

FINANCIAL STATEMENTS AND RELATED ANNOUNCEMENT::THIRD QUARTER RESULTS**Issuer & Securities****Issuer/ Manager**

SINGAPORE POST LIMITED

Securities

SINGAPORE POST LIMITED - SG1N89910219 - S08

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Please refer to the attachments.

Additional Details**For Financial Period Ended**

31/12/2018

Attachments[SGXNET-Q3FY201819.pdf](#)[ResultsPresentationQ3FY1819.pdf](#)[Press%20Release.pdf](#)

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**SINGAPORE POST LIMITED
AND ITS SUBSIDIARIES**

(Registration number: 199201623M)

**SGXNET ANNOUNCEMENT
UNAUDITED RESULTS FOR THE
THIRD QUARTER AND NINE MONTHS
ENDED 31 DECEMBER 2018**

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

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

Consolidated Income Statement

	FY2018/19	FY2017/18		FY2018/19	FY2017/18	
	Q3	Q3	Variance	9M	9M	Variance
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue	441,375	410,390	7.6%	1,182,631	1,131,508	4.5%
Labour and related expenses	(80,932)	(83,503)	(3.1%)	(235,954)	(248,115)	(4.9%)
Volume-related expenses ¹	(258,637)	(225,691)	14.6%	(659,206)	(605,252)	8.9%
Administrative and other expenses	(38,787)	(40,035)	(3.1%)	(115,850)	(113,606)	2.0%
Depreciation and amortisation	(14,598)	(14,814)	(1.5%)	(43,276)	(43,669)	(0.9%)
Selling-related expenses	(5,364)	(2,119)	153.1%	(9,441)	(11,719)	(19.4%)
Operating expenses	(398,318)	(366,162)	8.8%	(1,063,727)	(1,022,361)	4.0%
Other (expenses) / income	(830)	1,915	N.M.	2,456	5,694	(56.9%)
Profit on operating activities	42,227	46,143	(8.5%)	121,360	114,841	5.7%
Share of profit / (loss) of associated companies and joint venture	17	951	(98.2%)	(7,092)	3,069	N.M.
Exceptional items ²	31,825	925	@	22,919	5,842	292.3%
Interest income and investment income (net)	1,582	(163)	N.M.	3,732	488	@
Finance expenses	(2,328)	(2,522)	7.7%	(7,172)	(8,254)	13.1%
Profit before tax	73,323	45,334	61.7%	133,747	115,986	15.3%
Income tax expense	(9,392)	(2,944)	219.0%	(30,269)	(19,782)	53.0%
Profit after tax	63,931	42,390	50.8%	103,478	96,204	7.6%
Attributable to:						
Equity holders of the Company	50,202	43,413	15.6%	94,066	103,661	(9.3%)
Non-controlling interests	13,729	(1,023)	N.M.	9,412	(7,457)	N.M.
Underlying Net Profit³	32,882	35,561	(7.5%)	85,652	90,892	(5.8%)
Earnings per share for profit attributable to the equity holders of the Company during the period / year: ⁴						
- Basic	2.06¢	1.75¢		3.67¢	4.07¢	
- Diluted	2.06¢	1.75¢		3.67¢	4.07¢	

Notes

¹ Volume-related expenses comprise mainly of traffic expenses and cost of sales.

² Exceptional items comprised one-off items such as asset impairment, fair value changes on investment properties, gains or losses on sale of investments and property, plant and equipment and M&A related professional fees. With effect from Q2 FY2018/19, exceptional items are excluded from profit on operating activities ("Operating Profit") but included in profit before tax to better reflect the performance of the underlying business.

³ Underlying net profit is defined as net profit before exceptional items, net of tax.

⁴ Earnings per share were calculated based on net profit attributable to equity holders of the Company less distribution attributable to perpetual securities holders, divided by the weighted average number of ordinary shares outstanding (excluding treasury shares).

N.M. Not meaningful.

@ Denotes variance exceeding 300%.

Consolidated Statement of Comprehensive Income

	FY2018/19 Q3 S\$'000	FY2017/18 Q3 S\$'000	Variance %	FY2018/19 9M S\$'000	FY2017/18 9M S\$'000	Variance %
Profit after tax	63,931	42,390	50.8%	103,478	96,204	7.6%
Other comprehensive loss (net of tax):						
Items that will not reclassified subsequently to profit or loss:						
Available for sale financial assets - fair value losses	(797)	(212)	(275.9%)	(668)	(422)	(58.3%)
Currency translation differences arising from consolidation losses	(4,284)	(3,194)	(34.1%)	(6,438)	(3,826)	(68.3%)
Other comprehensive loss for the period (net of tax)	(5,081)	(3,406)	(49.2%)	(7,106)	(4,248)	(67.3%)
Total comprehensive income for the period*	58,850	38,984	51.0%	96,372	91,956	4.8%
Total comprehensive income attributable to:						
Equity holders of the Company	45,237	40,160	12.6%	87,703	99,746	(12.1%)
Non-controlling interests	13,613	(1,176)	N.M.	8,669	(7,790)	N.M.
	58,850	38,984	51.0%	96,372	91,956	4.8%

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

Underlying Net Profit Reconciliation Table

	FY2018/19 Q3 S\$'000	FY2017/18 Q3 S\$'000	Variance %	FY2018/19 9M S\$'000	FY2017/18 9M S\$'000	Variance %
Profit attributable to equity holders of the Company	50,202	43,413	15.6%	94,066	103,661	(9.3%)
Add/(less): Exceptional items						
Losses / (gains) on disposal of property, plant and equipment	186	(2,953)	N.M.	229	(2,938)	N.M.
Professional fees	644	46	@	810	1,528	(47.0%)
Fair value loss / (gain) on warrants from an associated company	7,468	1,982	276.8%	16,165	(5,423)	N.M.
Gain on dilution of interest in an associated company	(42,662)	-	N.M.	(42,662)	-	N.M.
Additional provision for contingent consideration in a foreign subsidiary	2,539	-	N.M.	2,539	-	N.M.
Provision for the restructuring of operation	-	-	-	-	991	N.M.
Exceptional items	(31,825)	(925)	@	(22,919)	(5,842)	(292.3%)
Adjustments of deferred tax in respect of change in US tax rate	-	(6,927)	N.M.	-	(6,927)	N.M.
NCI share of gain on dilution of interest in an associated company	14,505	-	N.M.	14,505	-	N.M.
Underlying Net Profit	32,882	35,561	(7.5%)	85,652	90,892	(5.8%)

N.M. Not meaningful

@ Denotes variance exceeding 300%

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

	FY2018/19	FY2017/18		FY2018/19	FY2017/18	
	Q3	Q3	Variance	9M	9M	Variance
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Interest income / (expenses) and investment income / (expenses) (net)	1,582	(163)	N.M.	3,732	488	@
Interest on borrowings	2,328	2,522	(7.7%)	7,172	8,254	(13.1%)
Depreciation and amortisation	14,598	14,814	(1.5%)	43,276	43,669	(0.9%)
Allowance for doubtful debts and bad debts written off	1,438	-	N.M.	2,014	5,781	(65.2%)
Foreign exchange (losses) / gains	(1,441)	198	N.M.	(920)	(37)	@
Losses / (gains) on disposal of plant and equipment	186	(2,953)	N.M.	229	(2,938)	N.M.
Gain on dilution of interest in an associated company	42,662	-	N.M.	42,662	-	N.M.

N.M. Not meaningful.
@ Denotes variance exceeding 300%

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

	The Group			The Company		
	Dec-18	Mar-18	1 Apr 17	Dec-18	Mar-18	1 Apr 17
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS						
Current assets						
Cash and cash equivalents	345,880	314,050	366,614	276,164	258,112	303,179
Financial assets	8,265	1,921	4,301	8,265	1,921	3,954
Asset held for sale [#]	33,604	-	-	-	-	-
Trade and other receivables	298,646	271,583	199,007	224,842	231,983	173,304
Derivative financial instruments	4,629	19,856	16,079	4,613	19,856	16,142
Inventories	838	959	4,450	285	66	107
Other current assets	21,724	18,204	17,174	6,580	7,867	5,180
	<u>713,586</u>	<u>626,573</u>	<u>607,625</u>	<u>520,749</u>	<u>519,805</u>	<u>501,866</u>
Non-current assets						
Financial assets	104,282	35,460	36,010	28,664	35,201	35,748
Trade and other receivables	7,789	7,087	7,091	361,344	391,821	405,122
Investments in associated companies and joint ventures	40,255	114,925	117,783	15,366	15,366	14,849
Investments in subsidiaries	-	-	-	340,533	340,533	340,533
Investment properties	1,015,396	1,014,315	970,392	971,833	970,378	927,538
Property, plant and equipment	474,509	491,711	515,719	233,597	241,463	240,371
Intangible assets	377,918	385,730	400,683	-	-	-
Deferred income tax assets	3,491	3,197	6,218	-	-	-
Other non-current asset	2,118	5,137	5,198	-	-	-
	<u>2,025,758</u>	<u>2,057,562</u>	<u>2,059,094</u>	<u>1,951,337</u>	<u>1,994,762</u>	<u>1,964,161</u>
Total assets	<u>2,739,344</u>	<u>2,684,135</u>	<u>2,666,719</u>	<u>2,472,086</u>	<u>2,514,567</u>	<u>2,466,027</u>
LIABILITIES						
Current liabilities						
Trade and other payables	531,967	525,791	395,084	399,672	458,762	353,681
Current income tax liabilities	37,745	39,172	34,774	28,859	30,926	30,367
Contract liabilities	7,120	7,140	7,043	7,046	6,858	6,614
Deferred income	-	-	175	-	-	175
Derivative financial instruments	3,990	465	1,055	3,990	451	1,055
Borrowings	86,968	23,475	148,786	-	-	117,743
	<u>667,790</u>	<u>596,043</u>	<u>586,917</u>	<u>439,567</u>	<u>496,997</u>	<u>509,635</u>
Non-current liabilities						
Trade and other payables	15,722	23,468	44,462	1,358	1,358	2,070
Borrowings	206,231	220,503	215,199	200,986	201,569	202,318
Contract liabilities	40,139	45,484	52,624	40,136	45,444	52,302
Deferred income tax liabilities	51,477	52,392	62,547	22,387	23,253	22,603
	<u>313,569</u>	<u>341,847</u>	<u>374,832</u>	<u>264,867</u>	<u>271,624</u>	<u>279,293</u>
Total liabilities	<u>981,359</u>	<u>937,890</u>	<u>961,749</u>	<u>704,434</u>	<u>768,621</u>	<u>788,928</u>
NET ASSETS	<u>1,757,985</u>	<u>1,746,245</u>	<u>1,704,970</u>	<u>1,767,652</u>	<u>1,745,946</u>	<u>1,677,099</u>
EQUITY						
Capital and reserves attributable to the Company's equity holders						
Share capital	638,762	638,762	638,756	638,762	638,762	638,756
Treasury shares	(25,557)	(16,023)	(1,227)	(25,557)	(16,023)	(1,227)
Other reserves	76,151	81,667	89,628	39,044	38,104	37,249
Retained earnings	669,666	654,667	579,418	764,869	738,277	655,495
Ordinary equity	1,359,022	1,359,073	1,306,575	1,417,118	1,399,120	1,330,273
Perpetual securities	350,534	346,826	346,826	350,534	346,826	346,826
	<u>1,709,556</u>	<u>1,705,899</u>	<u>1,653,401</u>	<u>1,767,652</u>	<u>1,745,946</u>	<u>1,677,099</u>
Non-controlling interests	48,429	40,346	51,569	-	-	-
Total equity	<u>1,757,985</u>	<u>1,746,245</u>	<u>1,704,970</u>	<u>1,767,652</u>	<u>1,745,946</u>	<u>1,677,099</u>

Reclassification from Investments in associated companies and joint venture, due to the intention of divestment for some of the Group's stake in associated companies.

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

	Dec-18	Mar-18
	S\$'000	S\$'000
Amount repayable in one year or less, or on demand		
- Borrowings (secured)	5,438	6,475
- Borrowings (unsecured)	81,530	17,000
Amount repayable after one year:		
- Borrowings (secured)	5,245	18,934
- Borrowings (unsecured)	200,986	201,569
	293,199	243,978

The Group's unsecured borrowings comprised mainly S\$200 million 10-year Fixed Rate Notes issued in March 2010. The Fixed Rate Notes is listed on the SGX-ST and carry a fixed interest rate of 3.5% per annum.

Details of any collateral.

Secured borrowings comprised bank loans and are secured over investment properties, asset of a subsidiary or guaranteed by a director of a subsidiary with non-controlling interests.

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

	The Group			
	FY2018/19	FY2017/18	FY2018/19	FY2017/18
	Q3	Q3	9M	9M
	S\$'000	S\$'000	S\$'000	S\$'000
Cash flows from operating activities				
Profit after tax	63,931	42,390	103,478	96,204
Adjustments for:				
Income tax expense	9,392	2,944	30,269	19,782
Allowance for doubtful debts and bad debts written off	1,438	-	2,014	5,781
Amortisation of contract liabilities	(1,764)	(2,267)	(5,365)	(6,801)
Amortisation of deferred income	-	(44)	-	(132)
Amortisation of intangible assets	2,741	2,471	8,025	7,239
Depreciation	11,857	12,343	35,251	36,430
Losses / (gains) on sale of investments, property, plant and equipment	186	(2,953)	229	(2,938)
Gain on dilution of interest in an associated company	(42,662)	-	(42,662)	-
Loss / (gain) on derivative instrument	7,468	1,982	16,165	(5,423)
Share-based staff costs	515	41	1,558	508
Interest expense	2,326	2,522	7,170	8,254
Interest income	(1,449)	(964)	(4,198)	(3,622)
Share of (profit) / loss of associated companies and joint venture	(17)	(951)	7,092	(3,069)
	(9,969)	15,124	55,548	56,009
Operating cash flow before working capital changes	53,962	57,514	159,026	152,213
Changes in working capital, net of effects from acquisition and disposal of subsidiaries				
Inventories	123	19	121	27
Trade and other receivables	(29,409)	(14,857)	(26,361)	(53,207)
Trade and other payables	78,226	68,801	(791)	77,851
Cash generated from operations	102,902	111,477	131,995	176,884
Income tax paid	(15,399)	(15,498)	(32,693)	(30,400)
Net cash provided by operating activities	87,503	95,979	99,302	146,484
Cash flows from investing activities				
Additions to property, plant and equipment, investment properties and intangible assets	(6,651)	(14,006)	(25,449)	(52,878)
Contingent consideration paid in relation to acquisition of subsidiaries	-	-	-	(3,730)
Dividend received from an associated company	-	413	-	413
Interest received	1,212	902	3,913	4,006
Loan to an associated company	(701)	-	(701)	-
Proceeds from sale of financial assets	-	-	106	-
Proceeds from disposal of property, plant and equipment	13	8,650	89	8,886
Proceeds on maturity of financial assets	-	1,633	-	1,633
Net cash used in investing activities	(6,127)	(2,408)	(22,042)	(41,670)
Cash flows from financing activities				
Acquisition of additional interest in subsidiaries	-	(220)	-	(220)
Distribution paid to perpetual securities	-	-	(7,499)	(7,499)
Dividends paid to shareholders	(11,283)	(11,337)	(67,860)	(34,050)
Dividends paid to non-controlling interests in a subsidiary	(314)	-	(586)	-
Interest paid	(4,050)	(4,405)	(8,725)	(6,148)
Proceeds from issuance of ordinary shares	-	-	-	6
Proceeds from re-issuance of treasury shares	-	-	281	-
Purchase of treasury shares	(4,813)	(4,278)	(10,526)	(11,507)
Proceeds from bank term loan	29,966	48,926	179,246	280,926
Repayment of bank term loan	(30,225)	(120,253)	(129,761)	(408,590)
Net cash used in financing activities	(20,719)	(91,567)	(45,430)	(187,082)
Net increase / (decrease) in cash and cash equivalents	60,657	2,004	31,830	(82,268)
Cash and cash equivalents at beginning of financial	285,223	282,342	314,050	366,614
Cash and cash equivalents at end of financial period	345,880	284,346	345,880	284,346

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

The Group – Q3

	Attributable to ordinary shareholders of the Company					Perpetual securities	Total	Non-controlling interests	Total equity
	Share capital	Treasury shares	Retained earnings	Other reserves	Total				
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 October 2018	638,762	(20,760)	634,496	80,617	1,333,115	346,785	1,679,900	35,130	1,715,030
Total comprehensive income / (loss) for the period	-	-	50,202	(4,965)	45,237	-	45,237	13,613	58,850
<i>Transactions with owners, recognised directly in equity</i>									
Distribution of perpetual securities	-	-	(3,749)	-	(3,749)	3,749	-	-	-
Dividends paid to shareholders	-	-	(11,283)	-	(11,283)	-	(11,283)	-	(11,283)
Dividends paid to non-controlling interests in a subsidiary	-	-	-	-	-	-	-	(314)	(314)
Employee share option scheme:									
- Value of employee services	-	-	-	515	515	-	515	-	515
- Treasury shares re-issued	-	16	-	(16)	-	-	-	-	-
Purchase of new treasury shares	-	(4,813)	-	-	(4,813)	-	(4,813)	-	(4,813)
Total	-	(4,797)	(15,032)	499	(19,330)	3,749	(15,581)	(314)	(15,895)
Balance at 31 December 2018	638,762	(25,557)	669,666	76,151	1,359,022	350,534	1,709,556	48,429	1,757,985
Balance at 1 October 2017	638,762	(7,516)	609,495	87,354	1,328,095	346,785	1,674,880	44,955	1,719,835
Total comprehensive income / (loss) for the period	-	-	43,413	(3,253)	40,160	-	40,160	(1,176)	38,984
<i>Transactions with owners, recognised directly in equity</i>									
Additional investment of a subsidiary	-	-	-	(182)	(182)	-	(182)	(38)	(220)
Distribution of perpetual securities	-	-	(3,749)	-	(3,749)	3,749	-	-	-
Dividends paid to shareholders	-	-	(11,337)	-	(11,337)	-	(11,337)	-	(11,337)
Employee share option scheme:									
- Value of employee services	-	-	-	41	41	-	41	-	41
Purchase of new treasury shares	-	(4,278)	-	-	(4,278)	-	(4,278)	-	(4,278)
Total	-	(4,278)	(15,086)	(141)	(19,505)	3,749	(15,756)	(38)	(15,794)
Balance at 31 December 2017	638,762	(11,794)	637,822	83,960	1,348,750	350,534	1,699,284	43,741	1,743,025

Group – 9M

	Attributable to ordinary shareholders of the Company					Perpetual securities	Total	Non-controlling interests	Total equity
	Share capital	Treasury shares	Retained earnings	Other reserves	Total				
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 April 2018	638,762	(16,023)	654,667	81,667	1,359,073	346,826	1,705,899	40,346	1,746,245
Total comprehensive income / (loss) for the period	-	-	94,066	(6,363)	87,703	-	87,703	8,669	96,372
Transactions with owners, recognised directly in equity									
Distribution of perpetual securities	-	-	(11,207)	-	(11,207)	11,207	-	-	-
Distribution paid on perpetual securities	-	-	-	-	-	(7,499)	(7,499)	-	(7,499)
Dividends paid to shareholders	-	-	(67,860)	-	(67,860)	-	(67,860)	-	(67,860)
Dividends paid to non-controlling interests in a subsidiary	-	-	-	-	-	-	-	(586)	(586)
Employee share option scheme:									
- Value of employee services	-	-	-	1,558	1,558	-	1,558	-	1,558
- Treasury shares re-issued	-	992	-	(711)	281	-	281	-	281
Purchase of new treasury shares	-	(10,526)	-	-	(10,526)	-	(10,526)	-	(10,526)
Total	-	(9,534)	(79,067)	847	(87,754)	3,708	(84,046)	(586)	(84,632)
Balance at 31 December 2018	638,762	(25,557)	669,666	76,151	1,359,022	350,534	1,709,556	48,429	1,757,985
Balance at 1 April 2017	638,756	(1,227)	579,418	89,628	1,306,575	346,826	1,653,401	51,569	1,704,970
Total comprehensive income / (loss) for the period	-	-	103,661	(3,915)	99,746	-	99,746	(7,790)	91,956
Transactions with owners, recognised directly in equity									
Additional investment of a subsidiary	-	-	-	(182)	(182)	-	(182)	(38)	(220)
Adjustment to other reserves	-	-	-	(1,139)	(1,139)	-	(1,139)	-	(1,139)
Distribution of perpetual securities	-	-	(11,207)	-	(11,207)	11,207	-	-	-
Distribution paid on perpetual securities	-	-	-	-	-	(7,499)	(7,499)	-	(7,499)
Dividends paid to shareholders	-	-	(34,050)	-	(34,050)	-	(34,050)	-	(34,050)
Employee share option scheme:									
- Value of employee services	-	-	-	508	508	-	508	-	508
- New shares issued	6	-	-	-	6	-	6	-	6
- Treasury shares re-issued	-	940	-	(940)	-	-	-	-	-
Purchase of treasury shares	-	(11,507)	-	-	(11,507)	-	(11,507)	-	(11,507)
Total	6	(10,567)	(45,257)	(1,753)	(57,571)	3,708	(53,863)	(38)	(53,901)
Balance at 31 December 2017	638,762	(11,794)	637,822	83,960	1,348,750	350,534	1,699,284	43,741	1,743,025

The Company – Q3

	Attributable to ordinary shareholders of the Company					Perpetual securities	Total
	Share capital	Treasury shares	Retained earnings	Other reserves	Total		
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 October 2018	638,762	(20,760)	744,161	38,581	1,400,744	346,785	1,747,529
Total comprehensive income / (loss) for the period	-	-	35,740	(36)	35,704	-	35,704
<i>Transactions with owners, recognised directly in equity</i>							
Distribution on perpetual securities	-	-	(3,749)	-	(3,749)	3,749	-
Dividends paid to shareholders	-	-	(11,283)	-	(11,283)	-	(11,283)
Employee share option scheme:							
- Value of employee services	-	-	-	515	515	-	515
- Treasury shares re-issued	-	16	-	(16)	-	-	-
Purchase of treasury shares	-	(4,813)	-	-	(4,813)	-	(4,813)
Total	-	(4,797)	(15,032)	499	(19,330)	3,749	(15,581)
Balance at 31 December 2018	638,762	(25,557)	764,869	39,044	1,417,118	350,534	1,767,652
Balance at 1 October 2017	638,762	(7,516)	695,471	36,566	1,363,283	346,785	1,710,068
Total comprehensive income / (loss) for the period	-	-	36,933	(212)	36,721	-	36,721
<i>Transactions with owners, recognised directly in equity</i>							
Distribution on perpetual securities	-	-	(3,749)	-	(3,749)	3,749	-
Dividends paid to shareholders	-	-	(11,337)	-	(11,337)	-	(11,337)
Employee share option scheme:							
- Value of employee services	-	-	-	41	41	-	41
Purchase of new treasury shares	-	(4,278)	-	-	(4,278)	-	(4,278)
Total	-	(4,278)	(15,086)	41	(19,323)	3,749	(15,574)
Balance at 31 December 2017	638,762	(11,794)	717,318	36,395	1,380,681	350,534	1,731,215

The Company – 9M

	Attributable to ordinary shareholders of the Company					Perpetual securities S\$'000	Total S\$'000
	Share capital S\$'000	Treasury shares S\$'000	Retained earnings S\$'000	Other reserves S\$'000	Total S\$'000		
Balance at 1 April 2018	638,762	(16,023)	738,277	38,104	1,399,120	346,826	1,745,946
Total comprehensive income / (loss) for the period	-	-	105,659	93	105,752	-	105,752
<i>Transactions with owners, recognised directly in equity</i>							
Distribution on perpetual securities	-	-	(11,207)	-	(11,207)	11,207	-
Distribution paid on perpetual securities	-	-	-	-	-	(7,499)	(7,499)
Dividends paid to shareholders	-	-	(67,860)	-	(67,860)	-	(67,860)
Employee share option scheme:							
- Value of employee services	-	-	-	1,558	1,558	-	1,558
- Treasury shares re-issued	-	992	-	(711)	281	-	281
Purchase of treasury shares	-	(10,526)	-	-	(10,526)	-	(10,526)
Total	-	(9,534)	(79,067)	847	(87,754)	3,708	(84,046)
Balance at 31 December 2018	638,762	(25,557)	764,869	39,044	1,417,118	350,534	1,767,652
Balance at 1 April 2017	638,756	(1,227)	655,495	37,249	1,330,273	346,826	1,677,099
Total comprehensive income / (loss) for the period	-	-	107,080	(422)	106,658	-	106,658
<i>Transactions with owners, recognised directly in equity</i>							
Distribution of perpetual securities	-	-	(11,207)	-	(11,207)	11,207	-
Distribution paid on perpetual securities	-	-	-	-	-	(7,499)	(7,499)
Dividends paid to shareholders	-	-	(34,050)	-	(34,050)	-	(34,050)
Employee share option scheme:							
- Value of employee services	-	-	-	508	508	-	508
- New shares issued	6	-	-	-	6	-	6
- Treasury shares re-issued	-	940	-	(940)	-	-	-
Purchase of treasury shares	-	(11,507)	-	-	(11,507)	-	(11,507)
Total	6	(10,567)	(45,257)	(432)	(56,250)	3,708	(52,542)
Balance at 31 December 2017	638,762	(11,794)	717,318	36,395	1,380,681	350,534	1,731,215

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

During the 3rd quarter ended 31 December 2018, no share was issued under the Singapore Post Share Option Scheme.

As at 31 December 2018, there were unexercised options for 18,397,000 (31 December 2017: 24,980,000) unissued ordinary shares under the Singapore Post Share Option Scheme (including Performance Option Plan but excluding Restricted Share Plan) and unvested shares for 5,659,760 (31 December 2017: 1,211,264) unissued ordinary shares under the Restricted Share Plan.

As at 31 December 2018, the Company held 21,097,852 treasury shares (31 December 2017: 9,208,005).

- (1)(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

As at 31 December 2018, total issued shares excluding treasury shares were 2,253,991,673 (31 March 2018: 2,262,762,720).

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

During the third quarter ended 31 December 2018, the Company re-issued 11,431 treasury shares at price of S\$1.296 upon the vesting shares under the Singapore Post Restricted Share Plan 2013.

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

The figures have not been audited nor reviewed.

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

Not applicable.

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

Except as disclosed under paragraph 5 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period compared with the audited financial statements for the financial year ended 31 March 2018.

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

Reclassification of revenue and expenses

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

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

	FY2017/18 Q3	FY2017/18 Q3	FY2017/18 9M	FY2017/18 9M
Group Profit or Loss and Consolidated Statement of Comprehensive income	Previously reported S\$'000	After Restatement S\$'000	Previously reported S\$'000	After Restatement S\$'000
Revenue	412,789	395,986	1,121,598	1,096,563
Labour and related expenses	102,427	83,503	282,241	248,115
Volume-related expenses	223,570	225,691	596,161	605,252

In addition to the above, rental revenue from commercial properties has been reclassified from "Other income and gains" to "Revenue". Certain reclassifications have also been made in the consolidated income statement to present interest income and investment income (net) separately from "other income" and "finance expenses". Net currency exchange difference from investment was previously included in "finance expenses".

Adoption of a new financial reporting framework

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

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

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

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

(i) Currency translation

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

(ii) Fair value of property, plant and equipment

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

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

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

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

(i) Classification and measurement

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

(ii) Impairment of financial assets

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

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

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

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

d) Comparative

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

		FY2017/18 Q3	FY2017/18 Q3	FY2017/18 9M	FY2017/18 9M		
Group Profit or Loss and Consolidated of Comprehensive income		Reported under SFRS S\$'000	Reported under SFRS(l) S\$'000	Reported under SFRS S\$'000	Reported under SFRS(l) S\$'000		
Revenue		395,986	396,443	1,096,563	1,097,935		
Depreciation and amortisation		15,265	14,814	45,022	43,669		
Interest expenses		2,016	2,522	6,736	8,254		
Profit for the period		41,988	42,390	94,997	96,204		
Attributable to:							
Shareholders of the Company		43,011	43,413	102,454	103,661		
Non-controlling interests		(1,023)	(1,023)	(7,457)	(7,457)		
Earnings per share							
- basic		1.73¢	1.75¢	4.02¢	4.07¢		
- diluted		1.73¢	1.75¢	4.02¢	4.07¢		
Total comprehensive income for the period		38,582	38,984	90,749	91,956		
Attributable to:							
Shareholders of the Company		39,758	40,160	98,539	99,746		
Non-controlling interests		(1,176)	(1,176)	(7,790)	(7,790)		
Group Consolidated Statement of Financial Position	Note	As at 31/3/18 reported under SFRS S\$'000	Effect of transition and adoption of SFRS(l) S\$'000	As at 31/3/18 reported under SFRS(l) S\$'000	As at 1/4/17 reported under SFRS S\$'000	Effect of transition and adoption of SFRS(l) S\$'000	As at 1/4/17 reported under SFRS(l) S\$'000
Equity							
Retained earnings	5a & 5c	716,159	(61,492)	654,667	650,007	(70,589)	579,418
Foreign currency translation reserve	5a	(25,145)	17,841	(7,304)	(17,841)	17,841	-
Total equity		1,789,896	(43,651)	1,746,245	1,757,718	(52,748)	1,704,970
Non-current assets							
Property, plant and equipment	5a	532,283	(40,572)	491,711	565,583	(49,864)	515,719
Total non-current assets		2,098,134	(40,572)	2,057,562	2,108,958	(49,864)	2,059,094
Non-current liabilities							
Deferred income	5c	7,238	(7,238)	-	7,413	(7,238)	175
Contract liabilities	5c	-	7,140	7,140	-	7,043	7,043
Current liabilities							
Deferred income	5c	42,307	(42,307)	-	49,545	(49,545)	-
Contract liabilities	5c	-	45,484	45,484	-	52,624	52,624
Total current assets		626,573	-	626,573	607,625	-	607,625
Net assets		1,789,896	(43,651)	1,746,245	1,757,718	(52,748)	1,704,970

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

	The Group			
	FY2018/19	FY2017/18	FY2018/19	FY2017/18
	Q3	Q3	9M	9M
Based on weighted average number of ordinary shares in issue	2.06¢	1.75¢	3.67¢	4.07¢
On fully diluted basis	2.06¢	1.75¢	3.67¢	4.07¢

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

	The Group		The Company	
	Dec-18	Mar-18	Dec-18	Mar-18
Net asset value per ordinary share based on issued share capital of the Company at the end of the financial period (cents)	75.85	75.39	78.42	77.16

	The Group		The Company	
	Dec-18	Mar-18	Dec-18	Mar-18
Ordinary equity per ordinary share based on issued share capital of the Company at the end of the financial period (cents)	60.29	60.06	62.87	61.83

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

Third Quarter And Nine Months Ended 31 December 2018

Revenue

	FY18/19	FY17/18		FY18/19	FY17/18	
	Q3	Q3	Variance	9M	9M	Variance
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Post and Parcel	213,203	195,643	9.0%	575,904	545,572	5.6%
Logistics	133,989	129,307	3.6%	379,421	377,202	0.6%
eCommerce	82,500	75,882	8.7%	191,889	188,011	2.1%
Property	23,011	22,121	4.0%	68,066	57,749	17.9%
Inter-segment eliminations*	(11,328)	(12,563)	9.8%	(32,649)	(37,026)	11.8%
Total	441,375	410,390	7.6%	1,182,631	1,131,508	4.5%

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

Group revenue rose 7.6% for the third quarter ("Q3") and 4.5% for the nine months ("9M") ended 31 December 2018, with growth across all business segments.

In the Post & Parcel segment, revenue rose 9.0% in Q3, driven by both domestic and international eCommerce deliveries over the peak season. Domestic mail revenue rose 1.6% in Q3, as increased eCommerce deliveries on the domestic postal network helped offset the decline in traditional letter mails. For International mail, revenue rose 16.3%, lifted by cross-border volumes from the Alibaba Group, though 4PX, for the Double Eleven event in November. For 9M, Post & Parcel revenue rose 5.6%.

In the Logistics segment, revenue rose 3.6% in Q3 and 0.6% for 9M, driven by the freight forwarding business under Famous Holdings. At Quantum Solutions, there is an ongoing review of unfavourable customer contracts, and revenue declined marginally with the exit of some unprofitable customers.

In the eCommerce segment, revenue rose 8.7% in Q3 and 2.1% for 9M as volumes rose over the peak season in the US.

Property segment revenue, which comprises commercial property rental and the self-storage business, rose 4.0% in Q3 and 17.9% for 9M. Committed occupancy for the mall was 98.5% as at 31 December 2018, compared to 85.9% a year ago.

Operating Expenses

Operating expenses rose 8.8% in Q3 and 4.0% for 9M, driven by volume-related expenses.

Volume-related expenses, which remain the largest cost component for the Group, rose 14.6% in Q3 and 8.9% for 9M respectively, as the Group incurred higher traffic expenses with the increase in volumes handled.

Excluding volume-related expenses, operating expenses for the Group would have declined 0.6% in Q3 and 3.0% for 9M respectively, due to successful cost management initiatives.

Labour and related expenses declined 3.1% in Q3 and 4.9% for 9M respectively, as productivity enhancement and cost management initiatives led to lower contracted labour services as well as lower staff costs.

Administrative and other expenses declined by 3.1% in Q3, due to lower professional fees. For 9M, administrative and other expenses rose 2.0% due to higher property-related expenses arising from increased property activities.

Depreciation and amortisation costs remained relatively stable, declining 1.5% in Q3 and 0.9% for 9M respectively.

Selling-related expenses rose to S\$5.4 million in Q3, from S\$2.1 million last year, largely due to provisions for ongoing contractual disputes with eCommerce customers in the US. For 9M, selling-related expenses declined to S\$9.4 million from S\$11.7 million last year, due to lower doubtful debt provision.

Profit on operating activities

	FY18/19 Q3 S\$'000	FY17/18 Q3 S\$'000	Variance %	FY18/19 9M S\$'000	FY17/18 9M S\$'000	Variance %
Post and Parcel	47,622	43,301	10.0%	131,450	126,731	3.7%
Logistics	1,751	1,046	67.4%	2,180	(10,375)	N.M.
eCommerce	(13,394)	(4,522)	(196.2%)	(33,940)	(12,757)	(166.1%)
Property	13,853	11,720	18.2%	40,389	28,272	42.9%
Others [#]	(7,605)	(5,402)	(40.8%)	(18,719)	(17,030)	(9.9%)
Profit on operating activities	42,227	46,143	(8.5%)	121,360	114,841	5.7%

[#] Others refer to unallocated corporate overhead items and trade-related foreign exchange translation differences.

N.M. Not meaningful

Profit on operating activities declined 8.5% in Q3. While the Post and Parcel, Logistics and Property segments delivered higher contributions, these were offset by higher losses in the eCommerce segment, as well as trade-related foreign exchange translation differences of around S\$2.9 million.

For 9M, Profit on operating activities rose 5.7% to S\$121.4 million, driven by improved earnings from the Post & Parcel and Property segments, while the Logistics segment turned from operating losses to positive operating profit.

In the Post and Parcel segment, profit on operating activities rose 10.0% in Q3 and 3.7% for 9M, driven by increased eCommerce-related deliveries. Domestic margins improved as the Group reaps operating synergies from the ongoing integration of our last mile delivery capabilities in the post and parcel divisions. International mail contributed to earnings growth on the back of higher volumes over the peak season.

In the Logistics segment, profit on operating activities rose 67.4% in Q3. For 9M, the segment generated operating profit of S\$2.2 million, compared to a S\$10.4 million loss last year. These were largely due to a reduction in losses at Quantum Solutions, which was successful in reviewing unfavourable contracts and improving profitability of its customers. For 9M, the corresponding period last year had included a doubtful debt provision of S\$5.2 million for a key customer.

In the eCommerce segment, operating loss rose year-on-year to S\$13.4 million in Q3, while operating loss for 9M was S\$33.9 million, largely due to the US businesses. Competitive pressures have intensified in the US and the industry has seen an increase in bankruptcies. While the US businesses recorded higher revenue during the quarter, costs also rose significantly to support these businesses, including freight and outsourced services, resulting in compressed margins and a loss during the critical peak season.

Under the Property segment, profit on operating activities rose 18.2% in Q3 and 42.9% for 9M, due to rental income from the SingPost Centre retail mall, which commenced operations in October 2017 after a period of redevelopment.

Under the Others segment, expenses rose by 40.8% in Q3 and 9.9% for 9M. This was largely due to unfavourable movements in trade-related foreign exchange translation differences.

Exceptional Items

In Q3, the Group recorded an exceptional gain of S\$31.8 million, largely due to gain on dilution of interest in 4PX, an associated company.

As previously announced, 4PX has issued additional shares to its existing shareholder Zhejiang Cainiao Supply Chain Management Co., Limited (“Cainiao”). As a result, SingPost’s shareholding, through Quantum Solutions International, has been diluted down to 19.75%.

The exceptional gain on dilution for 4PX of S\$42.7 million was partly offset by fair value loss on warrants of S\$7.5 million from GD Express, an associated company, as well as S\$2.5 million additional provision for contingent consideration of a foreign subsidiary.

For 9M, the Group recorded an exceptional gain of S\$22.9 million, for the same reasons as above.

Share of Results of Associated Companies and Joint Venture

The Group has ceased equity accounting for 4PX and Indo Trans Logistics Corporation (“ITL”) with effect from October 2018.

Following the dilution as mentioned above, 4PX has ceased to be an associated company of SingPost. The investment in 4PX is now classified as an equity investment measured at Fair Value Through Other Comprehensive Income (“FVTOCI”).

The Group had previously announced that it entered into a share purchase agreement to sell all its shares in ITL to Su Misura Pte. Ltd. Accordingly, ITL has been reclassified as an Asset Held For Sale, and SingPost no longer equity accounts for ITL as an associated company.

Consequently, in Q3, the share of results of associated companies and joint venture was S\$17,000.

For 9M, the share of results was S\$7.1 million loss, largely due to 4PX’s results recorded in the earlier part of the year.

Income Tax Expense

Income tax expense for Q3 was S\$9.4 million, compared to S\$2.9 million last year. The lower tax expense in Q3 last year was due to an one-off adjustment of deferred tax of S\$6.9 million arising from a reduction in the US corporate tax rate.

For 9M, income tax expense rose 53.0% to S\$30.3 million, from S\$19.8 million last year. This was due largely to the one-off adjustment of deferred tax as mentioned above, and an additional tax provision for a foreign subsidiary this year.

Net Profit and Underlying Net Profit

Net profit attributable to equity holders rose 15.6% to S\$50.2 million in Q3, due largely to exceptional items.

Excluding the impact of exceptional and other one-off items, underlying net profit declined 7.5% in Q3, due to higher losses from the US businesses.

For 9M, net profit attributable to equity holders declined 9.3%, while underlying net profit declined 5.8% due to higher losses from the US businesses and negative contribution from associated companies.

Statement of Financial Position

Assets

The Group's total assets amounted to S\$2.7 billion as at 31 December 2018.

Current assets rose to S\$713.6 million from S\$626.6 million, on the back of increased business activities during the period, which led to higher cash and cash equivalents and trade and other receivables.

SingPost's investments in corporate bonds had been recorded as non-current financial assets. With certain bonds maturing within the next 12 months, these have been reclassified from non-current financial assets to current financial assets, which increased to S\$8.3 million from S\$1.9 million.

As mentioned in the earlier section, the Group has ceased equity accounting for 4PX and ITL with effect from October 2018. Accordingly, 4PX has been reclassified from investments in associated companies and joint venture to non-current financial assets, which increased to S\$104.3 million, from S\$35.5 million. ITL has been reclassified from investments in associated companies and joint venture to assets held for sale, which stands at S\$33.6 million.

Consequently, investments in associated companies and joint venture declined to S\$40.3 million as at 31 December 2018, compared to S\$114.9 million as at 31 March 2018.

Current derivative financial instruments declined to S\$4.6 million from S\$19.9 million, due largely to lower fair value of warrants in an associated company.

Inventories declined mainly due to a reduction in inventory held for customers in relation to the eCommerce business.

Other current assets rose to S\$21.7 million from S\$18.2 million mainly due to a reclassification of certain pre-payments from other non-current assets.

Liabilities

The Group's total liabilities were S\$981.4 million as at 31 December 2018, compared to S\$937.9 million as at 31 March 2018.

Current liabilities rose to S\$667.8 million, from S\$596.0 million, largely due to an increase in current borrowings to S\$87.0 million from S\$23.5 million. The Group had switched from an intercompany loan for a foreign subsidiary, to an external loan taken by the foreign subsidiary, for better matching of currency.

Current derivative financial instruments rose to S\$4.0 million, from S\$0.5 million, due to fair value loss from forward currency contracts for international mail payables.

Non-current liabilities declined to S\$313.6 million, from S\$341.8 million, largely because some items in trade and other payables and borrowings are coming due within 12 months. These items have been reclassified to current liabilities.

Non-current contract liabilities mainly relates to upfront payments received from our postassurance collaboration with AXA Life Insurance Singapore Private Limited for which a financing component exists. The decline to S\$40.1 million from S\$45.5 million was mainly due to amortisation for the period.

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

As at 31 December 2018, the Group was in a net cash position of S\$52.7 million, compared to a net cash position of S\$70.1 million as at 31 March 2018. This was largely due to higher working capital requirements during the period.

EBITDA to interest expense stands at 25.2 times, compared to 20.3 times for the corresponding period last year.

Ordinary shareholders' equity was S\$1.4 billion as at 31 December 2018, largely unchanged compared to 31 March 2018.

Cash Flow

For 9M, operating cash flow before working capital changes rose to S\$159.0 million, from \$152.2 million last year.

Working capital movement for 9M was negative S\$27.0 million due to the timing of receivables in respect of international eCommerce deliveries, which are experiencing strong growth from China. In contrast, working capital movement in the same period last year was positive S\$24.7 million due to the timing of payables in respect of international eCommerce deliveries.

Consequently, net cash inflow from operating activities was S\$99.3 million for 9M, compared to S\$146.5 million last year.

Net cash outflow for investing activities for the period declined to S\$22.0 million compared to S\$41.7 million last year.

This was largely due to lower capital expenditure of S\$25.4 million for 9M, compared to S\$52.9 million last year, with the completion of the SingPost Centre retail mall redevelopment.

Net cash outflow from financing activities for 9M was S\$45.4 million, compared to outflow of S\$187.1 million in the same period last year. This was largely due to net receipts of bank borrowings this year, compared to net repayment of bank borrowings last year.

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

Not applicable.

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

The Post and Parcel business is expected to continue to benefit from the growth in global eCommerce activities.

Although domestic letter mail volumes are expected to trend moderately downwards, the Group is integrating its post and parcel last mile delivery capabilities in Singapore to achieve operational synergies and benefits, and to drive more eCommerce-related deliveries on the network.

International mail has grown due to cross-border eCommerce deliveries. However, transshipment competition is intense and volumes will continue to come under pressure, especially with higher terminal dues.

Meanwhile, the Property business is expected to remain stable.

The Group continues to face challenges in the eCommerce operating environment in the US due to intensifying competition and rising customer bankruptcies. The US businesses are underperforming and are expected to remain loss-making in the current financial year.

In view of this, there is a risk of impairment to the carrying value of the US businesses. Impairments, if any, will be assessed based on the full financial year results and future plans for the businesses.

(11) Dividends

Current financial period reported on

Interim dividend

For the third quarter ended 31 December 2018, the Board of Directors has declared an interim dividend of 0.5 cent per ordinary share (tax exempt one-tier).

The interim quarterly dividend of 0.5 cent per ordinary share will be paid on 28 February 2019. The transfer book and register of members of the Company will be closed on 15 February 2019 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 14 February 2019 will be registered to determine members' entitlements to the dividend.

Corresponding period of the immediately preceding financial year

Interim dividend

An interim dividend of 0.5 cent per ordinary share (tax exempt one-tier) for the third quarter ended 31 December 2017 was declared on 1 February 2018 and paid on 28 February 2018.

(12) If no dividend has been declared (recommended), a statement to that effect.

Not applicable.

(13) Group Segment Information

Segment information is presented based on the information reviewed by the chief operating decision maker for performance measurement and resource allocation.

From 1 April 2018, SingPost Group has reclassified the reporting of certain business units into four key business segments, namely Post and Parcel, Logistics, eCommerce and Property (FY2017/18: Postal, Logistics, eCommerce and Property).

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

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

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

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

(14) Interested Person Transactions

During the third quarter and nine months ended 31 December 2018, the following interested person transactions were entered into by the Group:

	Aggregate value of all interested person transactions during the financial period (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)		Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)	
	FY2018/19 Q3 S\$'000	FY2017/18 Q3 S\$'000	FY2018/19 Q3 S\$'000	FY2017/18 Q3 S\$'000
Sales				
Singapore Telecommunications Group	-	-	850*	446
	-	-	850	446
Purchases				
Ascendas Real Estate Investment Trust	-	-	831*	-
SembCorp Group	-	-	150	-
SMRT Group	-	-	-	1,404*
	-	-	981	1,404
Total interested person transactions	-	-	1,831	1,850

	Aggregate value of all interested person transactions during the financial period (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)		Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)	
	FY2018/19 9M S\$'000	FY2017/18 9M S\$'000	FY2018/19 9M S\$'000	FY2017/18 9M S\$'000
Sales				
Mediacorp Group	-	-	-	370*
Singapore Telecommunications Group	-	-	1,337*	1,684
Starhub Group	-	-	558	638
	-	-	1,895	2,692
Purchases				
Ascendas Real Estate Investment Trust	-	-	831*	-
PSA Corporation	-	-	2,256*	1,518*
SembCorp Group	-	-	150	-
Singapore Airlines Group	-	-	5,100	4,248
Singapore Telecommunications Group	-	-	812*	499*
SMRT Group	-	-	-	1,404*
	-	-	9,149	7,669
Total interested person transactions	-	-	11,044	10,361

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

*Include contracts of duration exceeding one year.

(14) 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.

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

On behalf of the Board of Directors of the Company, we, the undersigned, hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the financial statements for the third quarter ended 31 December 2018 to be false or misleading in any material aspect.

On behalf of the Board of Directors



MR SIMON CLAUDE ISRAEL
Chairman



MR PAUL COUTTS
Director

Singapore
1 February 2019

Financial results Q3 & 9M FY2018/19

1 February 2019



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 conditions, 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 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.

- Q3 & 9M FY2018/19 Financials
- Cash flow and Balance sheet
- Segmental results
- Outlook



Overview – Q3 FY2018/19

Revenue

S\$441.4 million

+7.6% YoY

Profit on operating activities

S\$42.2 million

-8.5% YoY

(+9.8% excluding US businesses)

Net profit attributable to equity holders

S\$50.2 million

+15.6% YoY

Q3 interim dividend

0.5 cent per share
same as last year

Good revenue growth over the peak season

Q3 FY2018/19 financial statement

S\$M	Q3 FY17/18	Q3 FY18/19	YoY % change	
Revenue	410.4	441.4	+7.6%	— Revenue growth across all business segments
Operating expenses	(366.2)	(398.3)	+8.8%	Higher contributions from Post & Parcel, Logistics & Property largely offset by continued losses in the US
Profit on operating activities	46.1	42.2	(8.5%)	—
Share of associated companies & JV	1.0	0.0	(98.2%)	— Ceased equity accounting for 4PX & ITL
Exceptional items	0.9	31.8	@	— Due largely to dilution gain on 4PX
Income tax expense	(2.9)	(9.4)	+219.0%	— One-off adjustment of deferred tax of S\$6.9 million last year, arising from a reduction in the US corporate tax rate
Net profit attributable to equity holders	43.4	50.2	+15.6%	
Underlying net profit	35.6	32.9	(7.5%)	

Q3 FY2018/19 operating expenses

S\$M	Q3 FY17/18	Q3 FY18/19	YoY % change
Volume-related	(225.7)	(258.6)	+14.6%
Labour & related	(83.5)	(80.9)	(3.1%)
Admin, selling-related & others	(42.2)	(44.2)	+4.7%
Depreciation & amortisation	(14.8)	(14.6)	(1.5%)
Operating expenses	(366.2)	(398.3)	+8.8%

— Higher volume-related expenses with the increase in volumes handled

— Productivity and cost management initiatives led to lower contracted labour services as well as staff costs

— Largely due to provisions for ongoing contractual disputes with eCommerce customers in the US

Strong volumes in the peak season

Average daily parcel sorting volumes at the Logistics Hub

23,900

+15% year-on-year

Highest volume in a single day

47,000 parcels

compared to 33,000 last year



New proprietary logistics software Last Mile Platform (LaMP)

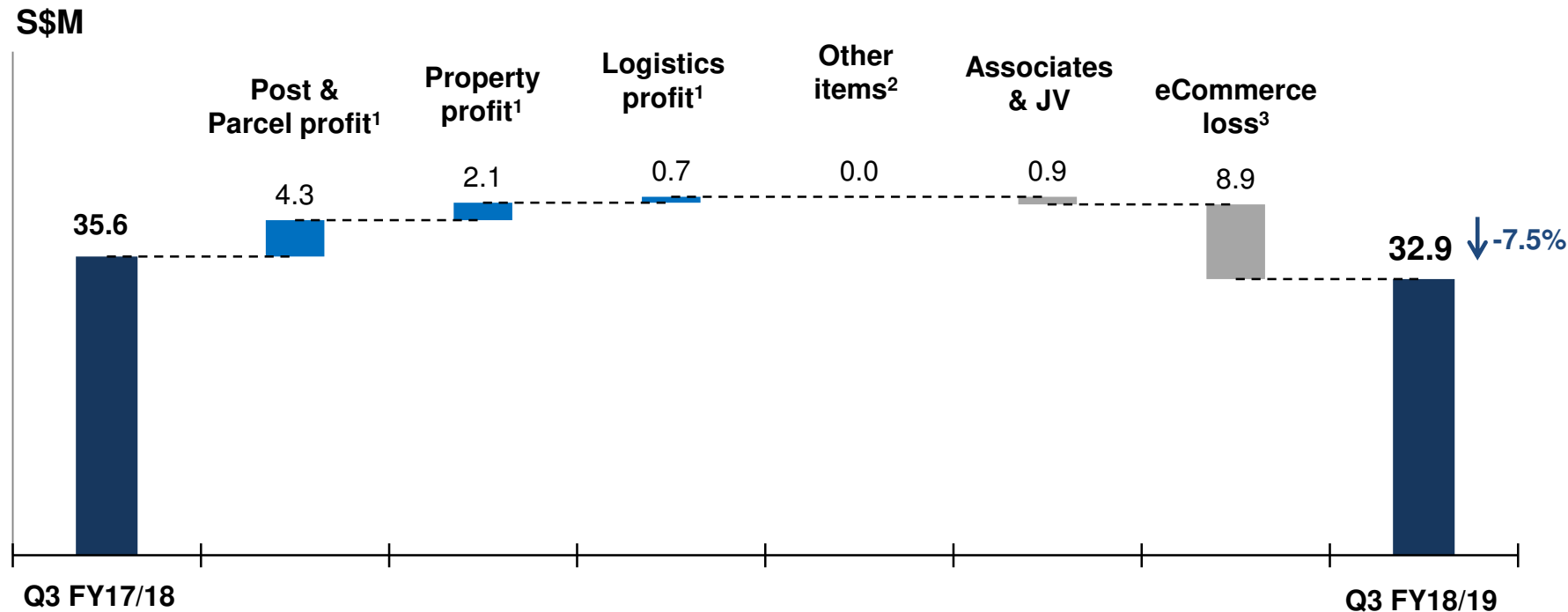
Consolidates various last-mile delivery services across Southeast Asia onto a single platform.

Exceptional gain on dilution in 4PX

SingPost's share of exceptional dilution gain from 4PX

S\$28.2m

Q3 FY18/19 Underlying net profit movement



1. Profit on operating activities

2. Includes net finance expense, unallocated corporate overhead items, trade-related foreign currency differences, tax and non-controlling interests

3. Profit on operating activities for the eCommerce segment declined largely due to losses in the US

Cash flow & Balance sheet



Free cash flow

S\$M	9M FY17/18	9M FY18/19	
Operating cash flow before capital charges	152.2	159.0	
Changes in working capital	24.7	(27.0)	— Negative working capital movement this year due to timing of receivables for international eCommerce deliveries
Income tax paid	(30.4)	(32.7)	
Net cash provided by operating activities	146.5	99.3	— Due to negative working capital movements
Capital expenditure	(52.9)	(25.4)	— Lower with the completion of the SingPost Centre retail mall redevelopment
Free cash flow	93.6	73.9	

Financial indicators

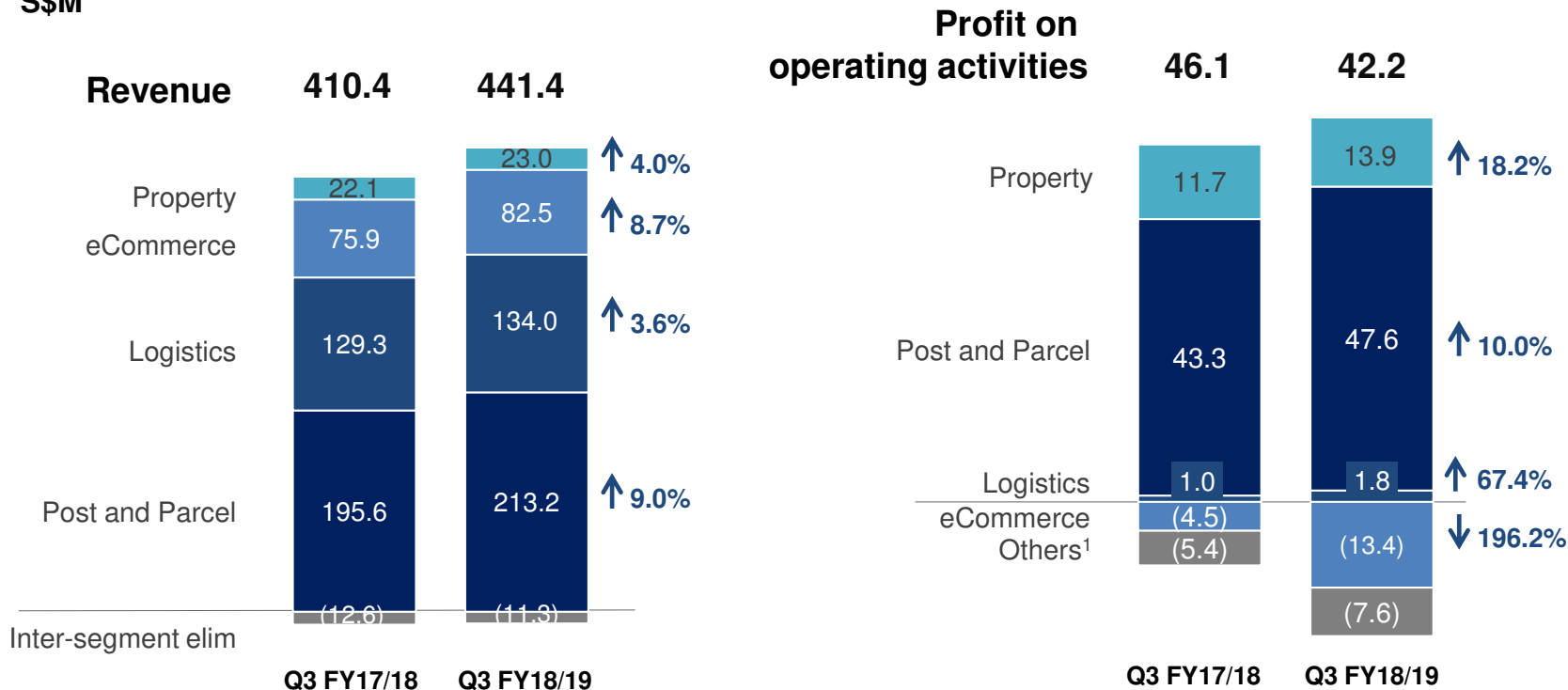
S\$M	Financial indicators	As at Mar 2018	As at Dec 2018	
	Cash & cash equivalents at end of financial period	314.1	345.9	The Group switched from an intercompany loan for a foreign subsidiary, to an external loan taken by the foreign subsidiary, — for better matching of currency
	Borrowings	244.0	293.2	
	Net cash / (debt) position	70.1	52.7	
				— Net cash position
		9M FY17/18	9M FY18/19	
	EBITDA	167.4	180.5	
	EBITDA to interest expense (times)	20.3x	25.2x	— Improved interest cover

A wide-angle photograph of a large industrial facility, likely a paper mill. In the center, a person in a white shirt and dark pants stands on a yellow safety walkway. The floor is made of metal grates, and various industrial machines and conveyor belts are visible in the background. A semi-transparent dark blue box is overlaid on the left side of the image.

Segmental results

Segment revenue and profit on operating activities

S\$M



1. Refer to unallocated corporate overhead items and trade-related foreign currency translation differences.

Post and Parcel

S\$M

Post and Parcel	Q3 FY17/18	Q3 FY18/19	YoY % change	9M FY17/18	9M FY18/19	YoY % change
Revenue	195.6	213.2	+9.0%	545.6	575.9	+5.6%
Domestic mail	58.5	59.4	+1.6%	172.6	172.1	(0.3%)
SP Parcels	24.7	24.8	+0.3%	67.7	68.1	+0.6%
International mail ¹	105.1	122.2	+16.3%	282.9	315.7	+11.6%
Post office pdts and svcs	7.4	6.8	(8.3%)	22.4	20.0	(10.7%)
Profit on operating activities	43.3	47.6	+10.0%	126.7	131.5	+3.7%
OP margin	22.1%	22.3%		23.2%	22.8%	

Revenue rose 9.0% in Q3, driven by both domestic and international eCommerce deliveries over the peak season. Domestic mail revenue rose 1.6%, as increased eCommerce deliveries on the domestic postal network helped offset the decline in traditional letter mails. For International mail, revenue rose 16.3%, lifted by cross-border volumes from the Alibaba Group, through 4PX, for the Double Eleven event in November.

Profit on operating activities rose 10.0% in Q3. Domestic margins improved as the Group reaps operating synergies from the ongoing integration of our last mile delivery capabilities in the post and parcel divisions. International mail contributed to earnings growth on the back of higher volumes over the peak season.

1. Includes cross-border eCommerce items via transshipment

S\$M

Logistics	Q3 FY17/18	Q3 FY18/19	YoY % change	9M FY17/18	9M FY18/19	YoY % change
Revenue	129.3	134.0	+3.6%	377.2	379.4	+0.6%
<i>Quantum Solutions</i>	25.6	25.1	(2.0%)	74.5	70.7	(5.1%)
<i>Couriers Please</i>	41.3	41.0	(0.7%)	114.5	115.7	+1.0%
<i>Famous</i>	62.4	67.9	+8.8%	188.2	193.1	+2.6%
Profit on operating activities	1.0	1.8	+67.4%	(10.4)	2.2	N.M.
OP margin	0.8%	1.3%		(2.8%)	0.6%	

Revenue rose 3.6% in Q3, driven by the freight forwarding business under Famous Holdings. At Quantum Solutions, there is an ongoing review of unfavourable customer contracts and revenue declined marginally with the exit of some unprofitable customers.

Profit on operating activities rose 67.4% in Q3, largely due to a reduction in losses at Quantum Solutions, which was successful in improving profitability of its customers.

S\$M

eCommerce	Q3 FY17/18	Q3 FY18/19	YoY % change	9M FY17/18	9M FY18/19	YoY % change
Revenue	75.9	82.5	+8.7%	188.0	191.9	+2.1%
Profit on operating activities	(4.5)	(13.4)	(196.2%)	(12.8)	(33.9)	(166.1%)
OP margin	(6.0%)	(16.2%)		(6.8%)	(17.7%)	

Revenue rose 8.7% in Q3, as volumes rose over the peak season in the US.

Operating loss rose year-on-year to S\$13.4 million in Q3, largely due to the US businesses. Competitive pressures have intensified in the US and the industry has seen an increase in bankruptcies. While the US businesses recorded higher revenue during the quarter, costs also rose significantly to support these businesses, including freight and outsourced services, resulting in compressed margins and a loss during the critical peak season.

S\$M

Property	Q3 FY17/18	Q3 FY18/19	YoY % change	9M FY17/18	9M FY18/19	YoY % change
Revenue	22.1	23.0	+4.0%	57.7	68.1	+17.9%
Profit on operating activities	11.7	13.9	+18.2%	28.3	40.4	+42.9%
OP margin	53.0%	60.2%		49.0%	59.3%	

The Property segment comprises commercial property rental and the self-storage business.

In Q3, revenue rose 4.0% in Q3 and Profit on operating activities rose 18.2% respectively, due to rental income from the SingPost Centre retail mall, which commenced operations in October 2017 after a period of redevelopment.

Committed occupancy for the mall was 98.5% as at 31 December 2018, compared to 85.9% a year ago.

Outlook



The Post and Parcel business is expected to continue to benefit from the growth in global eCommerce activities.

Although domestic letter mail volumes are expected to trend moderately downwards, the Group is integrating its post and parcel last mile delivery capabilities in Singapore to achieve operational synergies and benefits, and to drive more eCommerce-related deliveries on the network.

International mail has grown due to cross-border eCommerce deliveries. However, transshipment competition is intense and volumes will continue to come under pressure, especially with higher terminal dues.

Meanwhile, the Property business is expected to remain stable.

The Group continues to face challenges in the eCommerce operating environment in the US due to intensifying competition and rising customer bankruptcies. The US businesses are underperforming and are expected to remain loss-making in the current financial year.

In view of this, there is a risk of impairment to the carrying value of the US businesses. Impairments, if any, will be assessed based on the full financial year results and future plans for the businesses.

Thank You

Supplementary information



9M FY2018/19 financial statement

S\$M	9M FY17/18	9M FY18/19	YoY % change
Revenue	1,131.5	1,182.6	+4.5%
Operating expenses	(1,022.4)	(1,063.7)	+4.0%
Profit on operating activities	114.8	121.4	+5.7%
Share of associated companies & JV	3.1	(7.1)	N.M.
Exceptional items	5.8	22.9	292.3%
Income tax expense	(19.8)	(30.3)	+53.0%
Net profit attributable to equity holders	103.7	94.1	(9.3%)
Underlying net profit	90.9	85.7	(5.8%)

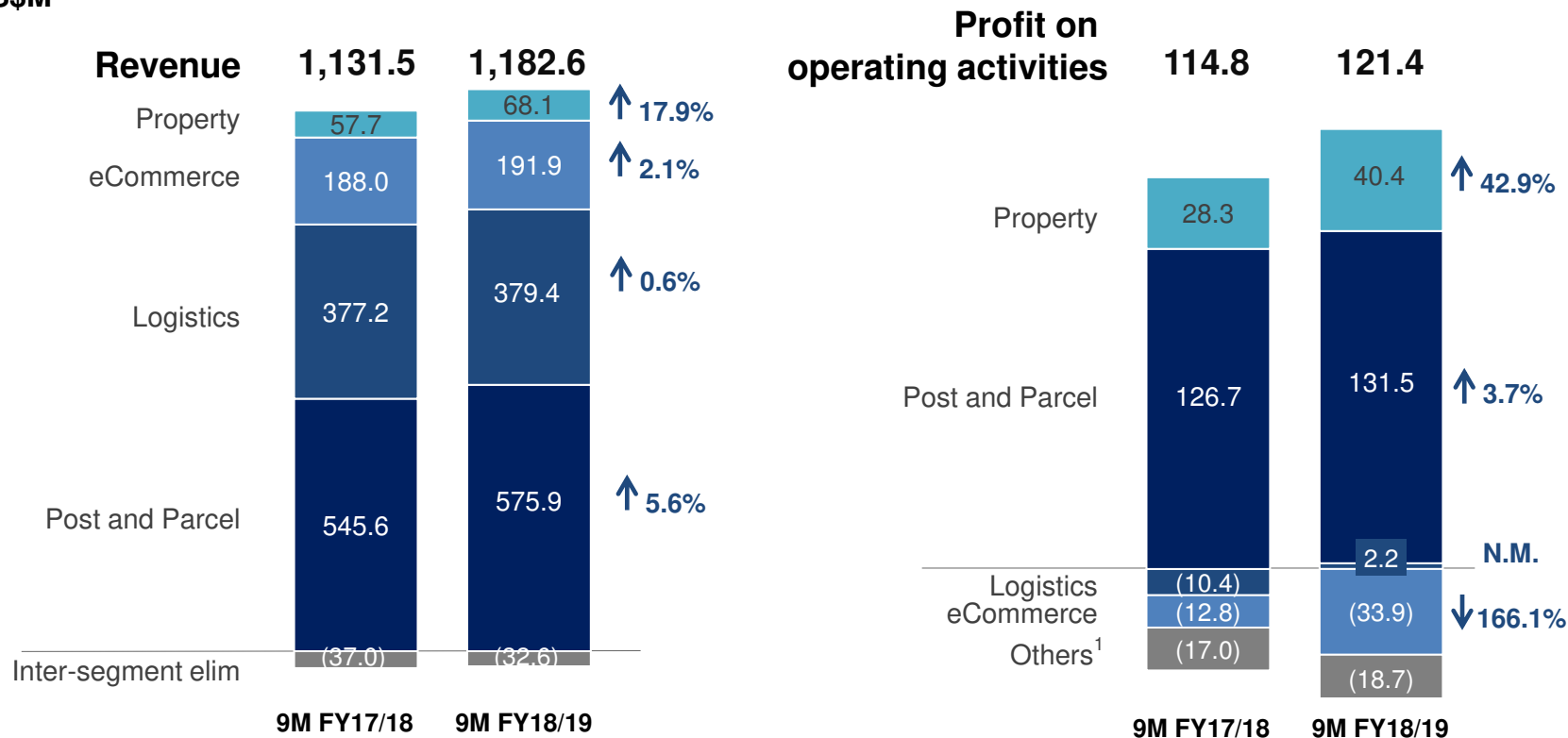
N.M. denotes Not Meaningful

9M FY2018/19 operating expenses

S\$M	9M FY17/18	9M FY18/19	YoY % change
Volume-related	(605.3)	(659.2)	+8.9%
Labour & related	(248.1)	(236.0)	(4.9%)
Admin, selling-related & others	(125.3)	(125.3)	(0.0%)
Depreciation & amortisation	(43.7)	(43.3)	(0.9%)
Operating expenses	(1,022.4)	(1,063.7)	+4.0%

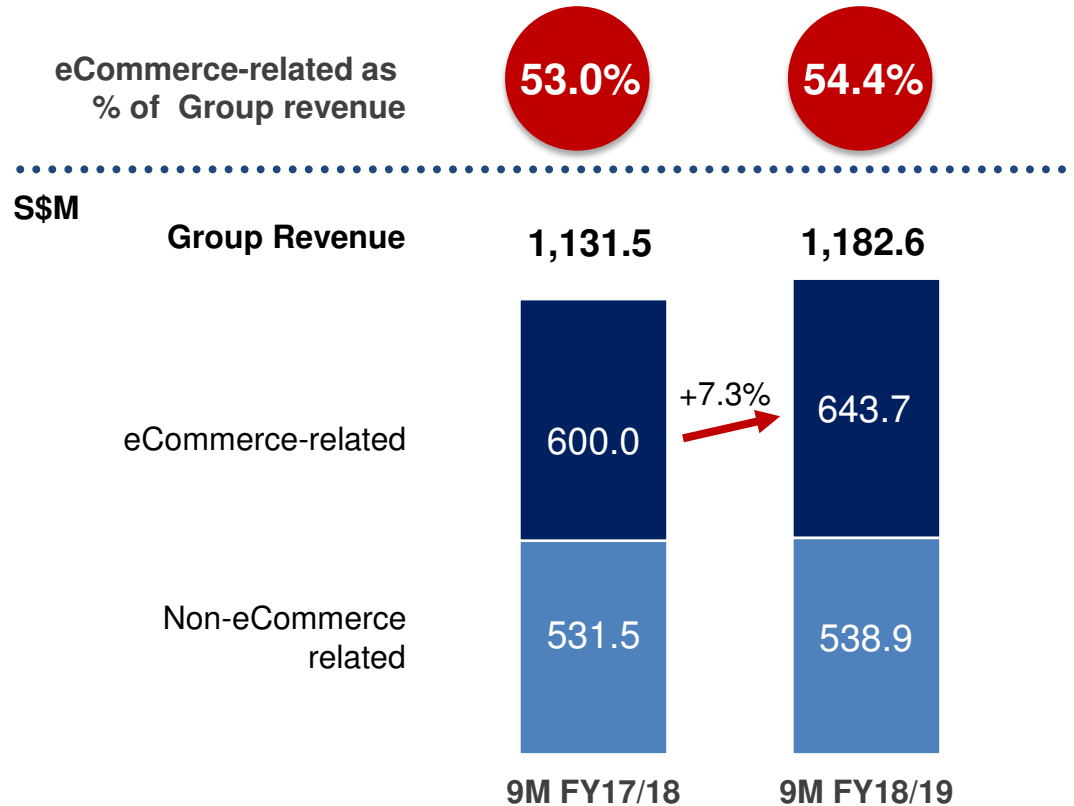
Segment revenue and profit on operating activities

S\$M

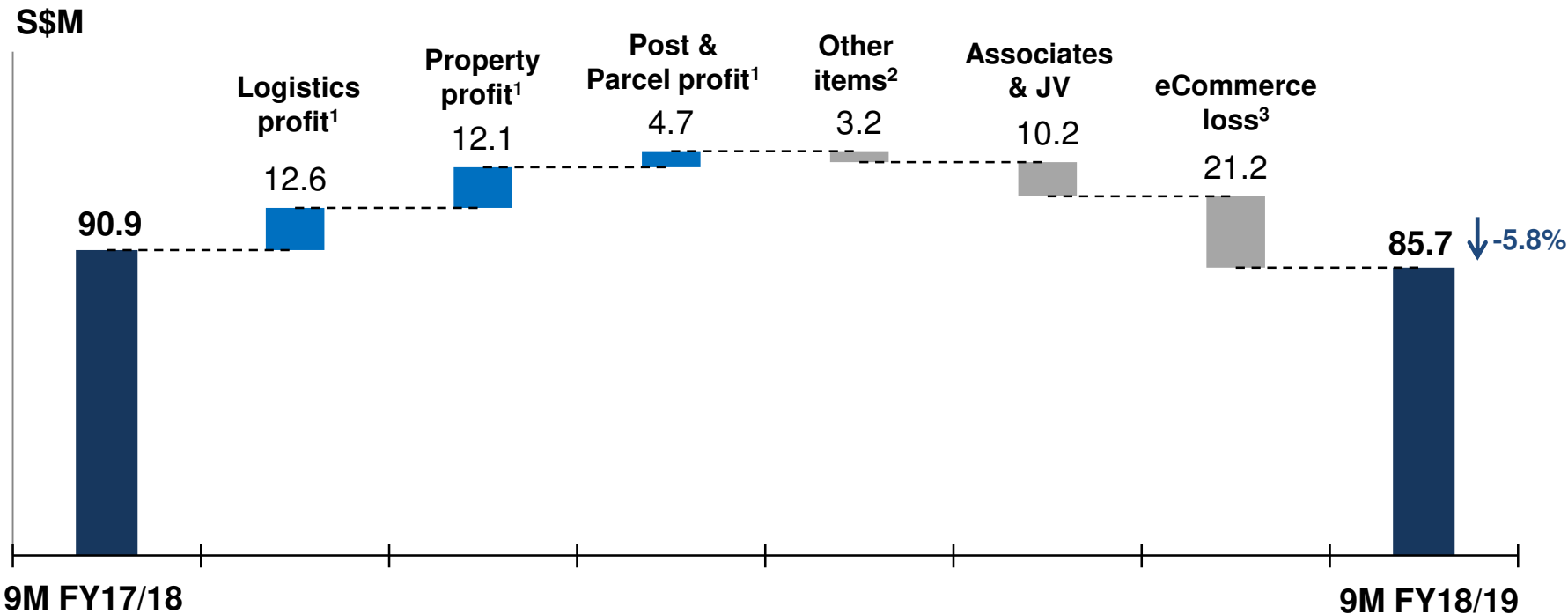


1. Refer to unallocated corporate overhead items and trade-related foreign currency translation differences.

eCommerce-related revenue



9M FY18/19 Underlying net profit movement



1. Profit on operating activities
2. Includes net finance expense, unallocated corporate overhead items, trade-related foreign currency differences, tax and non-controlling interests
3. Profit on operating activities for the eCommerce segment declined largely due to losses in the US

Underlying Net Profit Reconciliation Table

S\$M	Q3 FY17/18	Q3 FY18/19	9M FY17/18	9M FY18/19
Profit attributable to equity holders	43.4	50.2	103.7	94.1
Exceptional items	(0.9)	(31.8)	(5.8)	(22.9)
Loss / (Gain) on disposal of PPE	(3.0)	0.2	(2.9)	0.2
Professional fees	0.0	0.6	1.5	0.8
Fair value loss / (gain) on warrants from an associated company	2.0	7.5	(5.4)	16.2
Gain on dilution of interest in an associated company	-	(42.7)	-	(42.7)
Additional provision for contingent consideration of a foreign subsidiary	-	2.5	-	2.5
Provision for restructuring of operation	-	-	1.0	-
Adjustments of deferred tax in respect of change in US tax rate	(6.9)	-	(6.9)	-
NCI share of gain on dilution of interest in an associated company	-	14.5	-	14.5
Underlying Net Profit	35.6	32.9	90.9	85.7



For immediate release

SingPost third quarter net profit rises 15.6 per cent to S\$50.2 million

- Revenue rose 7.6 per cent to S\$441.4 million on higher peak season volumes across the Group
- Net profit boosted by an exceptional dilution gain of S\$28.2 million from 4PX
- Profit on operating activities declined 8.5 per cent to S\$42.2 million as higher contributions from Post and Parcel, Logistics and Property were largely offset by continued losses in the US
- Underlying net profit was down 7.5 per cent from the same period last year
- Interim dividend of 0.5 cent per share declared

Financial Highlights

	Q3 FY18/19 (S\$'000)	Q3 FY17/18 (S\$'000)	Variance (%)	9M FY18/19 (S\$'000)	9M FY17/18 (S\$'000)	Variance (%)
GROUP RESULTS						
Revenue	441,375	410,390	7.6	1,182,631	1,131,508	4.5
Operating expenses	(398,318)	(366,162)	8.8	(1,063,727)	(1,022,361)	4.0
Profit on operating activities	42,227	46,143	(8.5)	121,360	114,841	5.7
Share of profit/(loss) of associated companies	17	951	(98.2)	(7,092)	3,069	N.M.
Exceptional items	31,825	925	N.M.	22,919	5,842	N.M.
Net profit	50,202	43,413	15.6	94,066	103,661	(9.3)
Underlying net profit	32,882	35,561	(7.5)	85,652	90,892	(5.8)
Earnings per share (cents)	2.06	1.75		3.67	4.07	
Dividend per share (cents)	0.5	0.5		1.5	1.5	

N.M. – Not Meaningful

SINGAPORE, 1 February 2019 – Singapore Post Limited (“SingPost”) today announced its results for the third quarter ended 31 December 2018.

Revenue for the quarter increased 7.6 per cent to S\$441.4 million, on stronger contributions across all business segments during the global eCommerce peak season.

Net profit attributable to equity holders rose 15.6 per cent to S\$50.2 million, largely due to an exceptional gain on the dilution of interest in 4PX. As announced previously, 4PX ceased to be an associated company of SingPost after the Group’s shareholding was diluted by the



issuance of additional 4PX shares to an existing shareholder of the China-based logistics company.

Profit on operating activities declined 8.5 per cent to S\$42.2 million as higher contributions from the Post & Parcel, Logistics and Property segments were largely offset by losses at the US eCommerce businesses. Underlying net profit, which excludes exceptional items, was down 7.5 per cent from last year at S\$32.9 million.

Mr Paul Coutts, Group Chief Executive Officer, said: "It has been an exceptional quarter, with strong performance across the Group, other than the US which remains challenging. We continue to advance our integration and cost transformation programmes to enhance operational synergies and improve profitability amid intense competition in eCommerce logistics."

Business segment performance

In the Post and Parcel segment, increased domestic and international eCommerce deliveries over the eCommerce peak season drove revenue up 9.0 per cent. Profit on operating activities rose 10.0 per cent, with domestic margins improving on operating synergies from the ongoing integration of its postal and parcel last mile delivery networks.

The Logistics segment recorded a 67.4 per cent rise in profit on operating activities, largely on lower losses at Quantum Solutions, which continues to improve its profitability.

The eCommerce segment saw higher volumes, driven by festive shopping in the US. Operating loss, however, rose amid intense competitive pressures in the US. Costs, such as freight and outsourced services, were up significantly to support the increased volumes. The Group continues to face challenges in the eCommerce operating environment in the US, due to intensifying competition and rising customer bankruptcies. There is a risk of impairment to the carrying value of the US businesses, which are underperforming and are expected to remain loss-making this financial year. Impairments, if any, will be assessed based on the full financial year results and future plans for the businesses.

Profit on operating activities from Property rose 18.2 per cent, due mainly to rental income from the SingPost Centre retail mall. Committed occupancy for the mall was at 99 per cent as at 31 December 2018, compared with 86 per cent a year ago.

Interim dividend

For the third quarter of FY2018/19, the Board of Directors has declared an interim dividend of 0.5 cent per ordinary share (tax exempt one-tier) to be paid on 28 February 2019.

About Singapore Post Limited

For 160 years, Singapore Post (SingPost) as the country's postal service provider, has been delivering trusted and reliable services to homes and businesses in Singapore.

Today, SingPost is pioneering and leading in eCommerce logistics as well as providing innovative mail and logistics solutions in Singapore and around the world, with operations in 19 markets.

Building on its trusted communications through domestic and international postal services, SingPost is taking the lead in end-to-end integrated and digital mail solutions. The suite of SingPost eCommerce logistics solutions



includes front end web management, warehousing and fulfilment, last mile delivery and international freight forwarding.

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