pandemic. With the reduction in sea freight rates, its profit is expected to decline.

The Post & Parcel segment recorded its first-ever loss for this financial year and the Group expects it to continue to be loss making in FY2023/24. SingPost is reviewing the commercial sustainability of the domestic postal business.

With the reopening of China and lower conveyance costs, IPP's cross-border eCommerce business is showing improvement. The Group will continue to expand its presence in key markets and strengthen its cross-border eCommerce logistics capabilities with new cross-border solutions and networks to further tap the global eCommerce logistics market.

In the Property business demand for commercial leasing in the Paya Lebar Central area remains healthy, and we are actively engaging with tenants and prospects to renew expiring leases and sign up new leases.

Board initiates Group strategic review

SingPost is transforming into a global logistics enterprise and is well-positioned in high growth markets, with the scope for further transformational investment. As the next step in transformation, the Board has initiated a strategic review of the Group's portfolio of businesses, with a view to enhancing shareholder returns and ensuring the Group is appropriately valued.

The Group will make further announcements as appropriate on the outcome of the strategic review. Shareholders and investors are advised to exercise caution when dealing in the shares of the Company.

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(5) A breakdown of sales

	Group	
	FY22/23 S\$'000	FY21/22 S\$'000
(a) Sales reported for the first half year	958,879	731,389
(b) Total profit after tax before deducting non-controlling interest reported for the first half year	(2,403)	34,970
(c) Sales reported for the second half year	913,380	934,190
(d) Total profit after tax before deducting non-controlling interest reported for the second half year	41,163	52,773

(6) Interested Person Transactions

During the second half year and full year ended 31 March 2023, the following interested person transactions were entered into by the Group:

	Nature of Relationship	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)	
		Second half year ended		Second half year ended	
		31 March		31 March	
		2023 S\$'000	2022 S\$'000	2023 S\$'000	2022 S\$'000
Sales					
Singapore Telecommunications Group	Each interested person is an associate of Singapore Post Limited's controlling shareholder,	-	-	12,234*	-
SP Group	Temasek Holdings (Private) Limited	-	-	-	848*
Starhub Group		-	-	140	176
		-	-	12,374	1,024
Purchases					
CapitaLand Group	Each interested person is an associate of Singapore Post Limited's controlling shareholder,	-	-	3,679*	-
Sembcorp Group	Temasek Holdings (Private) Limited	-	-	-	9,390
Singapore Telecommunications Group		-	-	28,052*	-
		-	-	31,731	9,390
Total interested person transactions		-	-	44,105	10,414

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(6) Interested Person Transactions (continued)

Nature of Relationship	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)			
		Full year ended 31 March		Full year ended 31 March	
		2023	2022	2023	2022
		S\$'000	S\$'000	S\$'000	S\$'000
Sales					
Singapore Telecommunications Group	Each interested person is an associate of Singapore Post Limited's controlling shareholder, Temasek Holdings (Private) Limited	-	-	12,625*	-
SP Group		-	-	-	848*
Starhub Group		-	-	140	366
		-	-	12,765	1,214
Purchases					
CapitaLand Group	Each interested person is an associate of Singapore Post Limited's controlling shareholder, Temasek Holdings (Private) Limited	-	-	3,679*	1,327*
Mapletree Industrial Trust		-	-	-	1,407*
PSA Corporation		-	-	-	2,378*
Sembcorp Group		-	-	13,782*	9,390
Singapore Airlines Group		-	-	-	21,266
Singapore Technologies Telemedia Pte Ltd		-	-	-	216*
Singapore Telecommunications Group		-	-	28,304*	-
SMRT Corporation		-	-	-	741*
Starhub Group		-	-	-	193*
		-	-	45,765	36,918
Total interested person transactions		-	-	58,530	38,132

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 1 months to 5 years) or annual values for open-ended contracts.

*Include contracts of duration exceeding one year.

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(7) 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.

(8) 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.