Issuer & Securities

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SINGAPORE POST LIMITED

Securities
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Announcement Details

Announcement Title
Financial Statements and Related Announcement

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FINANCIAL STATEMENTS AND RELATED ANNOUNCEMENT::SECOND QUARTER AND/ OR HALF YEARLY RESULTS

New

Announcement Sub Title
Second Quarter and/ or Half Yearly Results

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Submitted By (Co./ Ind. Name)
Linda Hoon Siew Kin (Ms)

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Group Company Secretary

Description (Please provide a detailed description of the event in the box below - Refer to the Online help for the format)
Please refer to the attachments.

Additional Details

For Financial Period Ended
30/09/2019

Attachments

SGXNET_Q2FY201920.pdf

ResultsPresentation_Q2FY201920.pdf

MediaRelease.pdf

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

SGXNET ANNOUNCEMENT
UNAUDITED RESULTS FOR THE SECOND QUARTER AND HALF YEAR ENDED 30 SEPTEMBER 2019

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

Continuing operations	**FY2019/20 Q2 S$'000**	FY2018/19[3] Q2 S$'000	Variance %	**FY2019/20 H1 S$'000**	FY2018/19[3] H1 S$'000	Variance %
Revenue	**324,393**	318,063	2.0%	**645,648**	639,198	1.0%
Labour and related expenses	**(71,675)**	(68,135)	5.2%	**(140,953)**	(137,673)	2.4%
Volume-related expenses[1]	**(170,563)**	(158,860)	7.4%	**(338,755)**	(318,532)	6.3%
Administrative and other expenses	**(25,205)**	(33,513)	(24.8%)	**(48,594)**	(66,623)	(27.1%)
Depreciation and amortisation	**(17,005)**	(9,494)	79.1%	**(34,206)**	(19,173)	78.4%
Selling expenses	**(2,141)**	(1,396)	53.4%	**(4,073)**	(3,379)	20.5%
(Impairment loss) / reversal of impairment loss on trade and other receivables	**(997)**	2	N.M.	**(1,035)**	(126)	@
Operating expenses	**(287,586)**	(271,396)	6.0%	**(567,616)**	(545,506)	4.1%
Other income	**1,857**	3,004	(38.2%)	**2,933**	3,286	(10.7%)
Profit on operating activities	**38,664**	49,671	(22.2%)	**80,965**	96,978	(16.5%)
Share of profit / (loss) of associated companies and joint venture	**319**	(3,632)	N.M.	**64**	(7,109)	N.M.
Exceptional items[2]	**936**	(2,944)	N.M.	**985**	(8,906)	N.M.
Interest income and investment income (net)	**3,403**	987	244.8%	**5,204**	2,191	137.5%
Finance expenses	**(3,245)**	(1,939)	67.4%	**(6,339)**	(3,857)	64.4%
Profit before tax	**40,077**	42,143	(4.9%)	**80,879**	79,297	2.0%
Income tax expense	**(8,323)**	(9,236)	(9.9%)	**(16,781)**	(21,729)	(22.8%)
Profit from continuing operations	**31,754**	32,907	(3.5%)	**64,098**	57,568	11.3%
Discontinued operations[3]						
Loss from discontinued operations	**(4,528)**	(10,236)	(55.8%)	**(11,994)**	(18,021)	(33.4%)
Profit after tax	**27,226**	22,671	20.1%	**52,104**	39,547	31.8%
Attributable to:						
Equity holders of the Company	**27,729**	25,149	10.3%	**53,411**	43,864	21.8%
Non-controlling interests	**(503)**	(2,478)	(79.7%)	**(1,307)**	(4,317)	(69.7%)
Underlying Net Profit [4]	**26,793**	28,093	(4.6%)	**52,426**	52,770	(0.7%)

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

Earnings per share for profit attributable to the
equity holders of the Company during the period / year: [5]

	FY2019/20 Q2	FY2018/19 Q2	FY2019/20 H1	FY2018/19 H1
Continuing operations				
- Basic	**1.27₵**	1.40₵	**2.58₵**	2.41₵
- Diluted	**1.27₵**	1.40₵	**2.58₵**	2.41₵
Discontinued operations[5]				
- Basic	**(0.20₵)**	(0.45₵)	**(0.53₵)**	(0.80₵)
- Diluted	**(0.20₵)**	(0.45₵)	**(0.53₵)**	(0.80₵)

Notes

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

2 Exceptional items comprised one-off items such as asset impairment, fair value changes on investment properties, gains or losses on sale of investments and property, plant and equipment and M&A related professional fees.

3 Discontinued operations arise from U.S. subsidiaries (as defined in announcement dated 19 September 2019) which results have been re-presented in accordance with SFRS(I) 5 Non-Current Assets Held for Sale and Discontinued Operations. The loss from discontinue operations of $4.5 million represents the operating loss of the U.S. Subsidiaries till the date of deconsolidation.

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

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

Consolidated Statement of Comprehensive Income

	FY2019/20 Q2 S$'000	FY2018/19 Q2 S$'000	Variance %	**FY2019/20 H1 S$'000**	FY2018/19 H1 S$'000	Variance %
Profit after tax	**27,226**	22,671	20.1%	**52,104**	39,547	31.8%
Other comprehensive income / (loss) (net of tax):						
Items that may be reclassified subsequently to profit or loss:						
Deconsolidation of a foreign subsidiary's other capital reserve	**1,622**	-	N.M.	**1,622**	-	N.M.
Currency translation differences						
- Loss on translation of foreign operations	**(3,365)**	(4,686)	(28.2%)	**(6,052)**	(2,154)	181.0%
- Transfer to profit or loss arising from disposal of foreign subsidiaries	**2,115**	-	N.M.	**2,115**	-	N.M.
Items that will not be reclassified subsequently to profit or loss:						
Equity investments at fair value through other comprehensive income						
- Fair value loss	**(1,513)**	137	N.M.	**(3,149)**	129	N.M.
- Gain on sale	**-**	-	-	**5**	-	N.M.
Share of other comprehensive income of an associated company	**(1,964)**	-	N.M.	**-**	`-	-
Other comprehensive loss for the period (net of tax)	**(3,105)**	(4,549)	(31.7%)	**(5,459)**	(2,025)	169.6%
Total comprehensive income for the period*	**24,121**	18,122	33.1%	**46,645**	37,522	24.3%
Total comprehensive income attributable to:						
Equity holders of the Company	**24,636**	20,925	15.8%	**49,206**	42,466	15.9%
Non-controlling interests	**(515)**	(2,803)	(83.6%)	**(2,561)**	(4,944)	48.2%
	24,121	18,122	33.1%	**46,645**	37,522	24.3%

* As shown in the Statement of changes in equity on pages 9 and 10.

Underlying Net Profit Reconciliation Table

	FY2019/20 Q2 S$'000	FY2018/19 Q2 S$'000	Variance %	**FY2019/20 H1 S$'000**	FY2018/19 H1 S$'000	Variance %
Profit attributable to equity holders of the Company	**27,729**	25,149	10.3%	**53,411**	43,864	21.8%
Losses / (gain) on disposal of property, plant and equipment	**35**	67	(47.8%)	**(16)**	43	N.M.
Professional fees	**-**	138	N.M.	**2**	166	(98.8%)
Fair value loss on warrants from an associated company	**-**	2,739	N.M.	**-**	8,697	N.M.
Reversal of over-provision of contingent consideration in a foreign subsidiary	**(971)**	-	N.M.	**(971)**	-	N.M.
Underlying Net Profit	**26,793**	28,093	(4.6%)	**52,426**	52,770	(0.7%)

N.M. Not meaningful.

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

Continuing Operations	**FY2019/20 Q2 S$'000**	FY2018/19 Q2 S$'000	Variance %	**FY2019/20 H1 S$'000**	FY2018/19 H1 S$'000	Variance %
Interest income and investment income (net)	**3,403**	987	244.8%	**5,204**	2,191	137.5%
Finance expenses	**(2,224)**	(1,939)	14.7%	**(4,294)**	(3,857)	11.3%
Depreciation and amortisation	**(17,005)**	(9,494)	(79.1%)	**(34,206)**	(19,173)	(78.4%)
Impairment loss / (reversal of Impairment) on trade and other receivables	**(997)**	2	N.M.	**(1,035)**	(126)	@
Foreign exchange gains	**2,271**	843	169.3%	**2,165**	562	285.0%
(Losses) / gains on disposal of property, plant and equipment	**35**	67	(47.8%)	**(16)**	43	N.M.

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

Included in Loss from discontinued operations	**FY2019/20 Q2 S$'000**	FY2018/19 Q2 S$'000	Variance %	**FY2019/20 H1 S$'000**	FY2018/19 H1 S$'000	Variance %
Interest income and investment income (net)	(51)	33	N.M.	(29)	(41)	29.3%
Interest on borrowings	(394)	(536)	26.5%	(860)	(987)	12.9%
Depreciation and amortisation	-	(4,844)	N.M.	-	(9,505)	N.M.
Impairment loss on / (reversal of Impairment) on trade and other receivables	492	(281)	N.M.	491	(450)	N.M.
Foreign exchange gains	(80)	33	N.M.	(218)	(41)	@
(Losses) / gains on disposal of property, plant and equipment	-	-	-	-	-	-

Total	**FY2019/20 Q2 S$'000**	FY2018/19 Q2 S$'000	Variance %	**FY2019/20 H1 S$'000**	FY2018/19 H1 S$'000	Variance %
Interest income and investment income (net)	3,352	1,020	228.6%	5,175	2,150	140.7%
Interest on borrowings	(2,618)	(2,475)	(5.8%)	(5,154)	(4,844)	(6.4%)
Depreciation and amortisation	(17,005)	(14,338)	(18.6%)	(34,206)	(28,678)	(19.3%)
Impairment loss on trade and other receivables	(505)	(279)	(81.0%)	(544)	(576)	5.6%
Foreign exchange gains	2,191	876	150.1%	1,947	521	273.7%
(Losses) / gains on disposal of property, plant and equipment	35	67	47.8%	(16)	43	N.M.

N.M. Not meaningful.
@ Denotes variance more than 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	
	Sep-19	Mar-19	**Sep-19**	Mar-19
	S$'000	S$'000	**S$'000**	S$'000
ASSETS				
Current assets				
Cash and cash equivalents	**325,427**	392,220	**271,377**	330,266
Financial assets	**10,516**	7,230	**10,516**	7,230
Trade and other receivables	**250,198**	264,689	**211,513**	200,920
Derivative financial instruments	**-**	58	**-**	58
Inventories	**300**	692	**36**	180
Other current assets	**17,984**	21,339	**7,519**	6,496
	604,425	686,228	**500,961**	545,150
Non-current assets				
Financial assets	**93,103**	105,789	**19,113**	28,652
Trade and other receivables	**8,784**	7,797	**247,616**	249,452
Investments in associated companies and joint venture	**39,793**	39,840	**18,534**	18,534
Investments in subsidiaries	**-**	-	**318,371**	318,371
Investment properties	**999,316**	999,349	**948,253**	948,253
Property, plant and equipment	**454,900**	466,798	**284,849**	270,742
Right-of-use assets	**82,247**	-	**27,005**	-
Intangible assets	**303,863**	307,438	**-**	-
Deferred income tax assets	**2,997**	3,194	**-**	-
Other non-current asset	**2,968**	2,807	**-**	-
	1,987,971	1,933,012	**1,863,741**	1,834,004
Total assets	**2,592,396**	2,619,240	**2,364,702**	2,379,154
LIABILITIES				
Current liabilities				
Trade and other payables	**411,985**	486,990	**368,709**	408,147
Current income tax liabilities	**42,880**	44,291	**34,105**	35,254
Contract liabilities	**33,981**	38,214	**20,229**	23,041
Lease liabilities	**24,702**	-	**10,680**	-
Derivative financial instruments	**886**	440	**886**	440
Borrowings	**277,522**	281,842	**269,200**	268,581
	791,956	851,777	**703,809**	735,463
Non-current liabilities				
Trade and other payables	**12,430**	17,757	**1,768**	1,088
Borrowings	**8,577**	9,034	**-**	-
Contract liabilities	**34,974**	38,334	**34,682**	38,334
Lease liabilities	**68,170**	-	**16,546**	-
Deferred income tax liabilities	**39,949**	41,875	**22,519**	22,896
	164,100	107,000	**75,515**	62,318
Total liabilities	**956,056**	958,777	**779,324**	797,781
NET ASSETS	**1,636,340**	1,660,463	**1,585,378**	1,581,373
EQUITY				
Capital and reserves attributable to the Company's equity holders				
Share capital	**638,762**	638,762	**638,762**	638,762
Treasury shares	**(29,724)**	(30,174)	**(29,724)**	(30,174)
Other reserves	**74,592**	78,024	**40,914**	40,127
Retained earnings	**562,493**	579,633	**588,641**	585,832
Ordinary equity	**1,246,123**	1,266,245	**1,238,593**	1,234,547
Perpetual securities	**346,785**	346,826	**346,785**	346,826
	1,592,908	1,613,071	**1,585,378**	1,581,373
Non-controlling interests	**43,432**	47,392	**-**	-
Total equity	**1,636,340**	1,660,463	**1,585,378**	1,581,373

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

	Sep-19	Mar-19
	S$'000	S$'000
Amount repayable in one year or less, or on demand		
- Borrowings (secured)	**1,665**	1,666
- Borrowings (unsecured)	**275,857**	280,176
Amount repayable after one year:		
- Borrowings (secured)	**8,577**	9,034
	286,099	290,876

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			
	FY2019/20 Q2 S$'000	FY2018/19 Q2 S$'000	**FY2019/20 H1 S$'000**	FY2018/19 H1 S$'000
Cash flows from operating activities				
Profit after tax	**27,226**	22,671	**52,104**	39,547
Adjustments for:				
Income tax expense	**8,356**	9,251	**16,853**	20,877
Impairment loss on trade and other receivables	**505**	279	**544**	576
Amortisation of contract liabilities	**(1,950)**	(1,807)	**(3,738)**	(3,601)
Amortisation of intangible assets	**114**	2,655	**279**	5,284
Depreciation	**16,890**	11,683	**33,926**	23,394
Losses on disposal of property, plant and equipment	**35**	67	**(16)**	43
Loss on derivative instrument	**-**	2,739	**-**	8,697
Share-based staff costs	**682**	573	**1,228**	1,043
Interest expense	**3,639**	2,475	**7,199**	4,844
Interest income	**(1,682)**	(1,376)	**(3,533)**	(2,749)
Share of (profit) / loss of associated companies and joint venture	**(319)**	3,632	**(64)**	7,109
	26,270	30,171	**52,678**	65,517
Operating cash flow before working capital changes	**53,496**	52,842	**104,782**	105,064
Changes in working capital, net of effects from acquisition and disposal of subsidiaries				
Inventories	**(199)**	(58)	**28**	(2)
Contract liabilities	**(2,412)**	(1,751)	**(3,855)**	(1,775)
Trade and other receivables	**18,053**	(4,092)	**(7,675)**	3,048
Trade and other payables	**(44,002)**	(90,463)	**(36,176)**	(77,242)
Cash generated from / (used in) operations	**24,936**	(43,522)	**57,104**	29,093
Income tax paid	**(17,405)**	(15,932)	**(18,448)**	(17,294)
Net cash provided by / (used in) operating activities	**7,531**	(59,454)	**38,656**	11,799
Cash flows from investing activities				
Addition to property, plant and equipment, investment properties and intangible assets	**(2,793)**	(9,643)	**(6,871)**	(18,798)
Deconsolidation of subsidiaries	**(3,934)**	-	**(3,934)**	
Interest received	**2,052**	1,660	**3,730**	2,701
Loan to an associated company	**(560)**	-	**(1,040)**	-
Proceeds from sale of financial assets	**-**	-	**741**	-
Proceeds from disposal of property, plant and equipment	**29**	33	**84**	76
Proceeds on maturity of financial assets	**3,000**	-	**5,500**	106
Net cash used in investing activities	**(2,206)**	(7,950)	**(1,790)**	(15,915)
Cash flows from financing activities				
Distribution paid to perpetual securities	**(7,499)**	(7,499)	**(7,499)**	(7,499)
Dividends paid to shareholders	**(56,239)**	(56,577)	**(56,239)**	(56,577)
Dividends paid to non-controlling interests in a subsidiary	**(992)**	(272)	**(992)**	(272)
Interest paid	**(5,089)**	(655)	**(10,263)**	(4,675)
Proceeds from re-issuance of treasury shares	**-**	28	**-**	281
Purchase of treasury shares	**-**	(5,713)	**-**	(5,713)
Proceeds from bank term loan	**32,629**	106,553	**69,599**	149,280
Repayment of principal portion of lease liabilities	**(7,293)**	-	**(13,991)**	-
Repayment of bank term loan	**(47,486)**	(60,821)	**(84,274)**	(99,536)
Net cash used in financing activities	**(91,969)**	(24,956)	**(103,659)**	(24,711)
Net decrease in cash and cash equivalents	**(86,644)**	(92,360)	**(66,793)**	(28,827)
Cash and cash equivalents at beginning of financial period	**412,071**	377,583	**392,220**	314,050
Cash and cash equivalents at end of financial period	**325,427**	285,223	**325,427**	285,223

During the 6 months ended 30 September 2019, the deconsolidated US businesses contributed S$5.3 million (H1 FY2018/19: S$15.5 million) to the group's net operating cash flows, contributed Nil (H1 FY2018/19: S$6.1 million) in respect of investing activities and paid S$7.1 million (contributed H1 FY2018/19: S$50.5 million) in respect of financing activities.

Following the announcement of the filing of chapter 11 of the United States Bankruptcy Code in the United States Bankruptcy Court, the Group no longer has control over the cash balance of S$3.9 million held by the U.S. Subsidiaries. As part of deconsolidation, this amount is reflected as an outflow under investing activities.

(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 – Q2

	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 July 2019	**638,762**	**(29,724)**	**594,752**	**77,003**	**1,280,793**	**350,535**	**1,631,328**	**45,346**	**1,676,674**
Total comprehensive income / (loss) for the period	**-**	**-**	**27,729**	**(3,093)**	**24,636**	**-**	**24,636**	**(515)**	**24,121**
Transactions with owners, recognised directly in equity									
Transfer upon disposal of investment	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(407)**	**(407)**
Distribution of perpetual securities	**-**	**-**	**(3,749)**	**-**	**(3,749)**	**3,749**	**-**	**-**	**-**
Distribution paid on perpetual securities	**-**	**-**	**-**	**-**	**-**	**(7,499)**	**(7,499)**	**-**	**(7,499)**
Dividends paid to shareholders	**-**	**-**	**(56,239)**	**-**	**(56,239)**	**-**	**(56,239)**	**-**	**(56,239)**
Dividends paid to non-controlling interests in a subsidiary	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(992)**	**(992)**
Employee share option scheme:									
- Value of employee services	**-**	**-**	**-**	**682**	**682**	**-**	**682**	**-**	**682**
Total	**-**	**-**	**(59,988)**	**682**	**(59,306)**	**(3,750)**	**(63,056)**	**(1,399)**	**(64,455)**
Balance at 30 September 2019	**638,762**	**(29,724)**	**562,493**	**74,592**	**1,246,123**	**346,785**	**1,592,908**	**43,432**	**1,636,340**
Balance at 1 July 2018	638,762	(15,079)	669,673	84,272	1,377,628	350,535	1,728,163	38,205	1,766,368
Total comprehensive income / (loss) for the period	-	-	25,149	(4,224)	20,925	-	20,925	(2,803)	18,122
Transactions with owners, recognised directly in equity									
Distribution of perpetual securities	-	-	(3,749)	-	(3,749)	3,749	-	-	-
Distribution paid on perpetual securities	-	-	-	-	-	(7,499)	(7,499)	-	(7,499)
Dividends paid to shareholders	-	-	(56,577)	-	(56,577)	-	(56,577)	-	(56,577)
Dividends paid to non-controlling interests in a subsidiary	-	-	-	-	-	-	-	(272)	(272)
Employee share option scheme:									
- Value of employee services	-	-	-	573	573	-	573	-	573
- Treasury shares re-issued	-	32	-	(4)	28	-	28	-	28
Purchase of new treasury shares	-	(5,713)	-	-	(5,713)	-	(5,713)	-	(5,713)
Total	-	(5,681)	(60,326)	569	(65,438)	(3,750)	(69,188)	(272)	(69,460)
Balance at 30 September 2018	638,762	(20,760)	634,496	80,617	1,333,115	346,785	1,679,900	35,130	1,715,030

The Group – H1

	Attributable to ordinary shareholders of the Company							Non-	
	Share capital	Treasury shares	Retained earnings	Other reserves	Total	Perpetual securities	Total	controlling interests	Total equity
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Balance at 1 April 2019	**638,762**	**(30,174)**	**579,633**	**78,024**	**1,266,245**	**346,826**	**1,613,071**	**47,392**	**1,660,463**
Adoption of SFRS(I) 16	**-**	**-**	**(6,859)**	**-**	**(6,859)**	**-**	**(6,859)**	**-**	**(6,859)**
Balance at 1 April 2019 (restated)	**638,762**	**(30,174)**	**572,774**	**78,024**	**1,259,386**	**346,826**	**1,606,212**	**47,392**	**1,653,604**
Total comprehensive income / (loss) for the period	**-**	**-**	**53,411**	**(4,205)**	**49,206**	**-**	**49,206**	**(2,561)**	**46,645**
Transactions with owners, recognised directly in equity									
Transfer upon disposal of investment	**-**	**-**	**5**	**(5)**	**-**	**-**	**-**	**(407)**	**(407)**
Distribution of perpetual securities	**-**	**-**	**(7,458)**	**-**	**(7,458)**	**7,458**	**-**	**-**	**-**
Distribution paid on perpetual securities	**-**	**-**	**-**	**-**	**-**	**(7,499)**	**(7,499)**	**-**	**(7,499)**
Dividends paid to shareholders	**-**	**-**	**(56,239)**	**-**	**(56,239)**	**-**	**(56,239)**	**-**	**(56,239)**
Dividends paid to non-controlling interests in a subsidiary	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(992)**	**(992)**
Employee share option scheme:									
- Value of employee services	**-**	**-**	**-**	**1,228**	**1,228**	**-**	**1,228**	**-**	**1,228**
- Treasury shares re-issued	**-**	**450**	**-**	**(450)**	**-**	**-**	**-**	**-**	**-**
Total	**-**	**450**	**(63,692)**	**773**	**(62,469)**	**(41)**	**(62,510)**	**(1,399)**	**(63,909)**
Balance at 30 September 2019	**638,762**	**(29,724)**	**562,493**	**74,592**	**1,246,123**	**346,785**	**1,592,908**	**43,432**	**1,636,340**
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	-	-	43,864	(1,398)	42,466	-	42,466	(4,944)	37,522
Transactions with owners, recognised directly in equity									
Distribution of perpetual securities	-	-	(7,458)	-	(7,458)	7,458	-	-	-
Distribution paid on perpetual securities	-	-	-	-	-	(7,499)	(7,499)	-	(7,499)
Dividends paid to shareholders	-	-	(56,577)	-	(56,577)	-	(56,577)	-	(56,577)
Dividends paid to non-controlling interests in a subsidiary	-	-	-	-	-	-	-	(272)	(272)
Employee share option scheme:									
- Value of employee services	-	-	-	1,043	1,043	-	1,043	-	1,043
- Treasury shares re-issued	-	976	-	(695)	281	-	281	-	281
Purchase of new treasury shares	-	(5,713)	-	-	(5,713)	-	(5,713)	-	(5,713)
Total	-	(4,737)	(64,035)	348	(68,424)	(41)	(68,465)	(272)	(68,737)
Balance at 30 September 2018	638,762	(20,760)	634,496	80,617	1,333,115	346,785	1,679,900	35,130	1,715,030

The Company – Q2

	Attributable to ordinary shareholders of the Company						
	Share capital S$'000	Treasury shares S$'000	Retained earnings S$'000	Other reserves S$'000	Total S$'000	Perpetual securities S$'000	Total S$'000
Balance at 1 July 2019	**638,762**	**(29,724)**	**609,166**	**40,231**	**1,258,435**	**350,535**	**1,608,970**
Total comprehensive income for the period	**-**	**-**	**39,463**	**1**	**39,464**	**-**	**39,464**
Transactions with owners, recognised directly in equity							
Distribution on perpetual securities	**-**	**-**	**(3,749)**	**-**	**(3,749)**	**3,749**	**-**
Distribution paid on perpetual securities	**-**	**-**	**-**	**-**	**-**	**(7,499)**	**(7,499)**
Dividends paid to shareholders	**-**	**-**	**(56,239)**	**-**	**(56,239)**	**-**	**(56,239)**
Employee share option scheme:							
- Value of employee services	**-**	**-**	**-**	**682**	**682**	**-**	**682**
Total	**-**	**-**	**(59,988)**	**682**	**(59,306)**	**(3,750)**	**(63,056)**
Balance at 30 September 2019	**638,762**	**(29,724)**	**588,641**	**40,914**	**1,238,593**	**346,785**	**1,585,378**
Balance at 1 July 2018	638,762	(15,079)	767,285	37,875	1,428,843	350,535	1,779,378
Total comprehensive income for the period	-	-	37,202	137	37,339	-	37,339
Transactions with owners, recognised directly in equity							
Distribution on perpetual securities	-	-	(3,749)	-	(3,749)	3,749	-
Distribution paid on perpetual securities	-	-	-	-	-	(7,499)	(7,499)
Dividends paid to shareholders	-	-	(56,577)	-	(56,577)	-	(56,577)
Employee share option scheme:							
- Value of employee services	-	-	-	573	573	-	573
- Treasury shares re-issued	-	32	-	(4)	28	-	28
Purchase of treasury shares	-	(5,713)	-	-	(5,713)	-	(5,713)
Total	-	(5,681)	(60,326)	569	(65,438)	(3,750)	(69,188)
Balance at 30 September 2018	638,762	(20,760)	744,161	38,581	1,400,744	346,785	1,747,529

The Company – H1

	Attributable to ordinary shareholders of the Company						
	Share capital S$'000	Treasury shares S$'000	Retained earnings S$'000	Other reserves S$'000	Total S$'000	Perpetual securities S$'000	Total S$'000
Balance at 1 April 2019	**638,762**	**(30,174)**	**585,832**	**40,127**	**1,234,547**	**346,826**	**1,581,373**
Total comprehensive income for the period	**-**	**-**	**66,501**	**14**	**66,515**	**-**	**66,515**
Transactions with owners, recognised directly in equity							
Transfer upon disposal of investment	**-**	**-**	**5**	**(5)**	**-**	**-**	**-**
Distribution on perpetual securities	**-**	**-**	**(7,458)**	**-**	**(7,458)**	**7,458**	**-**
Distribution paid on perpetual securities	**-**	**-**	**-**	**-**	**-**	**(7,499)**	**(7,499)**
Dividends paid to shareholders	**-**	**-**	**(56,239)**	**-**	**(56,239)**	**-**	**(56,239)**
Employee share option scheme:							
- Value of employee services	**-**	**-**	**-**	**1,228**	**1,228**	**-**	**1,228**
- Treasury shares re-issued	**-**	**450**	**-**	**(450)**	**-**	**-**	**-**
Total	**-**	**450**	**(63,692)**	**773**	**(62,469)**	**(41)**	**(62,510)**
Balance at 30 September 2019	**638,762**	**(29,724)**	**588,641**	**40,914**	**1,238,593**	**346,785**	**1,585,378**
Balance at 1 April 2018	638,762	(16,023)	738,277	38,104	1,399,120	346,826	1,745,946
Total comprehensive income for the period	**-**	**-**	**69,919**	**129**	**70,048**	**-**	**70,048**
Transactions with owners, recognised directly in equity							
Distribution on perpetual securities	**-**	**-**	**(7,458)**	**-**	**(7,458)**	**7,458**	**-**
Distribution paid on perpetual securities	**-**	**-**	**-**	**-**	**-**	**(7,499)**	**(7,499)**
Dividends paid to shareholders	**-**	**-**	**(56,577)**	**-**	**(56,577)**	**-**	**(56,577)**
Employee share option scheme:							
- Value of employee services	**-**	**-**	**-**	**1,043**	**1,043**	**-**	**1,043**
- Treasury shares re-issued	**-**	**976**	**-**	**(695)**	**281**	**-**	**281**
Purchase of treasury shares	**-**	**(5,713)**	**-**	**-**	**(5,713)**	**-**	**(5,713)**
Total	**-**	**(4,737)**	**(64,035)**	**348**	**(68,424)**	**(41)**	**(68,465)**
Balance at 30 September 2018	**638,762**	**(20,760)**	**744,161**	**38,581**	**1,400,744**	**346,785**	**1,747,529**

(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 2nd quarter ended 30 September 2019, no share was issued under the Singapore Post Share Option Scheme.

As at 30 September 2019, there were unexercised options for 14,818,000 (30 September 2018: 19,293,000) unissued ordinary shares under the Singapore Post Share Option Scheme (including Performance Option Plan but excluding Restricted Share Plan) and unvested shares for 8,624,034 (30 September 2018: 5,766,948) unissued ordinary shares under the Restricted Share Plan.

As at 30 September 2019, the Company held 25,511,422 treasury shares (30 September 2018: 16,339,283).

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

As at 30 September 2019, total issued shares excluding treasury shares were 2,249,578,103 (31 March 2019: 2,249,231,673).

(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 second quarter ended 30 September 2019, no treasury share was re-issued.

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

The figures have not been audited nor reviewed.

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

Not applicable.

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

Except as disclosed under paragraph 5 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period compared with the audited financial statements for the financial year ended 31 March 2019.

(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.

The Group has adopted the new Singapore Financial Reporting Standards (International) ("SFRS(I)") and amendments and interpretations of SFRS(I)s that are relevant to its operations and effective from 1 April 2019.

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

<u>SFRS(I) 16 – Leases</u>

Before the adoption of SFRS(I) 16, commitments under operating leases for future periods were not recognised by the Group as liabilities. Operating lease rental expenses were recognised in the consolidated income statement over the lease period on a straight-line basis.

On adoption of SFRS(I) 16, the Group recognised the full lease liabilities in relation to leases which had previously been classified as "operating leases" if they met certain criteria set out in SFRS(I) 16.

These liabilities were measured at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate. The difference between the present value and the total remaining lease payments represents the cost of financing.

Such finance cost will be charged to the consolidated income statement in the period in which it is incurred using the effective interest method.

The associated right-of-use assets were measured either as if SFRS(I) 16 had been applied from lease commencement using incremental borrowing rate at date of initial application or equals to the initial measurement of lease liability adjusted by the amount of any previously recognised prepaid or accrued lease payments relating to the lease. These associated right-of-use assets were recognised in the consolidated statement of financial position.

Amortisation is charged on a straight-line basis over the shorter of the asset's useful life and the lease term.

Cash payments for the settlement of lease liabilities were reported as cash flows from financing activities. The total net cash flows of the Group are unaffected.

SFRS(I) 16 substantially carries forward the lessor accounting requirements in SFRS(I) 1-17 Leases. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for these two types of leases using the SFRS(I) 1-17 operating lease and finance lease accounting models respectively.

The Group has applied the simplified transition approach and has not restated comparative amounts for the year prior to first adoption. Instead, on 1 April 2019 the cumulative effect of applying the standard is recognised on the Statement of Financial Position as right-of-use assets and lease liabilities and include an adjustment to opening balance of retained earnings for certain properties on 1 April 2019. The differences from the Statement of Financial Position as previously reported at 31 March 2019 are as follows.

	1 April 2019	
	Group	**Company**
	S$'000	S$'000
Increase in right-of-use assets	87,735	25,203
Increase in lease liabilities		
- Current	(24,343)	(8,952)
- Non-current	(73,133)	(16,251)
Decrease in trade and other payables	2,882	-
	(6,859)	-
Decrease in retained earnings	6,859	-
Decrease in total equity	6,859	-

(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			
	FY2019/20 Q2	FY2018/19 Q2	**FY2019/20 H1**	FY2018/19 H1
Continued Operations				
Based on weighted average number of ordinary shares in issue	**1.27₵**	1.40₵	**2.57₵**	2.41₵
On fully diluted basis	**1.27₵**	1.40₵	**2.57₵**	2.41₵
Discontinued Operations				
Based on weighted average number of ordinary shares in issue	**(0.20₵)**	(0.45₵)	**(0.53₵)**	(0.80₵)
On fully diluted basis	**(0.20₵)**	(0.45₵)	**(0.53₵)**	(0.80₵)
Total				
Based on weighted average number of ordinary shares in issue	**1.07₵**	0.95₵	**2.04₵**	1.61₵
On fully diluted basis	**1.07₵**	0.95₵	**2.04₵**	1.61₵

(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	
	Sep-19	Mar-19	**Sep-19**	Mar-19
Net asset value per ordinary share based on issued share capital of the Company at the end of the financial period (cents)	**70.81**	71.72	**70.47**	70.31

	The Group		The Company	
	Sep-19	Mar-19	**Sep-19**	Mar-19
Ordinary equity per ordinary share based on issued share capital of the Company at the end of the financial period (cents)	**55.39**	56.30	**55.06**	54.89

(8) Review of the performance of the group.

On 19 September 2019, the Group announced that Jagged Peak, Inc., TradeGlobal North America Holding, Inc. and TradeGlobal LLC (the "U.S. Subsidiaries") have filed voluntary petitions for relief under Chapter 11 of the United States Bankruptcy Code in the United States Bankruptcy Court.

Following that, the Group deconsolidated the financials for the U.S. Subsidiaries with effect from the month of September. Moving forward, the Group will no longer recognise profit or loss from the U.S. Subsidiaries. Based on current estimates, there was no material net financial impact arising from the deconsolidation of the U.S. Subsidiaries.

For the second quarter ("Q2") and half year ("H1") ended 30 September 2019, the consolidated income statement of the Group is presented as "Continuing Operations", which excludes the U.S. Subsidiaries.

Losses from the U.S. Subsidiaries for the period prior to deconsolidation are presented as a single line item in the income statement - "Discontinued Operations".

Revenue

	FY19/20 Q2 S$'000	FY18/19 Q2 S$'000	Variance %	**FY19/20 H1 S$'000**	FY18/19 H1 S$'000	Variance %
Post and Parcel	**186,098**	176,740	5.3%	**373,365**	362,701	2.9%
Logistics	**124,792**	128,011	(2.5%)	**244,265**	250,232	(2.4%)
Property	**30,336**	30,129	0.7%	**60,185**	60,430	(0.4%)
Inter-segment eliminations*	**(16,833)**	(16,817)	0.1%	**(32,167)**	(34,165)	(5.8%)
Total	**324,393**	318,063	2.0%	**645,648**	639,198	1.0%

* 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 2.0% for Q2 and 1.0% for H1, largely led by the International post & parcel, offset by lower Domestic post & parcel and freight forwarding revenue.

In the Post & Parcel segment, revenue rose 5.3% for Q2 and 2.9% for H1. International post & parcel revenue rose on the back of higher cross-border eCommerce related deliveries.

This was partially offset by a decline in Domestic revenue, where growth from eCommerce-related deliveries was insufficient to offset an accelerated decline in business letter volumes, plus a reduction in advertising mail volumes.

In the Logistics segment, revenue was lower by 2.5% in Q2 and 2.4% in H1, due largely to the depreciation of the Australian dollar against the Singapore dollar for Couriers Please, our parcel delivery service in Australia. Without the depreciation of the Australian dollar, Logistics segment revenue would have been stable for Q2 and H1.

Quantium Solutions showed improved operational momentum in Q2 with the addition of new customers, which helped offset a decline in freight forwarding revenue from a slowdown in global trade activities.

Property segment revenue, which comprises commercial property rental and the self-storage business, remained largely stable for Q2 and H1, with SingPost Centre retail mall and office remaining at close to full occupancy.

Operating Expenses

Operating expenses was higher by 6.0% in Q2 and 4.1% in H1, largely due to higher Volume-related expenses.

Volume-related expenses, which remain the largest cost component for the Group, rose 7.4% in Q2 and 6.3% in H1. This reflects costs to support the higher revenues at International post and parcel.

Labour and related expenses rose 5.2% in Q2 and 2.4% in H1, with additional postmen hired for the Singapore postal operations, as well as higher remuneration.

Following the adoption of SFRS(I) 16 Leases on 1 April 2019, operating lease commitments are now recognised as right-of-use assets as well as lease liabilities on the statement of financial position. In the profit and loss statement, there is a reduction of rental costs (under Administrative and other expenses), increase in depreciation costs (under Depreciation and amortisation expenses), and an additional cost of financing (under Finance expenses).

The impact of adoption of SFRS(I) 16 Leases are as follows:

The Group	**Q2 FY19/20 S$'M**	**H1 FY19/20 S$'M**
Administrative and others – Operating lease expense	8.3	16.0
Depreciation expense for right-of-use assets	(7.8)	(15.0)
Finance expense	(1.0)	(2.0)
Net impact to P&L	**(0.5)**	**(1.0)**

Largely as a result of the above, Administrative and other expenses declined 24.8% in Q2 and 27.1% in H1, while Depreciation and amortisation expenses rose 79.1% in Q2 and 78.4% in H1.

Selling-related expense rose 53.4% in Q2 and 20.5% in H1 due to higher sales promotion & advertising activities.

Impairment loss on trade and other receivables increased to S$1.0 million for both Q2 and H1, with higher provisions for bad debt.

Other income

Other income declined to S$1.9 million in Q2 and S$2.9 million in H1 due largely to trade-related foreign currency exchange differences.

Profit on operating activities

	FY19/20 Q2 S$'000	FY18/19 Q2 S$'000	Variance %	**FY19/20 H1 S$'000**	FY18/19 H1 S$'000	Variance %
Post and Parcel	**33,759**	42,615	(20.8%)	**71,321**	83,828	(14.9%)
Logistics	**(885)**	(722)	22.6%	**(2,642)**	(1,649)	60.2%
Property	**13,780**	13,362	3.1%	**26,648**	26,536	0.4%
Others*	**(7,990)**	(5,584)	43.1%	**(14,362)**	(11,737)	22.4%
Profit on operating activities	**38,664**	49,671	(22.2%)	**80,965**	96,978	(16.5%)

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

Profit on operating activities declined 22.2% in Q2 and 16.5% in H1, largely due to lower earnings from Domestic letter mail volumes and slowdown in the freight forwarding sector.

In the Post & Parcel segment, Profit on operating activities declined 20.8% for Q2 and 14.9% for H1. Domestic earnings declined as growth from eCommerce-related deliveries was insufficient to offset an accelerated decline in domestic business letter volumes and the partial cessation of advertising mail volumes. This was exacerbated by higher costs incurred for initiatives to improve service quality standards, such as hiring of additional postmen to provide for the additional workload associated with increasing eCommerce deliveries, and enhancement of their remuneration.

In the Logistics segment, losses on operating activities stood at S$0.9 million for Q2, compared to S$0.7 million in Q2 last year. For H1, losses were S$2.6 million compared to S$1.6 million in H1 last year.

Quantium Solutions benefited from improved operating leverage from higher revenue. However, this was offset by onboarding costs for eCommerce customers in Asia Pacific, as well as lower profits from the freight forwarding business due to lower volumes from the slowdown in global trade.

Under the Property segment, profit on operating activities rose 3.1% to S$13.8 million in Q2, with higher contribution from SPC retail mall. For H1, profit on operating activities was stable at S$26.6 million.

Under the Others segment, expenses rose by S$2.4 million to S$8.0 million in Q2, and by S$2.6 million to S$14.4 million in H1, due to absence of one-off benefit items recorded in the corresponding periods last year, as well lower favourable trade-related foreign currency translation differences.

Exceptional items

Exceptional items in Q2 and H1 amounted to S$936,000 and S$985,000 respectively, largely due to a reversal of over-provision of contingent consideration in a foreign subsidiary.

For the corresponding periods last year, the Group recorded exceptional losses of S$2.9 million in Q2 and S$8.9 million in H1, due mainly to fair value loss on warrants from GD Express.

Interest Income and Finance Expense

Interest income and net investment income rose to S$3.4 million in Q2 and S$5.2 million in H1, due to higher interest income and favourable non-trade related foreign currency translation movement.

Finance expenses rose to S$3.2 million in Q2 and S$6.3 million in H1, due to higher finance costs of S$1.0 million in Q2 and S$2.0 million in H1 from the adoption of SFRS(I) 16 Leases accounting treatment.

Share of Results of Associated Companies and Joint Venture

The share of results from associated companies and joint venture was S$319,000 profit in Q2 and S$64,000 profit in H1, compared to losses of S$3.6 million and S$7.1 million in the corresponding periods last year.

The Group had ceased equity accounting for 4PX and disposed of its stake in Indo Trans Logistics Corporation with effect from Q3 last year.

Income Tax Expense

Income tax expense declined 9.9% in Q2 to S$8.3 million with lower profit on operating activities. For H1, income tax expense declined 22.8% as there was an additional tax provision in Q1 last year for a foreign subsidiary.

Discontinued Operations

Losses from discontinued operations were lower by 55.8% in Q2 and 33.4% in H1 due largely to the absence of depreciation and amortisation expenses, as property, plant and equipment, and intangible assets had been written down to zero since the close of the previous financial year.

Net Profit

In the last financial year, the Group sold the GD Express warrants that it held and utilised the proceeds to increase its direct shareholding in GD Express.

As such, the Group no longer had to recognise any fair value losses or gains that may arise from the warrants, and the absence of such exceptional losses led to an increase in net profit.

In addition, results from associated companies and joint venture improved after the Group ceased equity accounting for 4PX and Indo Trans Logistics Corporation ("ITL").

Accordingly, profit attributable to equity holders of the company rose 10.3% in Q2 and 21.8% in H1.

Underlying Net Profit

Excluding exceptional items, underlying net profit declined 4.6% in Q2 to S$26.8 million as the improved results from associated companies and joint venture partly offset Post & Parcel and freight forwarding decline.

For H1, underlying net profit was largely stable at S$52.4 million.

Statement of Financial Position

Assets

The Group's total assets amounted to S$2.6 billion as at 30 September 2019.

Current assets declined to S$604.4 million as at 30 September 2019, from S$686.2 million as at 31 March 2019. This was largely due to lower cash and cash equivalents as a result of payment of dividends, as well as outpayments for international postal terminal dues during the period.

Trade and other receivables declined to S$250.2 million from S$264.7 million following the deconsolidation of the US subsidiaries with effect from September.

Current financial assets, which largely comprise SingPost's investments in corporate bonds, rose to S$10.5 million due to reclassification from non-current financial assets, as one of the non-current bonds is now coming to maturity within the next 12 months.

Current derivative financial instruments under current assets of S$58,000 was reclassified to liabilities after being marked to market.

Current inventories declined to S$0.3 million from S$0.7 million due to lower inventory for an eCommerce customer.

Other current assets declined to S$18.0 million, from S$21.3 million due to the deconsolidation of the US subsidiaries.

Non-current assets rose to S$2.0 billion, from S$1.9 billion, largely due to an increase in Right-of-use assets to S$82.2 million. This increase was due to the capitalisation of future lease payments in accordance with SFRS(I)16 Leases, implemented from 1 April 2019. Correspondingly, Lease liabilities are recognised on the balance sheet, which are detailed in the Liabilities section below.

Non-current financial assets declined to S$93.1 million from S$105.8 million, largely due to the reclassification of a bond to current financial assets, as mentioned above.

Non-current trade and other receivables rose to S$8.8 million from S$7.8 million due to a loan to an associated company.

Property, plant and equipment declined to S$454.9 million from S$466.8 million, mainly due to depreciation charges for the period.

Intangible assets declined slightly to S$303.9 million as at 30 September 2019, compared to S$307.4 million as at 31 March 2019, largely due to translation differences and amortisation.

Liabilities

The Group's total liabilities were S$956.1 million as at 30 September 2019, compared to S$958.8 million as at 31 March 2019.

Current liabilities declined to S$792.0 million, from S$851.8 million, due substantially to a decline in Trade and other payables as a result of the settlement of international postal payments during the period.

This was partially offset by an increase in Lease liabilities of S$24.7 million, which relates to the current portion of lease payments recognised in accordance with SFRS(I) 16 Leases effective from 1 April 2019.

Current contract liabilities declined to S$34.0 million, from S$38.2 million, due to lower advance collection for franked mail.

Current income tax liabilities declined to S$42.9 million due to lower tax provisioning and payments.

Current derivative financial instruments under current liabilities rose to S$0.9 million from S$0.4 million, after being marked to market.

The Group is showing a net current liability position as at 30 September 2019, due largely to the S$200 million bond coming due in March 2020 being classified as a current liability under borrowings. The Group expects to revert to a net current asset position upon refinancing of the bond, with the new borrowings being reclassified back as a non-current liability.

Non-current liabilities rose to S$164.1 million, from S$107.0 million, largely because of an S$68.2 million increase in Lease liabilities, which relates to the non-current portion of lease payments recognised in accordance with SFRS(I) 16 Leases effective from 1 April 2019.

Non-current trade and other payables declined to S$12.4 million from S$17.8 million largely due to reclassification of deferred lease liabilities to Right-of-use assets in accordance to SFRS(I) 16 Leases from 1 April 2019.

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$35.0 million from S$38.3 million was mainly due to amortisation for the period.

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

Cash Flow

For the half year, operating cash flow before working capital changes was S$104.8 million, compared to S$105.1 million last year.

Working capital movement for H1 was negative S$47.7 million, due largely to negative movement for payables in respect of international postal settlements, as well as higher receivables in respect of cross-border eCommerce deliveries, which are experiencing strong growth from China. In the corresponding period last year, the negative working capital movement was S$76.0 million, due to a larger unfavourable movement for payables in respect of international postal settlements.

As such, net cash inflow from operating activities in H1 improved to S$38.7 million, compared against S$11.8 million in the corresponding period last year.

Net cash outflow for investing activities was S$1.8 million for the half year, compared to outflow of S$15.9 million last year, due largely to lower capital expenditure, which declined to S$6.9 million compared to S$18.8 million last year.

Net cash outflow from financing activities for the half year was S$103.7 million, compared to outflow of S$24.7 million in the same period last year. The difference was largely due to net repayment of bank term loan of S$14.7 million, compared to net proceeds of S$49.7 million in the corresponding period last year.

Financial Position

As at 30 September 2019, the Group was in a net cash position of S$39.3 million, compared to a net cash position of S$101.3 million as at 31 March 2019, largely due to payment of dividends, outpayments for international postal terminal dues, as well as net repayment of a bank term loan during the period.

Ordinary shareholders' equity stands at S$1.64 billion as at 30 September 2019, slightly lower compared to S$1.66 billion as at 31 March 2019 due to lower retained earnings, after payment of dividend.

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

Not applicable.

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

In Singapore, domestic letter mail volume continues to decline while eCommerce related packet and parcel volumes continue to grow. This is reflected in lower blended margins. The Group's cost leadership program continues to help mitigate the impact. An increase in international letter mail rates and a streamlining of domestic postal products will come into effect from 2 December 2019.

International mail continues to grow. The Universal Postal Union's member countries have reached an agreement on postal remuneration rates which will accelerate rate increases for the delivery of international bulky letters and small packets.

The Property segment is expected to remain largely stable, and a significant contributor to Group operating profit for the financial year.

(11) Dividends

Current financial period reported on

Interim dividend
For the second quarter ended 30 September 2019, 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 29 November 2019. The transfer book and register of members of the Company will be closed on 19 November 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 18 November 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 second quarter ended 30 September 2018 was declared on 2 November 2018 and paid on 30 November 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 2019, SingPost Group has reclassified the reporting of certain business units into four key business segments, namely Post and Parcel, Logistics, Property and U.S. Business (FY2018/19: Post and Parcel, Logistics, eCommerce and Property).

- ***Post and Parcel*** segment comprises the core postal and parcel delivery business of the Group. This includes Domestic post and parcels, International post and parcels, as well as products and services transacted at the post offices.
- ***Logistics*** segment comprises the logistics businesses of the Group. The services are divided into Freight forwarding and eCommerce logistics, which includes front-end related eCommerce solutions, warehousing, fulfilment, delivery and other value-added services in Asia Pacific.
- ***Property*** segment includes the provision of commercial property rental, as well as the self-storage business.
- ***U.S. Business*** segment comprises the businesses in the U.S. under TradeGlobal and Jagged Peak. Following the announcement of the filing of chapter 11 of the United States Bankruptcy Code in the United States Bankruptcy Court, the Group deconsolidated the financials for the U.S. business with effect from the month of September 2019.

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 second quarter and half year ended 30 September 2019, 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$100,000)	
	FY2019/20 Q2 S$'000	FY2018/19 Q2 S$'000	**FY2019/20 Q2 S$'000**	FY2018/19 Q2 S$'000
Sales				
Singapore Telecommunications Group	**-**	-	**1,365**	487
	-	-	**1,365**	487
Purchases				
PSA Corporation	**-**	-	**949**	2,105*
Sembcorp Group	**-**	-	**8,200***	-
Singapore Airlines Group	**-**	-	**11,962**	-
Singapore Telecommunications Group	**-**	-	**-**	812*
	-	-	**21,111**	2,917
Total interested person transactions	**-**	-	**22,476**	3,404

	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$100,000)	
	FY2019/20 H1 S$'000	FY2018/19 H1 S$'000	**FY2019/20 H1 S$'000**	FY2018/19 H1 S$'000
Sales				
Singapore Telecommunications Group	**-**	-	**1,365**	487
Starhub Group	**-**	-	**432**	558
	-	-	**1,797**	1,045
Purchases				
PSA Corporation	**-**	-	**949**	2,256*
Sembcorp Group	**-**	-	**8,200***	-
Singapore Airlines Group	**-**	-	**18,780**	5,100
Singapore Telecommunications Group	**-**	-	**-**	812*
	-	-	**27,929**	8,168
Total interested person transactions	**-**	-	**29,726**	9,213

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 3 months to 3 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 second quarter ended 30 September 2019 to be false or misleading in any material aspect.

On behalf of the Board of Directors

MR SIMON CLAUDE ISRAEL	**MR PAUL COUTTS**
Chairman	Director

Singapore
1 November 2019

Financial results
Q2 & H1 FY2019/20

1 Nov 2019

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 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.

- Q2 & H1 FY2019/20 Financials
- Cash flow and Balance sheet
- Segmental results
- Highlights
- Outlook

Q2 FY2019/20 financial statement

S$M	Q2 FY18/19	Q2 FY19/20	YoY % change	
Revenue	**318.1**	**324.4**	**+2.0%**	Largely led by International post & parcel, offset by lower Domestic post & parcel and freight forwarding
Operating expenses	(271.4)	(287.6)	+6.0%	Due to higher volume-related expenses
Profit on operating activities	**49.7**	**38.7**	**(22.2%)**	Largely due to lower domestic letter mail volumes and slowdown in the freight forwarding sector
Share of associated companies & JV	(3.6)	0.3	N.M.	Ceased equity accounting for 4PX and disposed stake in Indo Trans Logistics
Exceptional items	(2.9)	0.9	N.M.	Absence of exceptional losses after sale of GD Express warrants
Income tax expense	(9.2)	(8.3)	(9.9%)	
Loss from discontinued operations	(10.2)	(4.5)	(55.8%)	Deconsolidation of U.S. business segment with effect from September following Chapter 11 filings
Net profit attributable to equity holders	**25.1**	**27.7**	**+10.3%**	
Underlying net profit	**28.1**	**26.8**	**(4.6%)**	Improved results from associates & JV partly offset Post & Parcel and freight forwarding decline

N.M. denotes Not Meaningful

Q2 FY2019/20 expenses

S$M	Q2 FY18/19	Q2 FY19/20	YoY % change
Operating expenses	**(271.4)**	**(287.6)**	**+6.0%**
Volume-related	(158.9)	(170.6)	+7.4%
Labour & related	(68.1)	(71.7)	+5.2%
Admin, selling-related & others	(34.9)	(28.3)	(18.8%)
Depreciation & amortisation	(9.5)	(17.0)	+79.1%

S$M	Q2 FY18/19	Q2 FY19/20	YoY % change
Finance expenses	**(1.9)**	**(3.2)**	**+67.4%**

Reflects costs to support the higher revenues at International post and parcel

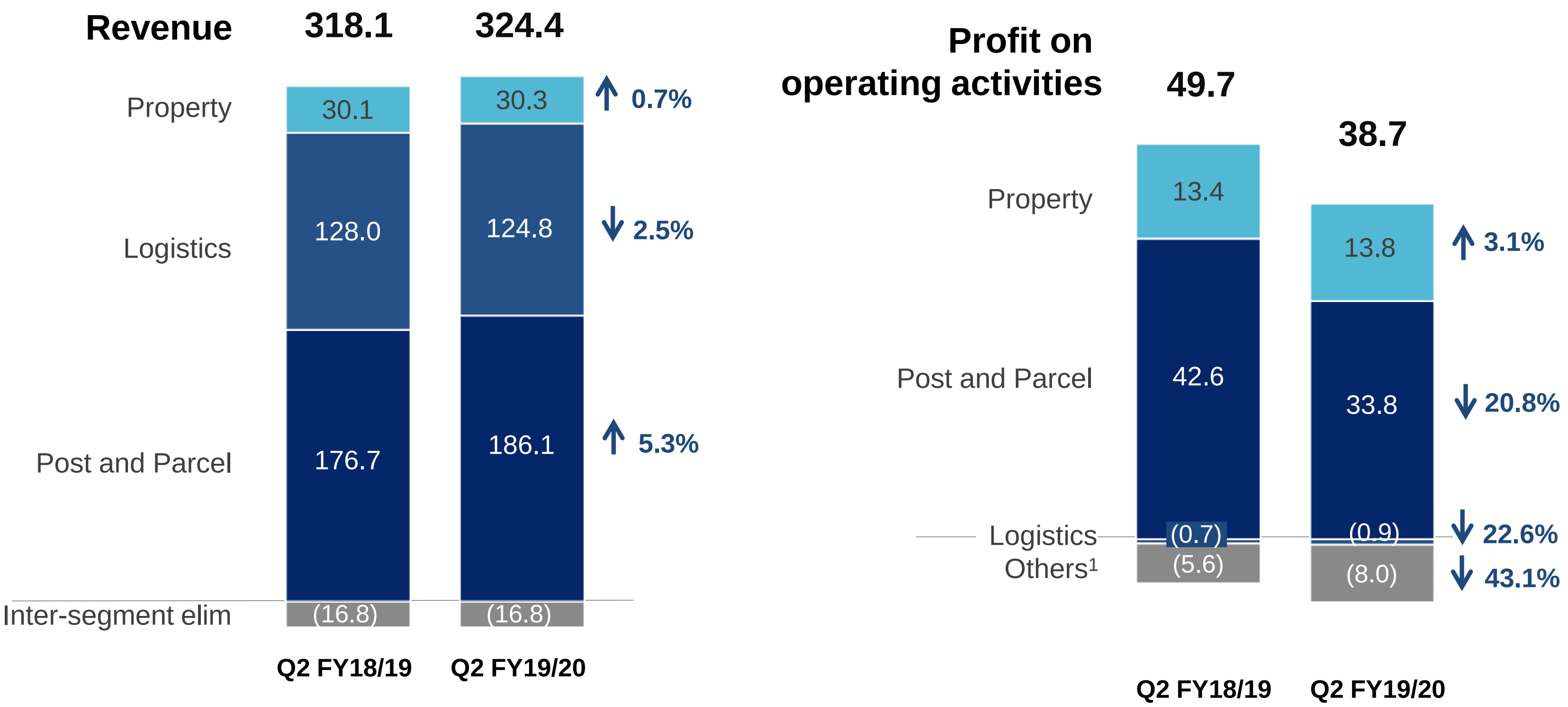
Additional postmen hired for the Singapore postal operations, as well as higher remuneration

Following adoption of SFRS(I) 16 *Leases*,
- reduction of rental costs (under Admin & others),
- increase in depreciation costs (under D&A);
- and an additional cost of financing (under Finance expenses).

Impact on adoption of SFRS(I) 16	Q2 FY19/20
Admin & others – Operating lease expense	8.3
Depreciation expense for right-of-use assets	(7.8)
Finance expense for right-of-use assets	(1.0)
Net impact to P&L	**(0.5)**

Q2 FY19/20 segment revenue and POA (Continuing operations)

S$M



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

Cash flow & Balance sheet

Free cash flow

S$M	H1 FY18/19	H1 FY19/20
Operating cash flow before working capital changes	105.1	104.8
Changes in working capital	(76.0)	(47.7)
Income tax paid	(17.3)	(18.4)
Net cash provided by operating activities	11.8	38.7
Capital expenditure	(18.8)	(6.9)
Free cash flow	**(7.0)**	**31.8**

- Stable operating cash flow before working capital changes
- Negative capital movement for H1 due largely to international postal settlements, and higher receivables for cross-border eCommerce deliveries. In H1 last year, there was a larger unfavourable movement for international postal settlements
- Improved free cash flow due to higher cash provided by operating activities, as well as lower capital expenditure

Financial indicators

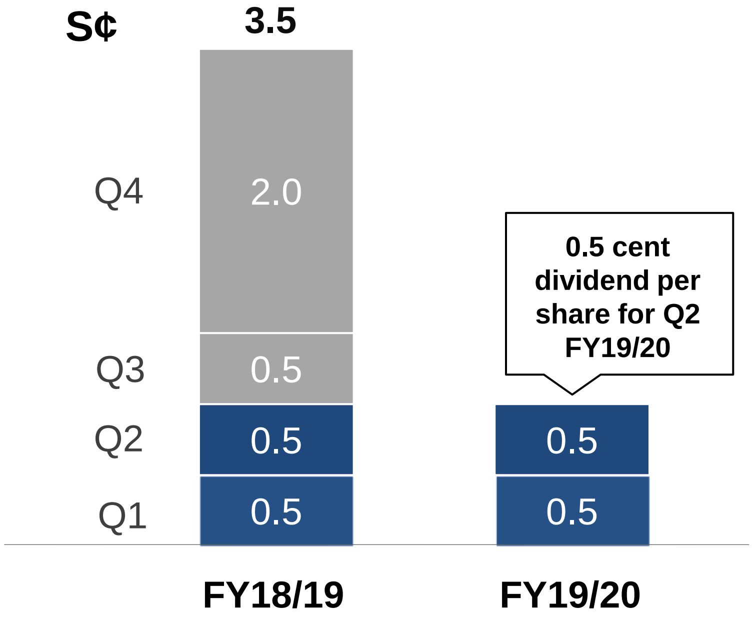
S$M Financial indicators	As at Mar 2019	As at Sep 2019	
Cash & cash equivalents at end of financial period	392.2	325.4	— Lower compared to March 2019[1], due to payment of dividends, outpayments for international postal terminal dues, as well as net repayment of a bank term loan
Borrowings	290.9	286.1	
Net cash / (debt) position	101.3	39.3	

	H1 FY18/19	H1 FY19/20	
EBITDA[2]	91.8	105.2	— Higher EBITDA for the period
EBITDA to finance expense (times)	19.0x	14.6x	— Increase was due to adoption of SFRS(I) 16 *Leases*
Adjusted to exclude impact of SFRS(1) 16 *Leases*	-	17.4x	

1. Cash & cash equivalents of S$325.4m as at Sep 2019 is higher compared against S$285.2m as at Sep 2018
2. EBITDA is defined as profit before interest, tax, depreciation and amortisation

Maintained dividend for Q2 FY2019/20

Dividend per share



Books closure: 19 Nov 2019
Payment date: 29 Nov 2019

Our dividend policy is based on a payout ratio ranging from **60% to 80%** of **underlying net profit** for each financial year.

Segmental results

Post and Parcel

S$M

Post and Parcel	Q2 FY18/19	Q2 FY19/20	YoY % change	H1 FY18/19	H1 FY19/20	YoY % change
Revenue	**176.7**	**186.1**	**+5.3%**	**362.7**	**373.4**	**+2.9%**
Domestic[1]	*68.6*	*63.7*	*(7.2%)*	*139.0*	129.4	*(6.9%)*
International	*108.1*	*122.4*	*+13.2%*	*223.7*	244.0	*+9.1%*
Profit on operating activities	**42.6**	**33.8**	**(20.8%)**	**83.8**	**71.3**	**(14.9%)**
Margin	*24.1%*	*18.1%*		*23.1%*	19.1%	

International revenue rose on the back of higher cross-border eCommerce-related deliveries. This was partially offset by a decline in Domestic revenue, where growth from eCommerce-related deliveries was insufficient to offset an accelerated decline in business letter volumes, plus a reduction in admail volumes.

Profit on operating activities declined for Q2 and H1. The lower volumes were exacerbated by higher costs incurred for initiatives to improve service quality standards, such as hiring of additional postmen to provide for the additional workload associated with increasing eCommerce deliveries, and enhancement of their remuneration.

1. Includes products and services transacted at the post offices

Logistics

S$M

Logistics	Q2 FY18/19	Q2 FY19/20	YoY % change	H1 FY18/19	H1 FY19/20	YoY % change
Revenue	**128.0**	**124.8**	**(2.5%)**	**250.2**	**244.3**	**(2.4%)**
eCommerce logistics[1]	*62.0*	*61.9*	*(0.1%)*	*125.1*	120.3	*(3.8%)*
Freight forwarding[2]	*66.0*	*62.9*	*(4.8%)*	*125.2*	123.9	*(1.0%)*
Profit on operating activities	**(0.7)**	**(0.9)**	**(22.6%)**	**(1.6)**	**(2.6)**	**(60.2%)**
Margin	*(0.6%)*	*(0.7%)*		*(0.7%)*	(1.1%)	

Revenue was lower due largely to the depreciation of the A$ against the S$ for Couriers Please, our parcel delivery service in Australia. Without the depreciation of the A$, Logistics segment revenue would have been stable for Q2 and H1. Quantium Solutions showed improved operational momentum in Q2 with the addition of new customers, which helped offset a decline in freight forwarding revenue from a slowdown in global trade activities.

Losses on operating activities stood at S$0.9 million for Q2 and S$2.6 million for H1. Quantium Solutions benefited from improved operating leverage from higher revenue. However, this was offset by onboarding costs for eCommerce customers in Asia Pacific, as well as lower profits from the freight forwarding business due to lower volumes.

1. Includes Quantium Solutions, Couriers Please and SP eCommerce
2. Famous Holdings

Property

S$M

Property	Q2 FY18/19	Q2 FY19/20	YoY % change	H1 FY18/19	H1 FY19/20	YoY % change
Revenue	**30.1**	**30.3**	**+0.7%**	**60.4**	**60.2**	**(0.4%)**
Profit on operating activities	**13.4**	**13.8**	**+3.1%**	**26.5**	**26.6**	**+0.4%**
Margin	*44.3%*	*45.4%*		*43.9%*	44.3%	

Property segment revenue, which comprises commercial property rental and the self-storage business, remained largely stable for Q2 and H1, with SingPost Centre retail mall and office remaining at close to full occupancy.

Profit on operating activities rose 3.1% to S$13.8 million in Q2, with higher contribution from the SPC retail mall. For H1, profit on operating activities was stable at S$26.6 million.

Highlights

New package categories and adjusted postal products from 2 Dec 2019 to meet eCommerce demand

- New **Basic Package** and **Tracked Package** categories, delivered to letterboxes, to meet eCommerce demand

- Ordinary Mail renamed as **Basic Mail** and will only accept letters and printed papers up to 500g; **Registered Service (Singapore)** to be limited to letters and printed papers up to 500g[1]

- Airmail rates for letters sent overseas to increase by 10 to 20¢, and Registered Service (International) fee revised from $2.50 to $3.60 to mitigate increasing postal settlement rates[2]

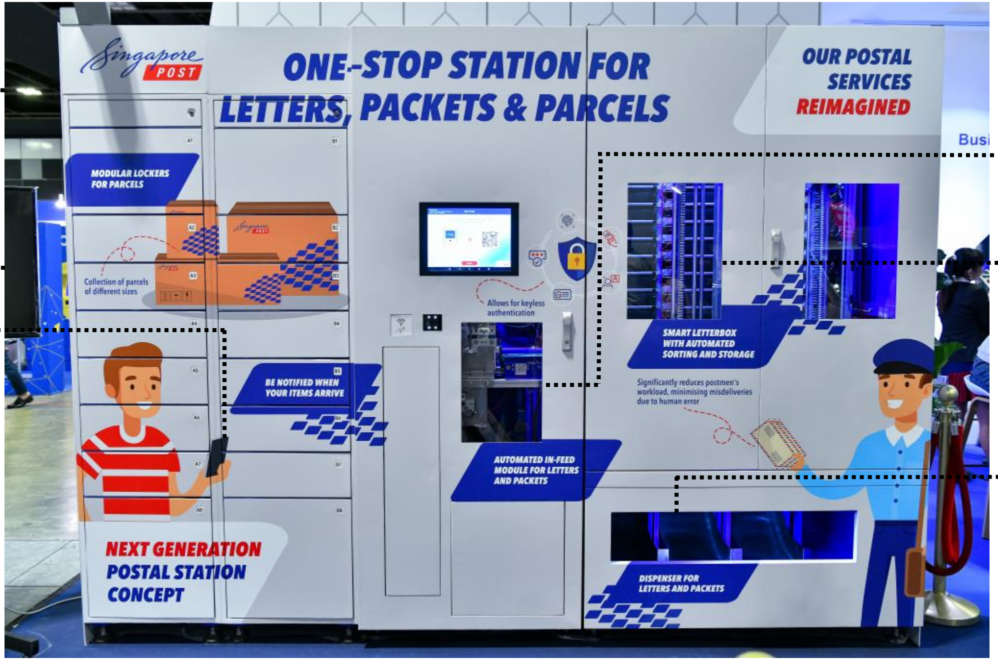
	BASIC MAIL LETTERBOX — Mail (Letter / Postcard / Printed Paper)			BASIC PACKAGE LETTERBOX	TRACKED PACKAGE LETTERBOX
	Standard Regular	Standard Large	Non-Standard		
Weight	≤ 40g	≤ 500g	≤ 500g	≤ 2kg	≤ 2kg
Type of Delivery	Letterbox	Letterbox	Letterbox	Letterbox	Letterbox *(with Tracking)*
Delivery Standard	Letters: Next working day	Letters: Next working day	Letters: 2 working days	2 - 4 working days	2 - 4 working days

1. No change to Basic Mail rates
2. No change to international surface mail rates, as well as airmail rates for packages

Future of Post - Transforming Singapore's postal landscape with 'Smart' Shared Letterboxes

Modular lockers for parcels

Be notified when your items arrive



Automated in-feed module for letters and packets

Smart letterbox with automated sorting and storage

Dispenser for letters and packets

Significantly reduces postmen's workload and minimises misdeliveries

Outlook

Outlook

In Singapore, domestic letter mail volume continues to decline while eCommerce-related packet and parcel volumes continue to grow. This is reflected in lower blended margins. The Group’s cost leadership program continues to help mitigate the impact. An increase in international letter mail rates and a streamlining of domestic postal products will come into effect from 2 December 2019.

International mail continues to grow. The Universal Postal Union’s member countries have reached an agreement on postal remuneration rates which will accelerate rate increases for the delivery of international bulky letters and small packets.

The Property segment is expected to remain largely stable, and a significant contributor to Group operating profit for the financial year.

Thank You

Supplementary information

H1 FY2019/20 financial statement

S$M	H1 FY18/19	H1 FY19/20	YoY % change
Revenue	**639.2**	**645.6**	**+1.0%**
Operating expenses	(545.5)	(567.6)	+4.1%
Profit on operating activities	**97.0**	**81.0**	**(16.5%)**
Share of associated companies & JV	(7.1)	0.0	N.M.
Exceptional items	(8.9)	1.0	N.M.
Income tax expense	(21.7)	(16.8)	(22.8%)
Loss from discontinued operations	(18.0)	(12.0)	(33.4%)
Net profit attributable to equity holders	**43.9**	**53.4**	**+21.8%**
Underlying net profit	**52.8**	**52.4**	**(0.7%)**

N.M. denotes Not Meaningful

H1 FY2019/20 expenses

S$M	H1 FY18/19	H1 FY19/20	YoY % change
Operating expenses	**(545.5)**	**(567.6)**	**+4.1%**
Volume-related	(318.5)	(338.8)	+6.3%
Labour & related	(137.7)	(141.0)	+2.4%
Admin, selling-related & others	(70.1)	(53.7)	(23.4%)
Depreciation & amortisation	(19.2)	(34.2)	+78.4%

S$M	H1 FY18/19	H1 FY19/20	YoY % change
Finance expenses	**(3.9)**	**(6.3)**	**+64.4%**

Impact on adoption of SFRS(I) 16	H1 FY19/20
Admin & others – Operating lease expense	16.0
Depreciation expense for right-of-use assets	(15.0)
Finance expense for right-of-use assets	(2.0)
Net impact to P&L	**(1.0)**

Underlying Net Profit Reconciliation Table

S$'000

	Q2 FY18/19	Q2 FY19/20	H1 FY18/19	H1 FY19/20
Profit attributable to equity holders	**25,149**	**27,729**	**43,864**	**53,411**
Exceptional items	**2,944**	**(936)**	**8,906**	**(985)**
Losses / (gain) on disposal of property, plant and equipment	*67*	*35*	43	*(16)*
Professional fees	*138*	*-*	166	*2*
Fair value loss on warrants from an associated company	*2,739*	*-*	8,697	*-*
Reversal of over-provision of contingent consideration in a foreign subsidiary	-	*(971)*	-	*(971)*
Underlying net profit	**28,093**	**26,793**	**52,770**	**52,426**

Deconsolidation of U.S. businesses

On 19 September 2019, the Group announced that Jagged Peak, Inc., TradeGlobal North America Holding, Inc. and TradeGlobal LLC (the “U.S. Subsidiaries”) have filed voluntary petitions for relief under Chapter 11 of the United States Bankruptcy Code in the United States Bankruptcy Court.

Following that, the Group deconsolidated the financials for the U.S. Subsidiaries with effect from the month of September. Moving forward, the Group will no longer recognise profit or loss from the U.S. Subsidiaries. Based on current estimates, there was no material net financial impact arising from the deconsolidation of the U.S. Subsidiaries.

For the second quarter (“Q2”) and half year (“H1”) ended 30 September 2019, the consolidated income statement of the Group is presented as “Continuing Operations”, which excludes the U.S. Subsidiaries.

Losses from the U.S. Subsidiaries for the period prior to deconsolidation are presented as a single line item in the income statement - “Discontinued Operations”.

Media Release

Singapore Post net profit up 10.3% to S$27.7 million in Q2

- **Revenue rose 2% to S$324.4 million, led by higher International post and parcel revenue arising from cross-border eCommerce deliveries**
- **Profit on operating activities fell 22.2% due to lower Domestic letter mail volumes and slowdown in the freight forwarding sector**
- **Excluding exceptional items, Underlying Net Profit declined 4.6% as the improved results from associated companies partly offset Post & Parcel segment and freight forwarding business decline**
- **Interim dividend of 0.5 cent per share declared**

Financial Highlights

GROUP RESULTS	Q2 FY19/20 (S$'000)	Q2 FY18/19 (S$'000)	Variance	H1 FY19/20 (S$'000)	H1 FY18/19 (S$'000)	Variance
***Continuing operations*[1]**						
Revenue	324,393	318,063	2.0%	645,648	639,198	1.0%
Operating expenses	(287,586)	(271,396)	6.0%	(567,616)	(545,506)	4.1%
Profit on operating activities	38,664	49,671	(22.2%)	80,965	96,978	(16.5%)
Share of loss of associated companies and joint venture	319	(3,632)	N.M.	64	(7,109)	N.M.
Exceptional items	936	(2,944)	N.M.	985	(8,906)	N.M.
***Discontinued operations*[2]**						
Loss from discontinued operations	(4,528)	(10,236)	(55.8%)	(11,994)	(18,021)	(33.4%)
Group total						
Net profit	27,729	25,149	10.3%	53,411	43,864	21.8%
Underlying net profit	26,793	28,093	(4.6%)	52,426	52,770	(0.7%)
Dividend per share(cents)	0.5	0.5	-	1.0	1.0	-

N.M. – Not meaningful

SINGAPORE, 1 November 2019 – Singapore Post Limited (SingPost) today announced its results for the quarter and half year ending 30 September 2019.

[1,2] SingPost announced on 19 September 2019 that its U.S eCommerce subsidiaries, Jagged Peak and TradeGlobal, filed for voluntary petitions for relief under Chapter 11 of the United States Bankruptcy Code in the United States.

Following the announcement, SingPost has since deconsolidated the financials for the U.S. businesses from the rest of the Group, and will no longer recognise profit or loss from the U.S. subsidiaries. As such, for the second quarter and half year ending 30 September 2019, the consolidated financial statement of the Group is presented as 'Continuing Operations', which excludes the U.S. subsidiaries. Losses from the U.S. subsidiaries for the same period are presented as a single line item in the financial statement as 'Discontinued Operations'.

Revenue for the quarter rose 2% to S$324.4 million, led by higher International post and parcel revenue arising from cross-border eCommerce deliveries. This is partially offset by a decline in Domestic post and parcel revenue, which is accelerated by a sharp reduction in both business letter volumes and advertising mail, and a drop in freight forwarding revenue as a result of lower volumes from the slowdown in global trade. For H1, revenue was stable against last year.

Net profit attributable to equity holders increased by 10.3% to S$27.7 million for Q2 and 21.8% to S$53.4 million for H1 respectively, due to improved performance from associated companies and joint venture, as well as an absence of exceptional fair value loss on warrants from an associated company incurred last year.

Excluding the impact of exceptional items, underlying net profit slipped 4.6% to S$26.8 million for the quarter, as improved results from associated companies and joint venture remained insufficient to offset the drop in earnings from the Post and Parcel segment and freight forwarding business. Underlying net profit for the first half of the financial year held stable at S$52.4 million.

SingPost announced on 19 September 2019 that its U.S. eCommerce subsidiaries, Jagged Peak and TradeGlobal, filed for voluntary petitions for relief under Chapter 11 of the United States Bankruptcy Code in the United States.

Following the announcement, SingPost has since deconsolidated their financials from the rest of the Group, and will no longer recognise profit or loss from the U.S. subsidiaries.

For the second quarter and half year ending 30 September 2019, the consolidated financial statement of the Group is presented as ‘Continuing Operations’, which excludes the U.S. subsidiaries. Losses from the U.S. subsidiaries for the same period are presented as a single line item in the financial statement as ‘Discontinued Operations’.

Mr Paul Coutts, Group Chief Executive Officer, said: “Domestic letter mail volume continues to decline while eCommerce-related package volume continues to grow, leading to the overall lower blended margins of our financial performance, partly offset by our cost leadership programme.

“To further mitigate the impact of this trend, we have recently announced a streamlining of domestic postal products and an increase in international mail rates that will come into effect from 2 December 2019.

“SingPost remains optimistic in the actions we are taking to reposition ourselves for the future. These initiatives, such as our Smart Letterbox system, will undoubtedly transform Singapore’s postal landscape and position us for the future,” Mr Coutts added.

Performance of Business Segments

In the Post and Parcel segment, revenue rose 5.3% for Q2 and 2.9% for H1. International post and parcel revenue rose on the back of higher cross-border eCommerce related deliveries, but this was partially offset by a decline in Domestic revenue. Profit on operating activities slid 20.8% to S$33.8 million for Q2 and 14.9% to S$71.3 million for H1.

Domestically, the growth from eCommerce-related deliveries was insufficient to offset an accelerated decline in business letter volumes. This is intensified by a further reduction in advertising mail volumes and higher costs incurred for service quality improvements, including the hiring of additional postmen for increased eCommence deliveries and enhancement of their remuneration since the beginning of the financial year.

The Logistics segment saw a decline in revenue by 2.5% in Q2 and 2.4% in H1 respectively, due largely to the depreciation of the Australian dollar against the Singapore dollar for CouriersPlease, our courier delivery service in Australia. Without depreciation of the Australian dollar, the segment would have been largely stable against the previous year.

Overall, losses on operating activities for the Logistics segment widened to S$0.9 million for Q2 and S$2.6 million for H1 respectively. While Quantium Solutions has benefited from the improved operating leverage due to higher revenue, the segment as a whole suffered a wider loss as a result of higher on-boarding costs for eCommerce customers in Asia Pacific and lower freight forwarding volumes due to a global slowdown of trade.

For the Property segment, which comprises commercial property, rental and self-storage business, revenue remained largely stable at S$30.3 million for Q2 and S$60.2 million for H1, with SingPost Centre retail mall and office remaining at close to full occupancy. Profit on operating activities for Q2 rose 3.1% to S$13.8 million, and held stable for H1 at S$26.6 million.

Adjustments to Postal Services

To meet the demands brought about by changes in Singapore's postal landscape, including the growth of eCommerce and falling mail volumes, SingPost is adjusting some of its existing products and services from 2 December 2019. This was announced on 30 October 2019.

The measures include the introduction of two new postal service categories – Basic Package and Tracked Package. They also include the reduction of the maximum allowable weight for Basic Mail (previously known as Ordinary Mail) to 500g, as well as limiting Registered Service (Singapore) to only letters and printed papers.

International airmail rates will also cost $0.10 to $0.20 more, depending on country zones, due to international settlement rate increases made annually by the Universal Postal Union (UPU).

The adjustments follow a full review of SingPost's entire range of products and are part of SingPost's ongoing efforts to meet the fast evolving needs of the local community. In the longer term, SingPost is also looking at reimagining Singapore's postal service by introducing Smart Stamps and Smart Letterbox, which were showcased in September 2019.

Interim dividend

For the second quarter of FY2019/20, the Board of Directors has declared an interim dividend of 0.5 cent per ordinary share (tax exempt one-tier), to be paid on 29 November 2019.

- End -

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About Singapore Post Limited

For over 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.