

**FINANCIAL STATEMENTS AND RELATED ANNOUNCEMENT::HALF YEARLY RESULTS****Issuer & Securities****Issuer/ Manager**

SINGAPORE POST LIMITED

**Securities**

SINGAPORE POST LIMITED - SG1N89910219 - S08

**Stapled Security**

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Please refer to the attachments.

**Additional Details****For Financial Period Ended**

30/09/2023

**Attachments**[SGXNet 1HFY2024.pdf](#)[Results Presentation 1HFY2024.pdf](#)

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

**UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE HALF YEAR ENDED 30 SEPTEMBER 2023  
AND DIVIDEND ANNOUNCEMENT**

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# SINGAPORE POST LIMITED AND ITS SUBSIDIARIES

## CONDENSED INTERIM CONSOLIDATED INCOME STATEMENT For the half year ended 30 September 2023

<u>Group</u>	Note	Half year ended 30 September		
		2023 S\$'000	2022 S\$'000	Variance %
Revenue	4	827,290	958,879	(13.7)
Labour and related expenses		(182,500)	(175,426)	4.0
Volume-related expenses		(502,790)	(642,681)	(21.8)
Administrative and other expenses		(66,576)	(59,081)	12.7
Depreciation and amortisation		(39,278)	(40,374)	(2.7)
Selling-related expenses		(4,924)	(3,697)	33.2
(Impairment loss)/reversal of impairment loss on trade and other receivables		(1,345)	494	N.M.
Operating expenses		(797,413)	(920,765)	(13.4)
Other income		1,533	3,225	(52.5)
Operating profit		31,410	41,339	(24.0)
Share of (losses)/profit of associated companies and joint ventures		(616)	138	N.M.
Exceptional items	5	(1,993)	(23,969)	(91.7)
Earnings before interest and tax		28,801	17,508	64.5
Interest income and investment income/(loss) (net)		4,830	(743)	N.M.
Finance expenses		(14,543)	(9,871)	47.3
Profit before tax	6	19,088	6,894	176.9
Income tax expense	7	(5,698)	(9,297)	(38.7)
<b>Profit/(loss) after tax</b>		<b>13,390</b>	<b>(2,403)</b>	<b>N.M.</b>
<b>Profit/(loss) attributable to:</b>				
Equity holders of the Company		11,450	(9,904)	N.M.
Non-controlling interests		1,940	7,501	(74.1)
		13,390	(2,403)	N.M.
<b>Underlying net profit <sup>1</sup></b>		<b>13,443</b>	<b>13,190</b>	<b>1.9</b>
<b>Earnings per share attributable to ordinary shareholders of the Company</b>				
- Basic and diluted	8	0.27 cents	(0.68 cents)	

### Notes

- 1 Underlying net profit is defined as net profit before exceptional items, net of tax and non-controlling interests.  
N.M. Not meaningful.

# SINGAPORE POST LIMITED AND ITS SUBSIDIARIES

## CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME For the half year ended 30 September 2023

<u>Group</u>	Half year ended 30 September		
	2023 S\$'000	2022 S\$'000	Variance %
<b>Profit/(loss) after tax</b>	<b>13,390</b>	(2,403)	N.M.
<b>Other comprehensive income/(loss) (net of tax):</b>			
<b>Items that may be reclassified subsequently to profit or loss:</b>			
Currency translation differences			
- Loss on translation of foreign operations	(7,946)	(9,350)	(15.0)
- Disposal of foreign subsidiaries and associated company	-	(34)	N.M.
Cash flow hedges			
- Fair value changes arising during the year	5,468	-	N.M.
- Realised and transferred to profit or loss	(384)	-	N.M.
<b>Items that will not be reclassified subsequently to profit or loss:</b>			
Equity investments at fair value through other comprehensive income			
- Fair value gain/(loss)	6,746	(5,079)	N.M.
- Loss on fair value hedge of an equity instrument designated at FVTOCI	(19,040)	-	N.M.
<b>Other comprehensive loss for the period (net of tax)</b>	<b>(15,156)</b>	(14,463)	4.8
<b>Total comprehensive loss for the period</b>	<b>(1,766)</b>	(16,866)	(89.5)
<b>Total comprehensive income/(loss) attributable to:</b>			
Equity holders of the Company	4,231	(20,729)	N.M.
Non-controlling interests	(5,997)	3,863	N.M.
	<b>(1,766)</b>	(16,866)	(89.5)

### Notes

N.M. Not meaningful.

# SINGAPORE POST LIMITED AND ITS SUBSIDIARIES

## CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

As at 30 September 2023

		Group		Company	
	Note	As at 30 Sep 2023 S\$'000	As at 31 Mar 2023 S\$'000	As at 30 Sep 2023 S\$'000	As at 31 Mar 2023 S\$'000
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and cash equivalents		449,436	495,696	351,261	375,071
Trade and other receivables		223,056	229,831	115,735	117,132
Inventories		423	513	5	5
Derivative financial instruments	10	1,331	372	1,331	372
Other current assets		30,955	25,394	7,619	7,851
		705,201	751,806	475,951	500,431
Assets classified as held for sale	11	-	11,700	-	11,700
		705,201	763,506	475,951	512,131
<b>Non-current assets</b>					
Trade and other receivables		3,236	4,945	216,734	218,238
Derivative financial instruments	10	42,640	56,879	-	-
Financial assets	12	48,805	42,076	-	-
Investments in associated companies and joint ventures		30,466	31,949	21,891	21,891
Investments in subsidiaries		-	-	361,313	361,313
Investment properties	13	965,771	965,771	953,033	953,033
Property, plant and equipment	14	389,368	386,928	232,209	229,741
Right-of-use assets		56,007	71,565	33,389	38,259
Intangible assets	15	496,371	500,958	-	-
Deferred income tax assets		6,663	7,361	-	-
Other non-current assets		3,495	5,832	-	-
		2,042,822	2,074,264	1,818,569	1,822,475
<b>Total assets</b>		<b>2,748,023</b>	<b>2,837,770</b>	<b>2,294,520</b>	<b>2,334,606</b>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Trade and other payables		599,267	632,539	398,141	416,086
Current income tax liabilities		14,608	22,359	10,175	9,149
Contract liabilities		30,311	30,037	27,037	26,541
Lease liabilities		27,274	32,152	11,767	12,257
Derivative financial instruments	10	2,032	1,413	2,032	1,132
Borrowings	16	737	1,370	-	-
		674,229	719,870	449,152	465,165
<b>Non-current liabilities</b>					
Trade and other payables		21,523	21,616	603,951	604,565
Borrowings	16	610,982	623,020	-	-
Contract liabilities		2,956	7,177	2,956	7,177
Lease liabilities		36,348	47,575	22,534	26,859
Deferred income tax liabilities		41,384	44,214	20,624	22,521
		713,193	743,602	650,065	661,122
<b>Total liabilities</b>		<b>1,387,422</b>	<b>1,463,472</b>	<b>1,099,217</b>	<b>1,126,287</b>
<b>NET ASSETS</b>		<b>1,360,601</b>	<b>1,374,298</b>	<b>1,195,303</b>	<b>1,208,319</b>
<b>EQUITY</b>					
Capital and reserves attributable to the Company's equity holders					
Share capital	17	638,762	638,762	638,762	638,762
Treasury shares	17	(29,243)	(29,516)	(29,243)	(29,516)
Other reserves		(80,638)	(77,620)	35,588	35,390
Retained earnings		595,616	598,558	550,196	563,683
Ordinary equity		1,124,497	1,130,184	1,195,303	1,208,319
Perpetual securities	18	251,564	251,504	-	-
		1,376,061	1,381,688	1,195,303	1,208,319
Non-controlling interests		(15,460)	(7,390)	-	-
<b>Total equity</b>		<b>1,360,601</b>	<b>1,374,298</b>	<b>1,195,303</b>	<b>1,208,319</b>

# SINGAPORE POST LIMITED AND ITS SUBSIDIARIES

## CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY For the half year ended 30 September 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	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 April 2023		638,762	(29,516)	598,558	(77,620)	1,130,184	251,504	1,381,688	(7,390)	1,374,298
Total comprehensive loss for the period		-	-	11,450	(7,219)	4,231	-	4,231	(5,997)	(1,766)
<b>Transactions with owners, recognised directly in equity</b>										
Distribution of perpetual securities	18	-	-	(5,452)	-	(5,452)	5,452	-	-	-
Distribution paid on perpetual securities	18	-	-	-	-	-	(5,392)	(5,392)	-	(5,392)
Dividends paid to shareholders	19	-	-	(9,000)	-	(9,000)	-	(9,000)	-	(9,000)
Dividends paid to non-controlling interests in a subsidiary		-	-	-	-	-	-	-	(2,073)	(2,073)
Issuance of shares to employee		-	273	-	(179)	94	-	94	-	94
Employee share option scheme: - Value of employee services		-	-	60	4,380	4,440	-	4,440	-	4,440
Total		-	273	(14,392)	4,201	(9,918)	60	(9,858)	(2,073)	(11,931)
Balance at 30 September 2023		638,762	(29,243)	595,616	(80,638)	1,124,497	251,564	1,376,061	(15,460)	1,360,601
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 loss for the period		-	-	(9,904)	(10,825)	(20,729)	-	(20,729)	3,863	(16,866)
<b>Transactions with owners, recognised directly in equity</b>										
Acquisition of non-controlling interests in a subsidiary		-	-	-	(9)	(9)	-	(9)	22	13
Issuance of perpetual securities	18	-	-	-	-	-	248,972	248,972	-	248,972
Distribution of perpetual securities	18	-	-	(5,303)	-	(5,303)	5,303	-	-	-
Distribution paid on perpetual securities	18	-	-	-	-	-	(2,711)	(2,711)	-	(2,711)
Dividends paid to shareholders	19	-	-	(29,247)	-	(29,247)	-	(29,247)	-	(29,247)
Dividends paid to non-controlling interests in subsidiaries		-	-	-	-	-	-	-	(3,527)	(3,527)
Issuance of shares to employee		-	209	-	(209)	-	-	-	-	-
Employee share option scheme: - Value of employee services		-	-	485	(49)	436	-	436	-	436
Total		-	209	(34,065)	(267)	(34,123)	251,564	217,441	(3,505)	213,936
Balance at 30 September 2022		638,762	(29,515)	572,558	70,749	1,252,554	251,564	1,504,118	(164,947)	1,339,171

# SINGAPORE POST LIMITED AND ITS SUBSIDIARIES

## CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY For the half year ended 30 September 2023

<u>Company</u>	<u>Note</u>	Attributable to ordinary shareholders of the Company				
		Share	Treasury	Retained	Other	
		<u>capital</u>	<u>shares</u>	<u>earnings</u>	<u>reserves</u>	<u>Total</u>
		S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 April 2023		638,762	(29,516)	563,683	35,390	1,208,319
Total comprehensive loss for the period		-	-	(4,547)	-	(4,547)
<b>Transactions with owners, recognised directly in equity</b>						
Dividends paid to shareholders	19	-	-	(9,000)	-	(9,000)
Issuance of shares to employee		-	273	-	(179)	94
Employee share option scheme:						
- Value of employee services		-	-	60	377	437
Total		-	273	(8,940)	198	(8,469)
Balance at 30 September 2023		638,762	(29,243)	550,196	35,588	1,195,303
Balance at 1 April 2022		638,762	(29,724)	587,328	37,308	1,233,674
Total comprehensive loss for the period		-	-	(10,342)	-	(10,342)
<b>Transactions with owners, recognised directly in equity</b>						
Dividends paid to shareholders	19	-	-	(29,247)	-	(29,247)
Issuance of shares to employee		-	209	-	(209)	-
Employee share option scheme:						
- Value of employee services		-	-	485	(49)	436
Total		-	209	(28,762)	(258)	(28,811)
Balance at 30 September 2022		638,762	(29,515)	548,224	37,050	1,194,521



# SINGAPORE POST LIMITED AND ITS SUBSIDIARIES

## CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS For the half year ended 30 September 2023

<u>Group</u>	Half year ended 30 September	
	2023 S\$'000	2022 S\$'000
<b>Cash flows from operating activities</b>		
Profit/(loss) after tax	13,390	(2,403)
Adjustments for:		
Income tax expense	5,698	9,297
Impairment loss/(Reversal of impairment loss) on trade and other receivables	1,345	(494)
Amortisation of contract liabilities	(4,071)	(3,926)
Amortisation of intangible assets	2,488	4,488
Depreciation	36,790	35,886
Fair value loss on put option redemption liability	3,188	21,012
Fair value loss on contingent consideration	30	-
(Gain)/Loss on disposal of property, plant and equipment	(145)	135
Gain on sale of assets held for sale	(900)	-
Gain on disposal / liquidation of subsidiaries	-	(448)
Gain on disposal of an associated company	-	(99)
Share-based staff costs	4,440	436
Finance expenses	14,543	9,871
Interest income	(5,614)	(2,664)
Impairment of property, plant and equipment	-	1,016
Reversal of impairment of loans to associated companies	-	(525)
Share of losses/(profit) of associated companies and joint ventures	616	(138)
	<b>58,408</b>	<b>73,847</b>
<b>Operating cash flow before working capital changes</b>	<b>71,798</b>	<b>71,444</b>
Changes in working capital, net of effects from		
Inventories	90	141
Contract liabilities	(124)	(557)
Trade and other receivables	4,105	13,734
Trade and other payables	(41,998)	(49,526)
<b>Cash generated from operations</b>	<b>33,871</b>	<b>35,236</b>
Income tax paid	(15,768)	(19,359)
<b>Net cash provided by operating activities</b>	<b>18,103</b>	<b>15,877</b>
<b>Cash flows from investing activities</b>		
Acquisition of subsidiaries, net of cash acquired	-	(7,541)
Investment in a joint venture	-	(10)
Additions to property, plant and equipment and intangible assets	(25,011)	(16,356)
Interest received	5,426	2,146
Proceeds on maturity of financial assets	-	8,000
Proceeds from disposal of property, plant and equipment	568	193
Proceeds from disposal of subsidiaries, net of cash disposed	-	418
Proceeds from disposal of an associated company	-	1,380
Proceeds from sale of assets held for sale	12,600	-
Repayment of loans by associated companies	-	2,721
<b>Net cash used in investing activities</b>	<b>(6,417)</b>	<b>(9,049)</b>

# SINGAPORE POST LIMITED AND ITS SUBSIDIARIES

## CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

For the half year ended 30 September 2023

<u>Group</u>	Half year ended 30 September	
	2023 S\$'000	2022 S\$'000
<b>Cash flows from financing activities</b>		
Distribution paid to perpetual securities	(5,392)	(2,711)
Dividends paid to shareholders	(9,000)	(29,247)
Dividends paid to non-controlling interests in subsidiaries	(2,073)	(3,527)
Finance expenses paid	(16,198)	(10,151)
Proceeds from issuance of perpetual securities	-	248,972
Proceeds from bank loans and notes	-	15,086
Repayment of principal portion of lease liabilities	(15,693)	(14,998)
Repayment of bank loans	(9,590)	(54,910)
<b>Net cash (used in)/provided by financing activities</b>	<b>(57,946)</b>	<b>148,514</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(46,260)</b>	<b>155,342</b>
Cash and cash equivalents at beginning of financial period	<b>495,696</b>	<b>280,438</b>
<b>Cash and cash equivalents at end of financial period</b>	<b>449,436</b>	<b>435,780</b>

# SINGAPORE POST LIMITED AND ITS SUBSIDIARIES

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the half year ended 30 September 2023

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### 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 postal and parcel delivery services, 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 half year ended 30 September 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 2023. 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 2023.

The accounting policies applied are consistent with those disclosed in the Group's financial statements as at and for the year ended 31 March 2023 which were prepared in accordance with SFRS(I), except for the following:

#### **Cash flow hedges**

The effective portion of changes in the fair value of derivatives and other qualifying hedging instruments that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading of cash flow hedge reserve, limited to the cumulative change in fair value of the hedged item from inception of the hedge. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, and is included in the 'Exceptional items' line item.

Amounts previously recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognised hedged item. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously recognised in other comprehensive income and accumulated in equity are removed from equity and included in the initial measurement of the cost of the non-financial asset or non-financial liability. This transfer does not affect other comprehensive income. Furthermore, if the group expects that some or all of the loss accumulated in other comprehensive income will not be recovered in the future, that amount is immediately reclassified to profit or loss.

## SINGAPORE POST LIMITED AND ITS SUBSIDIARIES

### NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS For the half year ended 30 September 2023

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#### 2. Significant accounting policies (continued)

##### 2.1 Basis of preparation (continued)

##### Cash flow hedges (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. Any gain or loss recognised in other comprehensive income and accumulated in cash flow hedge reserve at that time remains in equity and is reclassified to profit or loss when the forecast transaction occurs. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in the cash flow hedge reserve is reclassified immediately to profit or loss.

The Group adopted various new and amended pronouncements which are effective from 1 April 2023. The adoption of these new and amended pronouncements did not have a material effect on the condensed interim financial statements. For the half year ended 30 September 2023, the Group had applied the exemption to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes. Management is closely monitoring the progress of the legislative process in each jurisdiction the Group operates in and has yet to complete its detailed assessment.

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, including the ones set out in Note 10 to the condensed interim financial statements. 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 similar to those that applied to the consolidated financial statements as at and for the year ended 31 March 2023. In the current financial year, critical accounting estimates, assumptions and judgement were also applied in the accounting for the Group's equity option over its investment in 4PX classified as hedge instruments.

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. The performance of the Group in the first half of the financial year is generally lower than the second half.

# SINGAPORE POST LIMITED AND ITS SUBSIDIARIES

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the half year ended 30 September 2023

### 4. Revenue

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

	Group Half year ended 30 September	
	2023 S\$'000	2022 S\$'000
Post and Parcel	239,800	256,176
Logistics	560,359	675,899
Property	27,131	26,804
	<b>827,290</b>	<b>958,879</b>

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

	Group Half year ended 30 September					
	2023			2022		
	Revenue from services rendered S\$'000	Sale of products S\$'000	Total S\$'000	Revenue from services rendered S\$'000	Sale of products S\$'000	Total S\$'000
Post and Parcel	239,331	469	239,800	255,550	626	256,176
Logistics	560,359	-	560,359	675,899	-	675,899
Property	27,131	-	27,131	26,804	-	26,804
	<b>826,821</b>	<b>469</b>	<b>827,290</b>	<b>958,253</b>	<b>626</b>	<b>958,879</b>

#### Timing of revenue recognition in respect of revenue from contracts with customers <sup>(1)</sup>

At a point in time	3,721	469	4,190	5,134	626	5,760
Over time	802,261	-	802,261	931,831	-	931,831
	<b>805,982</b>	<b>469</b>	<b>806,451</b>	<b>936,965</b>	<b>626</b>	<b>937,591</b>

<sup>(1)</sup> These disclosures under SFRS(I) 15 Revenue from Contracts with Customers are not applicable to revenue from lease contracts amounting to S\$20,839,000 (30 September 2022: S\$21,288,000).

# SINGAPORE POST LIMITED AND ITS SUBSIDIARIES

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS For the half year ended 30 September 2023

### 5. Exceptional items

	<u>Group</u>	
	Half year ended	
	30 September	
	2023	2022
	S\$'000	S\$'000
Acquisition:		
- Loss on contingent consideration	(30)	-
Disposals:		
- Gain/(loss) on disposal of property, plant and equipment	145	(135)
- Gain on disposal of assets held for sale	900	-
- Net gain on disposal/liquidation of subsidiaries	-	448
- Gain on disposal of an associated company	-	99
Fair value loss:		
- Put option redemption liability	(3,188)	(21,012)
Impairment (charges)/reversals <sup>(1)</sup> :		
- Property, plant and equipment	-	(1,016)
- Loans to an associated company	-	525
Reversal/(Recognition) of M&A related expenses	180	(1,320)
Restructuring of operations	-	(1,558)
	<b>(1,993)</b>	<b>(23,969)</b>

<sup>(1)</sup> Total impairment charges amounted to S\$Nil (30 September 2022: S\$491,000).

### 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:

	<u>Group</u>	
	Half year ended	
	30 September	
	2023	2022
	S\$'000	S\$'000
Depreciation of property, plant and equipment	23,197	20,681
Depreciation of right-of-use assets	13,593	15,205
Amortisation of intangible assets	2,488	4,488
Interest expense:		
- Fixed rate notes	4,791	4,791
- Bank borrowings	6,185	2,466
- Lease liabilities	3,077	1,872
- Significant financing component from contracts with customers	248	396
Other borrowing costs	242	346
Currency exchange (gains)/losses - net	<b>(1,941)</b>	<b>2,834</b>

# SINGAPORE POST LIMITED AND ITS SUBSIDIARIES

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS For the half year ended 30 September 2023

### 7. Income tax expense

	Group Half year ended 30 September	
	2023 S\$'000	2022 S\$'000
Tax expense attributable to profit is made up of:		
- Current income tax	11,769	9,961
- Deferred income tax	(1,965)	771
	9,804	10,732
Overprovision in preceding financial periods:		
- Current income tax	(4,106)	(1,435)
	5,698	9,297

### 8. Earnings per share

#### (a) Basic earnings per share

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

	Group Half year ended 30 September	
	2023	2022
Profit/(loss) attributable to equity holders of the Company (S\$'000)	11,450	(9,904)
Less: Distribution to perpetual securities holders (S\$'000)	(5,452)	(5,303)
Profit/(loss) attributable to ordinary shareholders of the Company (S\$'000)	5,998	(15,207)
Weighted average number of ordinary shares outstanding for basic earnings per share ('000)	2,249,882	2,249,659
Basic earnings per share (cents per share)		
- Excluding distribution to perpetual securities holders	0.27	(0.68)
- Including distribution to perpetual securities holders	0.51	(0.44)

#### (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 half years ended 30 September 2023 and 2022.

# SINGAPORE POST LIMITED AND ITS SUBSIDIARIES

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the half year ended 30 September 2023

### 9. Net asset value

	<u>Group</u>		<u>Company</u>	
	<b>As at</b>	As at	<b>As at</b>	As at
	<b>30 Sep 23</b>	31 Mar 23	<b>30 Sep 23</b>	31 Mar 23
Net asset value per ordinary share (cents)	<b>61.16</b>	61.42	<b>53.13</b>	53.71
Ordinary equity excluding perpetual securities per ordinary share (cents)	<b>49.98</b>	50.24	<b>53.13</b>	53.71

### 10. Derivative financial instruments

	<u>Group</u>		<u>Company</u>	
	<b>As at</b>	As at	<b>As at</b>	As at
	<b>30 Sep 23</b>	31 Mar 23	<b>30 Sep 23</b>	31 Mar 23
	<b>S\$'000</b>	S\$'000	<b>S\$'000</b>	S\$'000
<u>Current assets</u>				
<b>Other non-hedging derivatives</b>				
Currency forwards	<b>1,331</b>	372	<b>1,331</b>	372
<u>Non-current assets</u>				
<b>Hedge instrument relating to cash flow hedge</b>				
Interest rate swap	<b>4,802</b>	-	-	-
<b>Hedge instrument relating to fair value hedge</b>				
Equity option (Note 12)	<b>37,838</b>	56,879	-	-
	<b>42,640</b>	56,879	-	-
<u>Current liabilities</u>				
<b>Other non-hedging derivatives</b>				
Interest rate swap	-	281	-	-
Currency forwards	<b>2,032</b>	1,132	<b>2,032</b>	1,132
	<b>2,032</b>	1,413	<b>2,032</b>	1,132

The Group has equity option over its investment in 4PX classified as hedge instruments relating to fair value hedge amounting to S\$37.8 million (31 March 2023: S\$56.9 million) which hedges the fair value changes arising from the financial assets designated at FVTOCI (Note 12).

The option exercise period, valid till June 2025 coincides with various contingent events relating to the loan capitalisation exercise. The fair value of the hedge is derived using the discounted cash flow approach and incorporates the probability of the various contingent events that affect the exercise of the options, including the completion of the loan capitalisation exercise that is closely related to the term of the options; such probabilities are considered as key management judgement and key sources of estimation uncertainty. It is expected that the value of the equity option and the value of 4PX will change in the opposite direction in response to movements in the underlying fair value of the company.

One of the main sources of hedge ineffectiveness in this hedge relationship is the effect of the counterparty's credit risk on the fair value of the put option, which is not reflected in the fair value of the hedged item attributable to the change in fair value.



## SINGAPORE POST LIMITED AND ITS SUBSIDIARIES

### NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS For the half year ended 30 September 2023

#### 10. Derivative financial instruments (continued)

As the hedged item is an equity investment designated at FVTOCI, the hedging gain/loss remains in other comprehensive income to match that of the hedging instrument. For the half year ended 30 September 2023, the fair value loss recognised within other comprehensive income was S\$19.0 million.

#### 11. Assets classified as held for sale

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:

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

The disposal was completed on 30 June 2023 and a gain on disposal of assets held for sale of \$0.9 million was recognised in ‘Exceptional items’ (Note 5). The assets classified as held for sale were included in Property segment for the purpose of segmental reporting.

#### 12. Financial assets

	<b>Group As at 30 Sep 23 S\$'000</b>	<b>As at 31 Mar 23 S\$'000</b>
<u>Non-current</u>		
<i>Financial assets designated as FVTOCI</i>		
- Equity instruments – unquoted	<u>48,805</u>	<u>42,076</u>

The Group carries an investment in Shenzhen 4PX Information Technology Co., Limited (“4PX”) classified as an equity investment designated at FVTOCI amounting to S\$48.6 million (31 March 2023: S\$41.9 million) for which fair value hedge accounting (Note 10) has been applied.

The valuation of 4PX is determined based on Enterprise Value / Revenue multiples of selected comparable companies at the end of the reporting period. The inputs to the valuation model are derived from market observable data where possible, including but not limited to financial data of selected public companies in logistics services, freight management, supply chain management and e-commerce, but where this is not feasible, a degree of judgement is required to establish fair value.

For the half year ended 30 September 2023, the fair value gain recognised within other comprehensive income was S\$6.7 million (half year ended 30 September 2022: fair value loss of S\$5.1 million).

# SINGAPORE POST LIMITED AND ITS SUBSIDIARIES

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS For the half year ended 30 September 2023

### 13. Investment properties

	<u>Group</u>		<u>Company</u>	
	<b>As at 30 Sep 23 S\$'000</b>	<b>As at 31 Mar 23 S\$'000</b>	<b>As at 30 Sep 23 S\$'000</b>	<b>As at 31 Mar 23 S\$'000</b>
Beginning of financial period/year	<b>965,771</b>	956,610	<b>953,033</b>	945,274
Reclassification from property, plant and equipment	-	1,353	-	52
Reclassification from right-of-use assets	-	157	-	-
Reclassification to held for sale (Note 11)	-	(10,914)	-	(10,914)
Fair value gain recognised in profit or loss	-	18,565	-	18,621
End of financial period/year	<b>965,771</b>	965,771	<b>953,033</b>	953,033

	<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>
<b>Group</b>			
<b>As at 30 September 2023 and 31 March 2023</b>			
- Commercial and retail / warehousing - Singapore	-	2,484	963,287

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

#### Valuation techniques and processes

The Group's investment properties are stated at their estimated fair values determined annually by independent professional valuers. For the purpose of these condensed interim financial statements for the half year ended 30 September 2023, a desktop valuation was obtained from the valuers for a significant investment property. For the remaining investment properties, management assessed potential significant changes in valuation by considering if there were any significant changes in operating performance of the properties and market capitalisation rate/discount rate compression or depression.

The valuation techniques used to derive Level 2 and 3 fair values were the same as those disclosed in the Group's financial statements as at 31 March 2023.

### 14. Property, plant and equipment

During the half year ended 30 September 2023,

- The Group acquired assets amounting to S\$23,178,000 (30 September 2022: S\$14,670,000) and disposed assets amounting to S\$423,000 (30 September 2022: S\$326,000).
- The Company acquired assets amounting to S\$13,391,000 (30 September 2022: S\$5,285,000) and disposed assets amounting to S\$613,000 (30 September 2022: S\$244,000).

As at 30 September 2023, commitments for the purchase of property, plant and equipment amounted to S\$19,081,000 (30 September 2022: S\$4,928,000) and S\$11,993,000 (30 September 2022: S\$2,650,000) for the Group and Company respectively.

# SINGAPORE POST LIMITED AND ITS SUBSIDIARIES

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS For the half year ended 30 September 2023

### 15. Intangible assets

	<u>Group</u> As at 30 Sep 23 S\$'000	As at 31 Mar 23 S\$'000
Goodwill on acquisitions	413,367	415,659
Customer relationships	18,773	21,258
Acquired software licences	16,322	15,309
Trademarked brands	47,909	48,732
	<b>496,371</b>	<b>500,958</b>

### 16. Borrowings

	<u>Group</u> As at 30 Sep 23 S\$'000	As at 31 Mar 23 S\$'000
<u>Current</u>		
- Borrowings (secured)	737	1,370
<u>Non-current</u>		
- Borrowings (secured)	30,521	39,809
- Borrowings (unsecured)	580,461	583,211
	<b>610,982</b>	<b>623,020</b>
Total borrowings	<b>611,719</b>	<b>624,390</b>

Secured borrowings comprise external bank loans and are secured over trade receivables with carrying amount of S\$70.3 million (31 March 2023: S\$76.1 million), or property, plant and equipment with carrying amount of S\$8.8 million (31 March 2023: S\$10.3 million) at the end of the reporting period.

As at 30 September 2023 and 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\$232.3 million) (31 March 2023: S\$235.2 million) 5-year term loan facilities.

# SINGAPORE POST LIMITED AND ITS SUBSIDIARIES

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS For the half year ended 30 September 2023

### 16. Borrowings (continued)

#### Fair value of non-current borrowings

	<u>Group</u>	
	<b>As at 30 Sep 23 S\$'000</b>	<b>As at 31 Mar 23 S\$'000</b>
<u>Non-current</u>		
- Borrowings (secured)	<b>30,521</b>	39,809
- Borrowings (unsecured)	<b>553,312</b>	551,912
	<b>583,833</b>	591,721

The fair value of the Notes are determined based on the over-the-counter quoted price. The fair value is classified within Level 1 of the fair value hierarchy.

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

### 17. Share capital and treasury shares

<u>Group and Company</u>	<u>Number of ordinary shares</u>		<u>Amount</u>	
	<u>Issued share capital '000</u>	<u>Treasury shares '000</u>	<u>Share capital S\$'000</u>	<u>Treasury shares S\$'000</u>
As at 1 April 2023	<b>2,275,089</b>	<b>(25,350)</b>	<b>638,762</b>	<b>(29,516)</b>
Employee share option scheme				
- Treasury shares re-issued	-	<b>213</b>	-	<b>273</b>
As at 30 September 2023	<b>2,275,089</b>	<b>(25,137)</b>	<b>638,762</b>	<b>(29,243)</b>
As at 1 April 2022	2,275,089	(25,512)	638,762	(29,724)
Employee share option scheme				
- Treasury shares re-issued	-	162	-	209
As at 30 September 2022	<b>2,275,089</b>	<b>(25,350)</b>	<b>638,762</b>	<b>(29,515)</b>

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

#### Treasury shares

During the half year ended 30 September 2023, the Company re-issued 212,597 (30 September 2022: 161,945) treasury shares pursuant to the Singapore Post Share Option Scheme at exercise prices S\$1.285. The cost of the treasury shares re-issued amounted to S\$273,000 (30 September 2022: S\$209,000).

#### Share options

During the half years ended 30 September 2023 and 2022, no share was issued under the Singapore Post Share Option Scheme.

As at 30 September 2023, there were unexercised options for 3,012,000 (30 September 2022: 5,442,000) unissued ordinary shares under the Singapore Post Share Option Scheme (including Performance Option Plan but excluding Restricted Share Plan) and unvested shares for 11,859,851 (30 September 2022: 9,581,010) unissued ordinary shares under the Restricted Share Plan.

# SINGAPORE POST LIMITED AND ITS SUBSIDIARIES

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS For the half year ended 30 September 2023

### 18. Perpetual securities

On 6 April 2022, the Group issued SGD Subordinated Perpetual Securities with an aggregate principal amount of S\$250,000,000 (the "Perpetual Securities") under the S\$1 billion Multicurrency Debt Issuance Programme which is unconditionally and irrevocably guaranteed by the Company. Incremental costs incurred amounting to S\$1,028,000 were recognised in equity as a deduction from proceeds.

The distribution rate on the Perpetual Securities for the period up to 6 July 2027 is 4.35% per annum and will be reset every 5 years starting 6 July 2027. Distributions are payable semi-annually on 6 January and 6 July. Subject to the relevant terms and conditions in the offering memorandum, the Group 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 is 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 half year ended 30 September 2023, distributions amounting to S\$5,452,000 (30 September 2022: \$5,303,000) were recognised and S\$5,392,000 (30 September 2022: \$2,711,000) was paid to perpetual securities holders.

### 19. Dividends

	<u>Group and Company</u> Half year ended 30 September	
	<b>2023</b>	2022
	<b>S\$'000</b>	S\$'000
<i>Ordinary dividends paid</i>		
Final exempt (one-tier) dividend paid in respect of the previous financial year of 0.4 cents per share (30 September 2022: 1.3 cents per share)	<b>9,000</b>	29,247

#### Interim dividend

For the half year ended 30 September 2023, the Board of Directors has declared an interim dividend of 0.18 cents per ordinary share (tax exempt one-tier). 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 half year and full year ending 31 March 2024.

The interim dividend of 0.18 cents per ordinary share will be paid on 30 November 2023. The transfer book and register of members of the Company will be closed on 17 November 2023 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 16 November 2023 will be registered to determine members' entitlements to the interim dividend.

For the half year ended 30 September 2022, an interim dividend of 0.18 cents per ordinary share (tax exempt one-tier) was declared on 3 November 2022 and paid on 30 November 2022.

# SINGAPORE POST LIMITED AND ITS SUBSIDIARIES

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS For the half year ended 30 September 2023

### 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>Level 1</u> S\$'000	<u>Level 2</u> S\$'000	<u>Level 3</u> S\$'000	<u>Total</u> S\$'000
<u>Group</u>				
<b>As at 30 September 2023</b>				
<b>Assets</b>				
Financial assets designated as at FVTOCI	-	-	48,805	48,805
Derivative financial instruments	-	6,133	37,838	43,971
<b>Liabilities</b>				
Derivative financial instruments	-	2,032	-	2,032
Contingent consideration payable	-	-	27,248	27,248
Put option redemption liability	-	-	75,170	75,170
<b>As at 31 March 2023</b>				
<b>Assets</b>				
Financial assets designated as at FVTOCI	-	-	42,076	42,076
Derivative financial instruments	-	372	56,879	57,251
<b>Liabilities</b>				
Derivative financial instruments	-	1,413	-	1,413
Contingent consideration payable	-	-	28,608	28,608
Put option redemption liability	-	-	72,827	72,827
<u>Company</u>				
<b>As at 30 September 2023</b>				
<b>Assets</b>				
Derivative financial instruments	-	1,331	-	1,331
<b>Liabilities</b>				
Derivative financial instruments	-	2,032	-	2,032
<b>As at 31 March 2023</b>				
<b>Assets</b>				
Derivative financial instruments	-	372	-	372
<b>Liabilities</b>				
Derivative financial instruments	-	1,132	-	1,132

There were no transfers between Levels 1, 2 and 3 during the half year ended 30 September 2023 and the full year ended 31 March 2023.

## SINGAPORE POST LIMITED AND ITS SUBSIDIARIES

### NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS For the half year ended 30 September 2023

#### 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> Half year ended 30 September	
	<b>2023</b> <b>S\$'000</b>	2022 S\$'000
Services received from associated companies	(565)	(2,696)
Services rendered to related companies of a substantial shareholder	6,407	5,908
Services received from related companies of a substantial shareholder	(6,024)	(5,008)
Interest received from loans to associated companies	-	17

During the half year ended 30 September 2023, the Company made payments on behalf of subsidiaries totaling S\$0.2 million (30 September 2022: S\$1.6 million) which were subsequently reimbursed.

#### 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.
- **Property** segment includes the provision of commercial property rental.

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

# SINGAPORE POST LIMITED AND ITS SUBSIDIARIES

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS For the half year ended 30 September 2023

### 22. Segment information (continued)

#### (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 half years ended 30 September 2023 and 2022.

<u>Group</u>	Post and <u>Parcel</u> S\$'000	<u>Logistics</u> S\$'000	<u>Property</u> S\$'000	<u>Eliminations</u> S\$'000	<u>Total</u> S\$'000	All other <u>segments</u> S\$'000	<u>Total</u> S\$'000
<b>Half year ended</b>							
<b>30 September 2023</b>							
<b>Revenue:</b>							
- External	239,800	560,359	27,131	-	827,290	-	827,290
- Inter-segment	6,265	5,974	10,835	(23,074)	-	-	-
	<u>246,065</u>	<u>566,333</u>	<u>37,966</u>	<u>(23,074)</u>	<u>827,290</u>	<u>-</u>	<u>827,290</u>
<b>Operating (loss)/profit</b>	<u>(10,046)</u>	<u>33,556</u>	<u>21,421</u>	<u>-</u>	<u>44,931</u>	<u>(13,521)</u>	<u>31,410</u>
<b>Half year ended</b>							
<b>30 September 2022</b>							
<b>Revenue:</b>							
- External	256,176	675,899	26,804	-	958,879	-	958,879
- Inter-segment	8,733	4,950	12,294	(25,977)	-	-	-
	<u>264,909</u>	<u>680,849</u>	<u>39,098</u>	<u>(25,977)</u>	<u>958,879</u>	<u>-</u>	<u>958,879</u>
<b>Operating (loss)/profit</b>	<u>(8,200)</u>	<u>41,529</u>	<u>18,786</u>	<u>-</u>	<u>52,115</u>	<u>(10,776)</u>	<u>41,339</u>

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.



# SINGAPORE POST LIMITED AND ITS SUBSIDIARIES

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS For the half year ended 30 September 2023

### 22. Segment information (continued)

#### (a) Segment revenues and results (continued)

##### *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:

	<u>Group</u> Half year ended 30 September	
	<b>2023</b>	<b>2022</b>
	<b>S\$'000</b>	<b>S\$'000</b>
Operating profit for reportable segments	<b>44,931</b>	52,115
Operating loss for all other segments	<b>(13,521)</b>	(10,776)
Exceptional items	<b>(1,993)</b>	(23,969)
Finance expenses	<b>(14,543)</b>	(9,871)
Interest income and investment income / (loss) (net)	<b>4,830</b>	(743)
Share of (loss)/profit of associated companies and joint ventures	<b>(616)</b>	138
<b>Profit before tax</b>	<b>19,088</b>	6,894
<b>Tax expense</b>	<b>(5,698)</b>	(9,297)
<b>Profit/(loss) after tax</b>	<b>13,390</b>	(2,403)

#### (b) Segment assets

The following is an analysis of the Group's segment assets as at 30 September 2023 and 31 March 2023 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
<b>30 September 2023</b>						
<b>Segment assets</b>	<b>159,249</b>	<b>958,728</b>	<b>1,235,764</b>	<b>2,353,741</b>	<b>42,435</b>	<b>2,396,176</b>
<b>Segment assets include:</b>						
Investments in associated companies and joint ventures	-	2,138	-	2,138	28,328	30,466
Intangible assets	4,232	492,139	-	496,371	-	496,371
<b>31 March 2023</b>						
<b>Segment assets</b>	240,885	1,007,617	1,174,111	2,422,613	40,518	2,463,131
<b>Segment assets include:</b>						
Investments in associated companies	-	3,018	-	3,018	28,931	31,949
Intangible assets	4,329	496,629	-	500,958	-	500,958

# SINGAPORE POST LIMITED AND ITS SUBSIDIARIES

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS For the half year ended 30 September 2023

### 22. Segment information (continued)

#### (b) Segment assets (continued)

##### *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.

	<b>As at 30 Sep 23 S\$'000</b>	<u>Group</u> As at 31 Mar 23 S\$'000
Segment assets for reportable segments	<b>2,353,741</b>	2,422,613
Segment assets for all other segments	<b>42,435</b>	40,518
Unallocated:		
Cash and cash equivalents	<b>350,516</b>	374,267
Derivative financial instruments	<b>1,331</b>	372
<b>Total assets</b>	<b>2,748,023</b>	2,837,770

#### (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 34% (30 September 2022: 32%) 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, as well as warehousing and logistics delivery.
- Other regions - the operations include warehousing and logistics delivery in Japan and Hong Kong, and freight forwarding businesses in Europe and New Zealand.

	<u>Group</u> Half year ended 30 September	
	<b>2023 S\$'000</b>	2022 S\$'000
<b>Revenue:</b>		
Singapore	<b>278,884</b>	302,653
Australia	<b>406,211</b>	425,620
Other countries	<b>142,195</b>	230,606
	<b>827,290</b>	958,879

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 half year ended 30 September 2023

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#### 23. Contingent liabilities

##### 1<sup>st</sup> 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 “1<sup>st</sup> Arbitration”).

On 3 June 2020, the arbitral tribunal issued its partial award with respect to the 1<sup>st</sup> Arbitration (the “1<sup>st</sup> Partial Award for the 1<sup>st</sup> 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 1<sup>st</sup> Arbitration that, amongst others, applied one out of several computation methodologies that were submitted by the parties within the parameters of the 1<sup>st</sup> Partial Award for the 1<sup>st</sup> Arbitration, which would entail the Company paying the Claimant for his 37.5% shares in FHPL at a fair value.

On 28 July 2023, the tribunal issued a further partial award in respect of the 1<sup>st</sup> Arbitration (the “3<sup>rd</sup> Partial Award for the 1<sup>st</sup> Arbitration”) pursuant to which it directed, *inter alia*, that the final valuation of FHPL is S\$61,707,965, calculated in accordance with the tribunal’s determination in the 2<sup>nd</sup> Partial Award for the 1<sup>st</sup> Arbitration, which meant that the additional amount to be paid by the Company to the Claimant is S\$1,707,965, after taking into account the S\$60,000,000 already paid by the Company to the Claimant. The tribunal made further directions for, *inter alia*, the transfer by the Claimant of the 37.5% shares in FHPL to the Company or its nominee, and the payment by the Company of S\$1,707,965 to FHPL towards repayment of an outstanding loan amount owed by the Claimant to FHPL (the “Claimant Loan”).

The transfer of the 37.5% shares in FHPL to the Company’s wholly-owned subsidiary, SingPost Logistics Investments Pte. Ltd. (“SPLI”), and the payment of S\$1,707,965 by the Company to FHPL to partially offset the Claimant Loan were completed on 2 October 2023. The financial effects arising from the payment had been reflected in the consolidated income statement for the half year ended 30 September 2023 and statements of financial position as at 30 September 2023.

##### 2<sup>nd</sup> Arbitration

In addition to the 1<sup>st</sup> Arbitration, a second arbitration was commenced by the Claimant against FHPL and SPLI on 15 and 16 September 2021 (the “2<sup>nd</sup> 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 2<sup>nd</sup> Arbitration (the “Final Partial Award in the 2<sup>nd</sup> Arbitration”). The Final Partial Award in the 2<sup>nd</sup> Arbitration was declared as immediately enforceable and matters relating to costs were reserved to a further award.

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
**For the half year ended 30 September 2023**

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**23. Contingent liabilities (continued)**

3<sup>rd</sup> Arbitration

A third arbitration was separately commenced by the Claimant against SPLI on 22 February 2022 (the “3<sup>rd</sup> 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 1<sup>st</sup> 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 4<sup>th</sup> 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 1<sup>st</sup> 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 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 1<sup>st</sup> Arbitration. The Claimant had sought declarations from the High Court that the partial awards issued in the 1<sup>st</sup> 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 (the “4<sup>th</sup> 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. On 8 May 2023, the arbitral tribunal in the 1<sup>st</sup> Arbitration directed that the 4<sup>th</sup> Arbitration be consolidated with the 1<sup>st</sup> Arbitration.

Apart from the above, the Group had an outstanding loan to the Claimant (viz., the Claimant Loan) amounting to S\$3,102,035 as at 30 September 2023 (31 March 2023: S\$4,810,000) following the payment of S\$1,707,965 by the Company to FHPL to partially offset the Claimant Loan, in accordance with the directions of the tribunal in the 3<sup>rd</sup> Partial Award for the 1<sup>st</sup> Arbitration.

5<sup>th</sup> Arbitration

On 17 May 2023, the Claimant served a new notice of arbitration on the Company (the “5<sup>th</sup> Arbitration”). In the Notice of Arbitration, the Claimant had sought, among others, declarations regarding his purported legal and beneficial ownership of the 37.5% shares in FHPL and his fiduciary duties to the Company in respect of the 37.5% shares in FHPL, and alleged that in the event that he is no longer the beneficial owner of the 37.5% shares in FHPL, the Company is estopped by representation/conduct from making any claim against him in relation to the 37.5% shares in FHPL and/or the manner in which he had exercised rights available under the 37.5% shares in FHPL from the date of exercise of his put option to the closing date specified in his put option exercise notice.

## SINGAPORE POST LIMITED AND ITS SUBSIDIARIES

### NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS For the half year ended 30 September 2023

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#### 23. Contingent liabilities (continued)

Findings regarding (among others) the Claimant's beneficial ownership of the 37.5% shares in FHPL had previously been made in the arbitration proceedings commenced by the Claimant against SPLI and FHPL (viz., the 2<sup>nd</sup> Arbitration), in which the Claimant had claimed (among others) a purported entitlement to dividends under the 37.5% shares in FHPL. All of the Claimant's claims against SPLI and FHPL in the 2<sup>nd</sup> Arbitration were dismissed under the Final Partial Award in the 2<sup>nd</sup> Arbitration.

Given the nature of the relief being sought by the Claimant in the 5<sup>th</sup> Arbitration, which does not include any claim for damages or other monetary relief, the potential financial impact of the 5<sup>th</sup> 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.

#### 24. Subsequent events

On 1 November 2023, the Group announced that:

- a) Freight management Holdings Pty Ltd ("FMH") had entered into a share sale agreement to acquire 100% of the issued ordinary shares and preference shares in the capital of MJ Luff Pty Ltd ("MJ Luff") for a maximum consideration of A\$210 million (approximately S\$183 million), comprising of a maximum initial purchase price of A\$195million (approximately S\$170 million) and a maximum earn out payment of A\$15 million (approximately S\$13 million).

MJ Luff owns 100% of the issued ordinary shares in the capital of Border Express Pty Ltd and Yandilla Pty Ltd, which operate under the trading name "Border Express". The completion of the acquisition is subject to and conditional upon the fulfilment of conditions precedent. The acquisition will be funded from FMH internal cash resources and external borrowings.

- b) The FMH Non-Management Shareholders, the Degenhardt Shareholders and the Management Shareholders have exercised their put options in respect of their existing shares in FMH. Upon completion of the acquisition of such FMH Shares, the Group will hold 100% equity interest in FMH, up from the existing equity interest of 88%. The Group has credit facilities in place for this acquisition.

## SINGAPORE POST LIMITED AND ITS SUBSIDIARIES

### OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2 For the half year ended 30 September 2023

#### Other Information Required by Listing Rule Appendix 7.2

##### (1) Review

The condensed interim financial statements of Singapore Post Limited and its subsidiaries (the "Group") as at and for the half year ended 30 September 2023 have not been audited or reviewed.

##### (2) Review of the performance of the group

###### Revenue

	<b>FY23/24</b>	<b>FY22/23</b>	
	<b>H1</b>	<b>H1</b>	<b>Variance</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>%</b>
Logistics	<b>566,333</b>	680,849	(16.8)
Post and Parcel	<b>246,065</b>	264,909	(7.1)
Property	<b>37,966</b>	39,098	(2.9)
Inter-segment eliminations*	<b>(23,074)</b>	(25,977)	(11.2)
<b>Total</b>	<b>827,290</b>	958,879	(13.7)

\* 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

	<b>FY23/24</b>	<b>FY22/23</b>	
	<b>H1</b>	<b>H1</b>	<b>Variance</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>%</b>
Logistics	<b>33,556</b>	41,529	(19.2)
Post and Parcel	<b>(10,046)</b>	(8,200)	22.5
Property	<b>21,421</b>	18,786	14.0
Others <sup>#</sup>	<b>(13,521)</b>	(10,776)	25.5
<b>Operating profit</b>	<b>31,410</b>	41,339	(24.0)

<sup>#</sup> Others refer to unallocated corporate overhead items.

###### Group

The decline in Group revenue for the half year ended 30 September 2023 ("H1") was largely due to:

- 1) the normalising of sea freight rates and volumes which significantly reduced freight forwarding contributions; and
- 2) foreign currency depreciation, as approximately 85% of Group revenue is now generated internationally.

We continue to see good results from the Group's transformation into a global logistics enterprise with strong operating performance by the Australia and IPP cross-border eCommerce logistics businesses.

## **SINGAPORE POST LIMITED AND ITS SUBSIDIARIES**

### **OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2**

**For the half year ended 30 September 2023**

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Group operating profit declined by 24.0% to S\$31.4 million from S\$41.3 million previously due to lower freight forwarding profit from Famous Holdings group, the loss in the domestic postal business and adverse foreign currency translation impact.

More details are provided below.

#### **Logistics**

Logistics revenue and operating profit declined by 16.8% and 19.2% YoY respectively as a result of lower contributions from Famous Holdings group.

The Australia business continued to perform well. New customer acquisitions and volume growth in the 4PL and last-mile delivery businesses continued to drive the operating performance of FMH and CouriersPlease. This was despite revenue pressure from lower fuel surcharge in line with the decline in fuel levies across the logistics industry.

Revenue and profit contributions from Famous Holdings group were lower in tandem with the declining sea freight outlook. Sea freight rates and volumes have contracted significantly from the highs during the pandemic.

#### **Post and Parcel**

The Post & Parcel business recorded a revenue decline of 7.1% YoY and an operating loss of S\$10.0 million in the first half compared to a loss of S\$8.2 million previously. While the business continued to incur a loss due to the domestic postal business, this was mitigated by the significant improvement in the international cross-border business.

The International business returned to profitability, with margins and profit improving significantly despite lower revenue resulting from the depreciation in the Chinese Yuan. Conveyance costs have fallen as air freight rates continued to trend downwards. The focus on commercial offerings in its product mix and customer acquisitions has enabled IPP volumes to remain relatively steady amidst declining volumes observed across the industry.

The Domestic business continued to incur a loss due to inflationary cost pressures and declining letter mail volumes. The domestic postage rate increase was implemented with effect from 9 October 2023, and the domestic postal business is expected to improve in the second half.

#### **Property**

Property revenue was lower due to the cessation of leases at certain smaller properties. Property operating profit increased 14.0% due to positive rental reversions at SingPost Centre. Overall occupancy at SingPost Centre was higher at 99.5% compared to 98.2% as at 31 March 2023, with the retail mall space at full occupancy and office space at 99.2% occupancy.

#### **Others**

The Others segment refers to unallocated corporate overhead items. This increased from S\$10.8 million to S\$13.5 million largely due to spending on information technology.

## SINGAPORE POST LIMITED AND ITS SUBSIDIARIES

### OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2 For the half year ended 30 September 2023

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#### Operating Expenses

Total operating expenses declined by 13.4% YoY to S\$797.4 million in the first half, mainly due to lower volume related expenses.

Volume-related expenses, which include conveyance costs and outpayments for international postal terminal dues, were lower by 21.8%. This was in tandem with the decline in air freight rates in the International cross-border business as well as decline in sea freight rates and volumes in the freight forwarding business.

Labour and related expenses increased by 4.0% largely due to higher staff remuneration.

Administrative expenses rose 12.7% due to increases in general administrative costs such as supplies and services and professional fees.

Selling-related expenses increased by 33.2% or S\$1.2 million on the back of higher marketing expenses.

Impairment loss on trade and other receivables amounted to S\$1.3 million on higher loss allowance for bad or doubtful debts compared to a reversal for the same period last year.

#### Other Income

Other income was lower by 52.5% or S\$1.7 million largely due to trade-related exchange losses.

#### Exceptional Items

Exceptional items amounted to S\$2.0 million largely due to fair value charge arising from a higher put option redemption liability, which offset the gains on disposal of property, plant and equipment and assets held for sale.

Refer to Note 5 for details on exceptional items.

#### Interest Income and Investment Income/(Loss)

Interest income and investment income/(loss) amounted to S\$4.8 million compared to a loss previously, due to higher interest income and foreign exchange gain on investments.

#### Finance Expenses

Finance expenses rose 47.3% due to higher interest expenses on the Group's borrowings.

#### Income Tax Expense

Income tax expense decreased 38.7% in H1 largely due to lower operating profits.

#### Non-controlling Interest

Non-controlling interest was S\$1.9 million compared to S\$7.5 million previously, as a result of the increase in shareholdings in FMH to 88% as at 31 March 2023.

#### Net Profit

Net profit attributable to equity holders of the Company was S\$11.5 million compared to a loss of S\$9.9 million previously. Excluding exceptional items, underlying net profit was S\$13.4 million, an increase of 1.9%.



## SINGAPORE POST LIMITED AND ITS SUBSIDIARIES

### OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2 For the half year ended 30 September 2023

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#### STATEMENT OF FINANCIAL POSITION

##### Assets

The Group's total assets amounted to S\$2.7 billion as at 30 September 2023, compared to S\$2.8 billion as at 31 March 2023.

Current assets decreased to S\$705.2 million compared to S\$763.5 million, mainly due to lower cash balance and trade and other receivables. The Group maintained a positive net working capital position with a stable current ratio (current assets to current liabilities) of 1.0x as at 30 September 2023.

Cash and cash equivalents amounted to S\$449.4 million, compared to S\$495.7 million. Please see Cashflow section below for details on cashflow changes.

Trade and other receivables decreased to S\$223.1 million from S\$229.8 million as at 31 March 2023, due to improved collection. The Group monitors its receivables ageing closely and promptly takes appropriate actions on overdue accounts.

Current derivative financial instruments increased to S\$1.3 million from S\$0.4 million due to fair value gains.

Other current assets increased to S\$31.0 million from S\$25.4 million, mainly from increase in prepayments.

Assets classified as held for sale of S\$11.7 million previously related to a post office site that was subject to compulsory acquisition by the Singapore Land Authority, where the disposal was completed in June 2023.

Non-current derivative financial instruments decreased to S\$42.6 million from S\$56.9 million. This mainly pertains to equity options for the hedging of fair value risk associated with its equity investments, which are recognised at fair value through other comprehensive income.

Non-current trade and other receivables was lower at \$3.2 million. While the level of non-current trade and other receivables are not substantial relative to the Group's scale of business, we have been taking appropriate measures to manage the receivables.

Property, plant and equipment increased to S\$389.4 million from S\$386.9 million. This was largely due to additions, partially offset by depreciation.

Right-of-use assets decreased to S\$56.0 million from S\$71.6 million largely due to depreciation charges.

Intangible assets were lower at S\$496.4 million compared to S\$501.0 million, mainly due to amortisation of intangible assets, and currency translation differences on the goodwill and intangible assets from the Australia businesses.

Other non-current assets decreased to S\$3.5 million from S\$5.8 million mainly due to lower prepayments.

## SINGAPORE POST LIMITED AND ITS SUBSIDIARIES

### OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2 For the half year ended 30 September 2023

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#### Liabilities

The Group's total liabilities were S\$1.39 billion as at 30 September 2023, compared to S\$1.46 billion as at 31 March 2023.

Current liabilities decreased to S\$674.2 million from S\$719.9 million mainly due to lower trade and other payables.

Current trade and other payables declined to S\$599.3 million from S\$632.5 million due to lower collections on behalf related to agency services provided at the post offices and settlements made.

Current lease liabilities were lower at S\$27.3 million compared to S\$32.2 million, largely due to repayment of lease liabilities.

Current borrowings decreased to S\$0.7 million from S\$1.4 million following the repayment of loans. The Group has sufficient credit facilities in place to cater to its requirements including potential acquisitions.

Non-current liabilities were lower at S\$713.2 million as at 30 September 2023, compared to S\$743.6 million as at 31 March 2023.

The Group was in a net debt of S\$162.3 million as at 30 September 2023, compared to S\$128.7 million as at 31 March 2023.

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\$3.0 million from S\$7.2 million was mainly due to amortisation for the year.

Non-current lease liabilities were lower at S\$36.3 million compared to S\$47.6 million previously, mainly to reclassification to current lease liabilities and retranslation of foreign currency denominated lease liabilities, partly offset by new leases.

#### Equity

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

Total equity was stable at S\$1.4 billion as at 30 September 2023.

#### Cash Flow

Operating cash flow before working capital changes as at 30 September 2023 was S\$71.8 million, compared to S\$71.4 million last year. Changes in net working capital of S\$33.9 million were largely due to movements in trade and other payables. Operating cash flow from operating activities were higher at S\$18.1 million compared to S\$15.9 million previously.

Net cash used in investing activities was S\$6.4 million, compared to S\$9.0 million in the previous period. The decrease was largely due to additions to property, plant and equipment and intangible assets, offset partially by the proceeds from the disposal of assets held for sale.

Net cash outflow from financing activities amounted to S\$57.9 million, compared to inflow of S\$148.5 million last year. This was mainly due to dividends paid to shareholders and non-controlling interests, distribution paid to perpetual securities holders and repayment of bank loans and principal portion of lease liabilities.

## SINGAPORE POST LIMITED AND ITS SUBSIDIARIES

### OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2

For the half year ended 30 September 2023

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- (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.**

The ongoing global economic uncertainty, along with inflationary conditions, high interest rates and currency fluctuations, continues to pose challenges to the Group. The uncertain Middle East situation also presents a risk to supply chain and conveyance costs. Consumer sentiments continue to soften and this has impacted global freight rates.

The initial phase of the review of domestic postal services resulted in a domestic postage rate increase of 20 cents effective 9 October 2023. This rate increment was necessary for SingPost to continue serving its obligations as Singapore's public postal licensee while working towards a framework for the long-term sustainability and commercial viability of the postal service. With the postage uprate, we expect the business to improve in the second half.

The acquisition of Border Express in Australia, announced on 1 November 2023, is immediately earnings accretive and provides a strategic impetus to the Group's growth in the market, extending our pan-Australia national footprint. As the sixth largest express pallet and parcel distribution operator in the country, Border Express will enhance and add scale to FMH group's network, increasing its market share and lifting the FMH group to be among the top five national logistics operators in the market. The Group is focused on integrating the Australia businesses to drive greater synergies as it continues to build and scale the B2B2C integrated logistics network.

The International cross-border eCommerce logistics business is now profitable and is expected to continue its upward trajectory as we benefit from improving yields and declining conveyance costs. We continue to grow the business with new commercial offerings, business pipelines and new customer acquisitions. The Group is focused on revamping and strengthening its cross-border capabilities and offerings to tap the growing global eCommerce logistics market.

Sea freight rates have been normalising from pandemic highs, and this will continue to reduce Famous Holdings' freight forwarding revenue and profit.

The strategic review of the Group's structure and portfolio of businesses is well underway. The strategic review is focused on transitioning the Group to a logistics business over time by recycling capital from non-core businesses or assets, with a view to enhancing shareholder returns and ensuring the Group is appropriately valued. The Group remains focused on executing its strategic initiatives for growth including exploring potential transformative acquisitions to further drive growth in logistics and overseas markets.

# SINGAPORE POST LIMITED AND ITS SUBSIDIARIES

## OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2 For the half year ended 30 September 2023

### (5) Interested Person Transactions

During the half year ended 30 September 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)	
		Half year ended		Half year ended	
		30 September		30 September	
		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	-	-	34,728*	391
		-	-	34,728	391
Purchases					
CapitaLand Group	Each interested person is an associate of Singapore Post Limited's controlling shareholder, Temasek Holdings (Private) Limited	-	-	1,170*	-
Harbourfront Centre Pte Ltd	Each interested person is an associate of Singapore Post Limited's controlling shareholder, Temasek Holdings (Private) Limited	-	-	538*	-
Sembcorp Group	Each interested person is an associate of Singapore Post Limited's controlling shareholder, Temasek Holdings (Private) Limited	-	-	-	13,782*
Singapore Telecommunications Group	Each interested person is an associate of Singapore Post Limited's controlling shareholder, Temasek Holdings (Private) Limited	-	-	1,962*	252
Starhub Group		-	-	119	-
		-	-	3,789	14,034
Total interested person transactions		-	-	38,517	14,425

#### 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 4 months to 4 years) or annual values for open-ended contracts.

\* Include contracts of duration exceeding one year.

## **SINGAPORE POST LIMITED AND ITS SUBSIDIARIES**

### **OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2**

**For the half year ended 30 September 2023**

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**(6) 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.

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

On behalf of the Board of Directors of the Company, we, the undersigned, hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the unaudited condensed interim financial statements for the half year ended 30 September 2023 to be false or misleading in any material aspect.

On behalf of the Board of Directors

**MR SIMON CLAUDE ISRAEL**  
Chairman

**MR VINCENT PHANG**  
Director

Singapore  
2 November 2023



# Global Logistics Delivery

DELIVERY  
INDUSTRIAL  
DISTRIBUTION  
PRODUCT  
DESTINATION  
INVENTORY  
CARCO  
MANUFACTURING  
ANALYSIS  
CUSTOMERS

## H1 FY2023/24 Results Presentation

2 November 2023

*Singapore*  
**POST**

# Disclaimer

The following presentation contains forward looking statements by the management of Singapore Post Limited ("SingPost") relating to financial trends for future periods, compared to the results for previous periods.

Some of the statements contained in this presentation that are not historical facts are statements of future expectations with respect to the financial condition, results of operations and businesses, and related plans and objectives. Forward looking information is based on management's current views and assumptions including, but not limited to, prevailing economic and market conditions. These statements involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those in the statements as originally made. Such statements are not, and should not be construed as a representation as to the future performance of SingPost. In particular, such targets should not be regarded as a forecast or projection of future performance of SingPost. It should be noted that the actual performance of SingPost may vary significantly from such statements.

"\$" means Singapore dollars unless otherwise indicated.





# Group Overview

Vincent Phang, Group CEO



# H1 FY2023/24 Overview



## Strong operating performance in line with Group's transformation

Net profit of S\$11.5M vs loss of S\$9.9M in H1 last year

Constant currency H1 UNP grew 52%

Strong operating results from Australia and International cross-border businesses

Impact of sea freight normalising post pandemic and adverse currency effects

H1 domestic postal loss as expected; to improve in H2



## Accelerating our strategic initiatives

Domestic postal business reset with postage uprate; future of post being shaped

Accelerated execution of strategic initiatives for growth in logistics and overseas

Strategic review well underway

# Strategic Review

To Enhance Shareholder Returns and Ensure Group is Appropriately Valued

**Strategic review  
setting stage for  
the future**



Postage uprate a successful outcome of postal review

Acquisition of Border Express a transformational initiative in Australia ambition

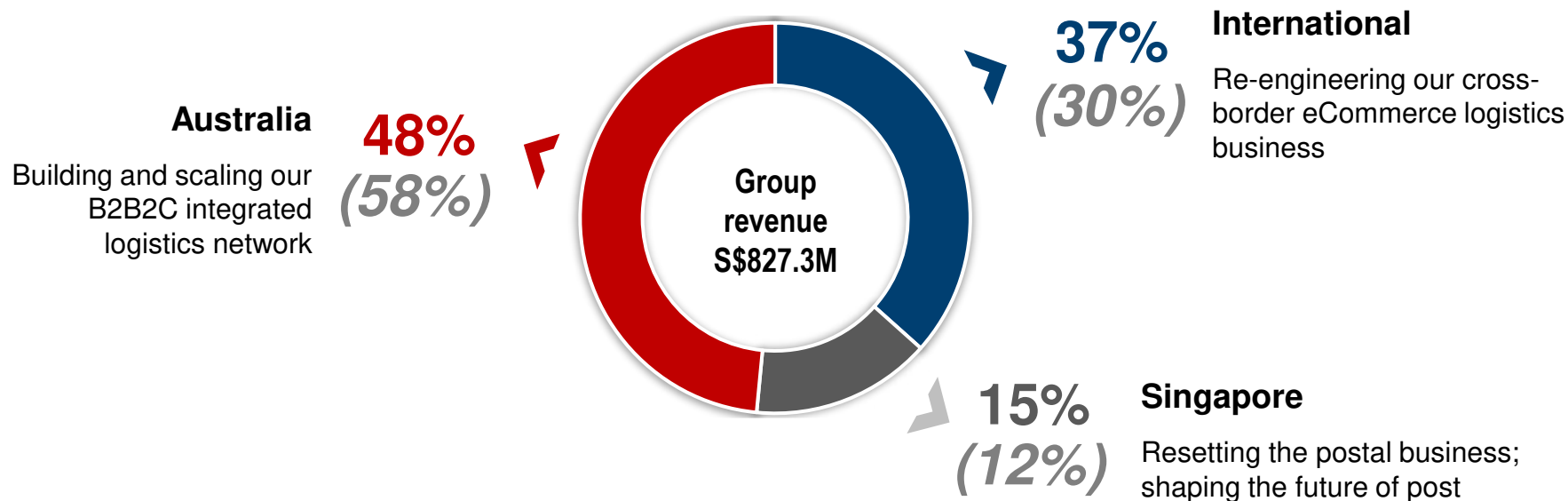
A structure for each business to succeed in their key markets

Exploring further acquisition opportunities and divestment of non-core business/assets identified

Strategic review being finalised

# Repositioning for Growth

Establishing Ourselves as a Leading eCommerce Supply Chain and Logistics Player in Asia Pacific



**Revenue breakdown by strategic pillars/markets**

*Pro forma revenue breakdown including Border Express, in italics*

## Resetting the Postal Business; Shaping the Future of Post



### Towards a sustainable long-term postal business model

Postage uprate – increase of 20 cents to 51 cents wef 9 October 2023, to improve postal performance in H2

Working towards a framework for the long-term sustainability and commercial viability of the postal service



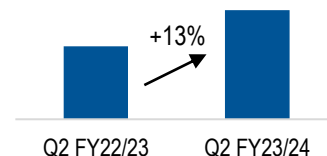
### Towards an eCommerce driven future

Driving eCommerce volumes as letter mail continues decline

Focusing on infrastructure optimisation

Innovating for the future

eCommerce volume growth



eCommerce award at National Business Awards by Singapore Business Review for POPDrop

World Post and Parcel Awards 2023 for Best Innovation Strategy (POPDrop) and Commitment to Sustainability (Carbon Efficient Ecosystem & Sustainable Packaging)

# International

## Re-engineering Our Cross-border eCommerce Logistics Business



### Good progress in rebuilding of business

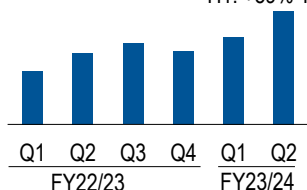
Margin and profitability uplift with greater focus on commercial offering, lower conveyance costs, operational improvements

Steady volumes despite industry-wide softening of volumes

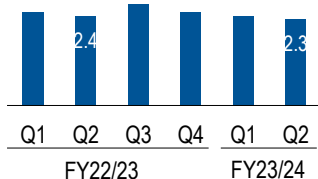
Driving revenue synergies with Singapore and Australia businesses

Commercial revenue growth trend

H1: +59% YoY

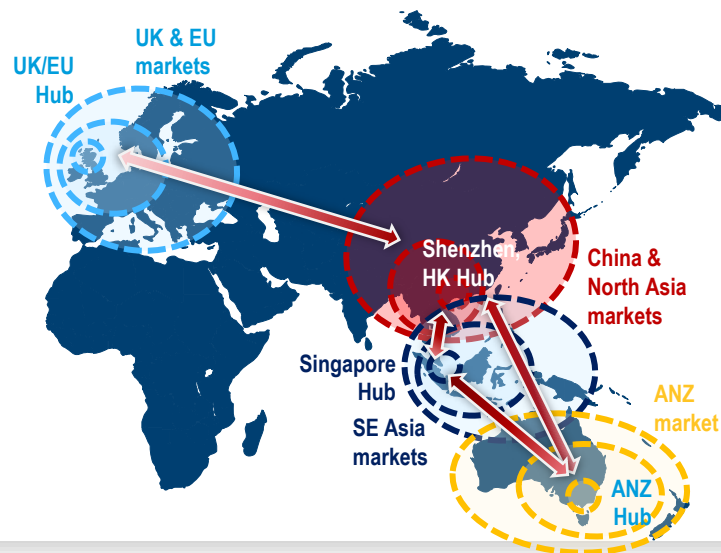


Steady outbound eCommerce logistics volumes (m kg)



### International cross-border eCommerce logistics network

- Multi modal hubs
- Commercial and postal solutions
- Digital 4PL



# Australia

## Building and Scaling our B2B2C Integrated Logistics Network

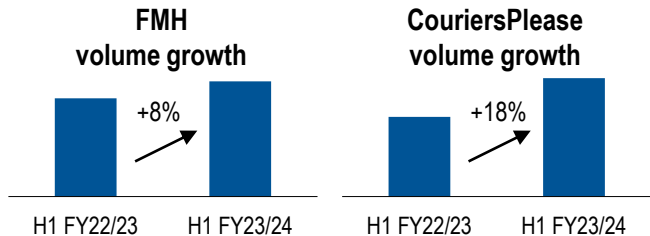


### Levelling up

Acquisition of Border Express:

- immediately earnings accretive
- significantly enhances our market presence
- combined annual revenues >S\$1 billion

Driving revenue and cost synergies among businesses



fmhgroup

border  
express

Couriers  
Please

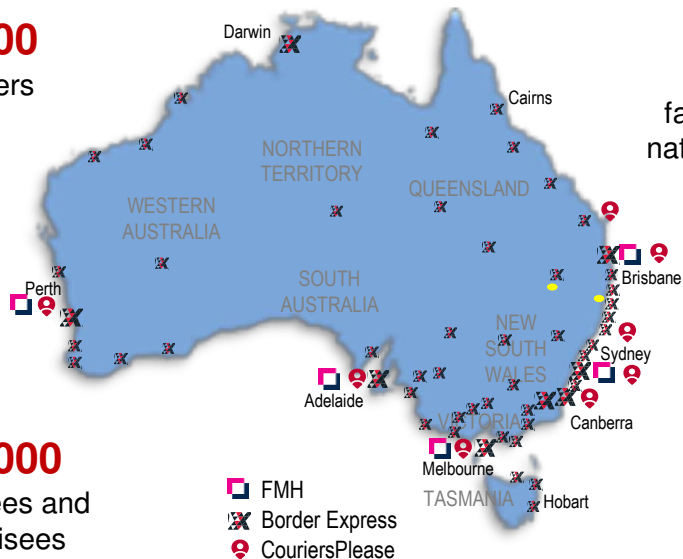
An extensive end-to-end B2B2C integrated logistics network powered by technology

> 4,900  
customers

80

facilities  
nationwide

> 3,000  
employees and  
franchisees



# Delivering Sustainable Outcomes Globally



Balancing Economic, Environment, Social and Governance Aspects

## Digital Transformation

Optimising safety and sustainability performance through technology



## World Post & Parcel Awards 2023

Best innovation strategy & commitment to sustainability



## 5-star Green Star

rating for 4 facilities in Australia



## Mangrove Planting in Thailand

Build community resilience through nature protection



# Outlook, Summary



## **Challenging business environment**

Inflation, high interest rates,  
currency fluctuations

Uncertainty in Middle East  
situation



## **Strategic review being finalised**

To be completed by financial  
year end

With view on enhancing  
shareholder returns and  
ensuring Group is  
appropriately valued



## **Executing strategies for growth**

Transforming into a global  
logistics enterprise

Potential acquisitions and  
divestments of non-core  
businesses/assets for capital  
recycling





# Financial Results

Vincent Yik, Group CFO

# H1 FY23/24 Key Financial Highlights



## 01

**Strong operating performance in line with transformation**

Growth in Australia and International cross-border businesses; International business back to profitability

H1 UNP +52% YoY (constant currency)

## 02

**Impact of sea freight normalisation, FX, domestic postal loss**

Sea freight normalisation in freight forwarding business

Domestic postal loss as expected; addressed with uprate and to improve in H2

## 03

**Sound financial position; interim dividend maintained**

Balance sheet remains sound; positioned for growth

Interim dividend at 0.18 cents per share

# H1 FY23/24 Profit & Loss Highlights

P&L, S\$m	H1 FY23/24	H1 FY22/23	% change
<b>Revenue</b>	<b>827.3</b>	<b>958.9</b>	<b>(13.7%)</b>
Operating Expenses	(797.4)	(920.8)	(13.4%)
<b>Operating Profit (OP)</b>	<b>31.4</b>	<b>41.3</b>	<b>(24.0%)</b>
Share of Associates and JV	(0.6)	0.1	n/m
Exceptional Items	(2.0)	(24.0)	(91.7%)
<b>EBIT</b>	<b>28.8</b>	<b>17.5</b>	<b>+64.5%</b>
Net Interest & Investment Income	4.8	(0.7)	n/m
Finance Expenses	(14.5)	(9.9)	+47.3%
Income Tax	(5.7)	(9.3)	(38.7%)
Non-controlling Interests	(1.9)	(7.5)	(74.1%)
<b>Net profit attr. to equity holders</b>	<b>11.5</b>	<b>(9.9)</b>	<b>n/m</b>
<b>Underlying net profit (UNP)</b>	<b>13.4</b>	<b>13.2</b>	<b>+1.9%</b>

**+2% revenue** and **+45% OP growth**  
(constant currency) excluding Famous Holdings

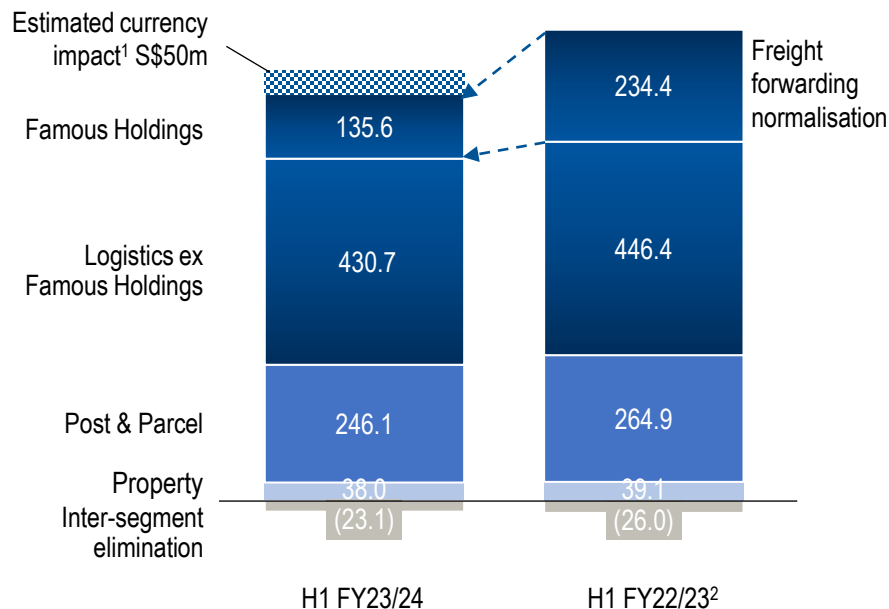
Exceptional item in H1 last year mainly relates to fair value loss on FMH put option redemption liability

**UNP growth of 52%** (constant currency) despite decline in Famous Holdings' contributions and domestic postal loss

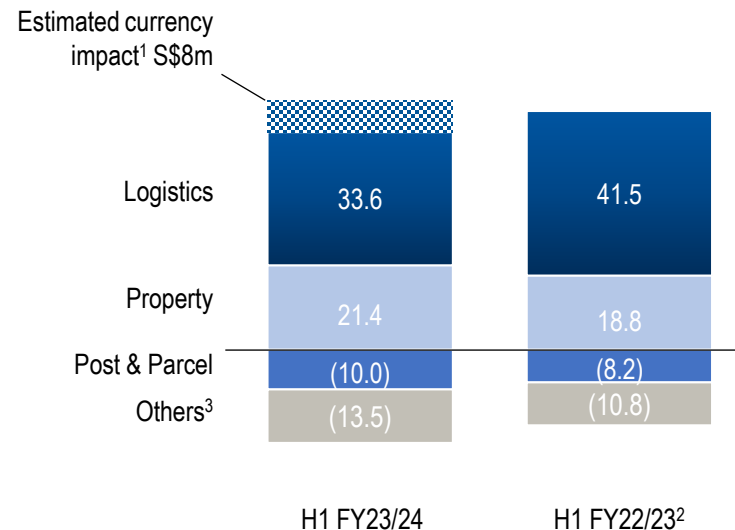
Note: Constant currency – estimated assuming constant exchange rates for Australian Dollar, Chinese Yuan and/or relevant currencies from the corresponding first half ended 30 September 2022.

# H1 FY2023/24 Segment Breakdown

Revenue breakdown (\$m)



Operating profit breakdown (\$m)



<sup>1</sup> Estimated, assuming constant exchange rates for Australian Dollar, Chinese Yuan and/or relevant currencies from the corresponding first half ended 30 September 2022.

<sup>2</sup> Prior year adjustments.

<sup>3</sup> Refers to unallocated corporate overhead items.

# Logistics: H1 FY23/24 Performance

Segment P&L, S\$m	H1 FY23/24	H1 FY22/23	% change
<b>Revenue</b>	<b>566.3</b>	<b>680.8</b>	<b>(16.8%)</b>
Australia businesses <sup>2</sup>	388.6	399.6	(2.7%)
Freight forwarding	135.6	234.4	(42.1%)
Other logistics businesses <sup>3</sup>	42.1	47.0	(10.6%)
<b>Operating Profit</b>	<b>33.6</b>	<b>41.5</b>	<b>(19.2%)</b>

Logistics revenue and OP would have increased by 4% and 26% (constant currency<sup>1</sup>), excluding impact of sea freight normalisation in the freight forwarding business

+6% revenue and +11% OP growth (constant currency) by Australia business:

- FMH growth on 4PL business wins, offsetting weaker 3PL due to softer volumes and lower fuel surcharge
- CouriersPlease growth on higher volumes despite challenging market

<sup>1</sup> Estimated, assuming constant exchange rates for Australian Dollar, Chinese Yuan and/or relevant currencies from the corresponding first half ended 30 September 2022.

<sup>2</sup> Couriers Please and FMH.

<sup>3</sup> Quantum Solutions and SP eCommerce which was sold wef May 2022.

# Post & Parcel: H1 FY23/24 Performance



Segment P&L, S\$m	H1 FY23/24	H1 FY22/23 <sup>1</sup>	% change
<b>Revenue</b>	<b>246.1</b>	<b>264.9</b>	<b>(7.1%)</b>
International	138.6	152.8	(9.3%)
Domestic	107.5	112.1	(4.1%)
<b>Operating Profit</b>	<b>(10.0)</b>	<b>(8.2)</b>	<b>(22.5%)</b>

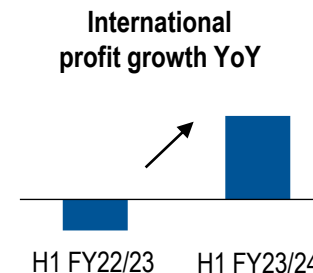
<sup>1</sup> Prior year adjustments.

<sup>2</sup> Estimated, assuming constant exchange rates for Australian Dollar, Chinese Yuan and/or relevant currencies from the corresponding first half ended 30 September 2022.

Strong improvement in International business

Profitable International cross-border business contribution offset by wider domestic postal loss

Domestic postage uprate with effect from 9 October 2023; domestic postal business to improve in H2



# Financial Position, Capital Management

## Sound financial position

Balance sheet remains sound; healthy liquidity ratios

Positive operating cashflows across all businesses

Cash holdings S\$449.4m

## Prudent capital management

Continued investments in strategic initiatives

Exploring opportunities for divestment of non-core businesses/assets to recycle capital

## Interim dividend maintained

H1 interim DPS maintained at 0.18 cents

Review of dividend policy as part of strategic review





## Annex

*Making Every Delivery Count for People and Planet*





# Property: H1FY23/24 Performance

Segment P&L, S\$m	H1 FY23/24	H1 FY22/23 <sup>1</sup>	% change
Revenue	38.0	39.1	(2.9%)
Operating Profit	21.4	18.8	+14.0%

<sup>1</sup> Prior year adjustments.

Lower revenue due to lease cessation at certain smaller properties; operating profit growth on positive rental reversions at SingPost Centre

Overall occupancy at SingPost Centre was higher at 99.5% compared to 98.2% as at 31 March 2023

Retail mall space was at full occupancy and while office space at 99.2% occupied





# End

Please refer to the SGXNET announcements dated 2 November 2023 for details.

*Making Every Delivery Count for People and Planet*

*Singapore*  
**POST**

**SingPost delivers strong H1 performance against last year  
with robust operational performance amidst weak industry landscape**

- Net Profit of S\$11.5 million vs loss of S\$9.9 million H1 last year
- H1 Underlying Net Profit of S\$13.4 million vs S\$13.2 million last year
- Australia continues growth trajectory with new acquisition

SINGAPORE, 02 November 2023 – Singapore Post Limited (SingPost) today announced its results for the half year ended 30 September 2023.

SingPost's first half net profit was at S\$11.5 million, compared to a loss of S\$9.9 million last year, boosted by the logistics business in Australia and the International cross-border business. Revenue was down 13.7% to S\$827 million due to normalising of sea freight rates and volumes post pandemic, as well as foreign exchange impact.

Mr. Vincent Phang, SingPost's Group Chief Executive Officer, said, "Our diversified portfolio and global presence, including our expanded operations in Australia, have enabled us to demonstrate resilience in the current uncertain global economic climate despite adverse currency movements. The positive operational performance underscores the headway made in our transformation."

Approximately 85% of the Group's revenue was generated internationally. By leveraging the competitive advantage of the 4PL model, its Australia business secured new customers from across industries. The latest acquisition of Border Express will further strengthen its end-to-end interstate logistics business which includes comprehensive freight connectivity, strategic warehousing solutions, and last-mile delivery, and will enhance a pan-Australia national network for its operations.

The positive trajectory in the International cross-border eCommerce logistics business helped mitigate declines in the freight-forwarding and domestic postal business. The business is driving growth with new customers acquisitions, focusing on trade lanes from Hong Kong to Australia and Southeast Asia, as well as Europe to Asia.

The domestic postal business incurred a loss in H1 due to softening mail volumes and rising inflationary costs, particularly in the operation of fixed infrastructure such as the post office network. SingPost has raised domestic postage rates by S\$0.20 from 9 October 2023, which is expected to improve the domestic business in H2. SingPost is in discussion with the authorities to review the domestic postal business model and develop a framework to ensure commercial viability.

Mr Phang said, "We have made good progress in our transformation as demonstrated by our H1 results and will continue to execute our growth strategy. The board has advanced in the strategic review to enable the Group and its individual businesses to be valued appropriately."



### **Logistics**

Logistics revenue and operating profit declined by 16.8% and 19.2% YoY respectively as a result of lower contributions from Famous Holdings.

The Australia business continued to perform well. New customer acquisitions and volume growth in the 4PL and last-mile delivery businesses continued to drive the operating performance of FMH and CouriersPlease. This was despite revenue pressure from lower fuel surcharge in line with the decline in fuel levies across the logistics industry.

Revenue and profit contributions from Famous Holdings were lower in tandem with the declining sea freight outlook. Sea freight rates and volumes have contracted significantly from the highs during the pandemic.

### **Post and Parcel**

The Post & Parcel business recorded a revenue decline of 7.1% YoY and an operating loss of S\$10.0 million in H1 compared to a loss of S\$8.2 million previously. While the business continued to incur a loss due to the domestic postal business, this was mitigated by the significant improvement in the international cross-border business.

The International business returned to profitability, with margins and profit improving significantly despite lower revenue resulting from the depreciation in the Chinese Yuan. Conveyance costs have fallen as air freight rates continued to trend downwards. The focus on commercial offerings in its product mix and customer acquisitions has enabled IPP volumes to remain relatively steady amidst declining volumes observed across the industry.

The Domestic business continued to incur a loss due to inflationary cost pressures and declining letter mail volumes. The domestic postage rate increase was implemented with effect from 9 October 2023, and the domestic postal business is expected to improve in H2.

### **Property**

Property revenue was lower due to the cessation of leases at certain smaller properties. Property operating profit increased 14.0% due to positive rental reversions at SingPost Centre. Overall occupancy at SingPost Centre was higher at 99.5% compared to 98.2% as at 31 March 2023, with the retail mall space at full occupancy and office space at 99.2% occupancy.

### **Interim dividend**

The Board of Directors has declared an interim dividend of 0.18 cents per ordinary share (tax exempt one-tier) for the half year ended 30 September 2023. This amounts to approximately 30% of H1 FY2023/24 underlying net profit.

- END -

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**About Singapore Post Limited**

Singapore Post (SingPost) is a leading eCommerce logistics provider in Asia Pacific. The portfolio of businesses spans from national and international postal services to warehousing and fulfilment, last mile delivery and international freight forwarding, serving customers in more than 220 markets. Headquartered in Singapore, SingPost has over 5,000 employees, with offices in 13 markets. Since its inception in 1858, the Group has evolved and innovated to bring about best-in-class postal and integrated logistics solutions, making every delivery count for people and planet.

## Annex: Financial Highlights for 1H ended 30 September 2023

GROUP RESULTS	H1 FY23/24 (S\$M)	H1 FY22/23 (S\$M)	VARIANCE (%)
Revenue	827.3	958.9	(13.7)
Operating expenses	(797.4)	(920.8)	(13.4)
Operating profit	31.4	41.3	(24.0)
Share of (losses)/profit of associated companies	(0.6)	0.1	N.M.
Exceptional items	(2.0)	(24.0)	(91.7)
Profit/(Loss) after tax	13.4	(2.4)	N.M.
Net profit / (loss) attributable to equity holders	11.5	(9.9)	N.M.
Underlying net profit	13.4	13.2	1.9
Dividend per share (in cents)	0.18	0.18	

N.M. – Not meaningful

Please refer to the Group's announcement for further details.