Issuer & Securities

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SINGAPORE POST LIMITED

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SINGAPORE POST LIMITED - SG1N89910219 - S08

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Announcement Details

Announcement Title

Financial Statements and Related Announcement

Date &Time of Broadcast

07-Feb-2020 08:08:02

FINANCIAL STATEMENTS AND RELATED ANNOUNCEMENT::THIRD QUARTER RESULTS

New

Announcement Sub Title

Third Quarter Results

Announcement Reference

SG200207OTHRAUB5

Submitted By (Co./ Ind. Name)

Linda Hoon Siew Kin (Ms)

Designation

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

31/12/2019

Attachments

SGXNET-Q3FY201920.pdf

ResultsPresentationQ3FY201920.pdf

MediaRelease.pdf

Total size =2166K MB

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

SGXNET ANNOUNCEMENT
UNAUDITED RESULTS FOR THE THIRD QUARTER AND NINE MONTHS ENDED 31 DECEMBER 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 Q3 S$'000**	FY2018/19[3] Q3 S$'000	Variance %	**FY2019/20 9M S$'000**	FY2018/19[3] 9M S$'000	Variance %
Revenue	**355,914**	363,353	(2.0%)	**1,001,562**	1,002,551	(0.1%)
Labour and related expenses	**(73,097)**	(70,327)	3.9%	**(214,050)**	(208,000)	2.9%
Volume-related expenses[1]	**(198,750)**	(193,540)	2.7%	**(537,505)**	(512,072)	5.0%
Administrative and other expenses	**(27,529)**	(32,495)	(15.3%)	**(76,123)**	(99,118)	(23.2%)
Depreciation and amortisation	**(16,867)**	(9,620)	75.3%	**(51,073)**	(28,793)	77.4%
Selling expenses	**(2,074)**	(1,653)	25.5%	**(6,147)**	(5,032)	22.2%
Impairment loss on trade and other receivables	**(116)**	(81)	43.2%	**(1,151)**	(206)	@
Operating expenses	**(318,433)**	(307,716)	3.5%	**(886,049)**	(853,221)	3.8%
Other income	**3,867**	(834)	N.M.	**6,800**	2,452	177.3%
Profit on operating activities	**41,348**	54,803	(24.6%)	**122,313**	151,782	(19.4%)
Share of profit / (loss) of associated companies and joint venture	**46**	17	170.6%	**110**	(7,092)	N.M.
Exceptional items[2]	**(711)**	31,825	N.M.	**274**	22,919	(98.8%)
Interest income and investment income (net)	**392**	1,693	(76.8%)	**5,596**	3,885	44.0%
Finance expenses	**(3,127)**	(2,254)	38.7%	**(9,466)**	(6,111)	54.9%
Profit before tax	**37,948**	86,084	(55.9%)	**118,827**	165,383	(28.2%)
Income tax expense	**(8,372)**	(9,397)	(10.9%)	**(25,153)**	(31,126)	(19.2%)
Profit from continuing operations	**29,576**	76,687	(61.4%)	**93,674**	134,257	(30.2%)
Discontinued operations[3]						
Loss from discontinued operations	**-**	(12,756)	N.M.	**(11,994)**	(30,779)	(61.0%)
Profit after tax	**29,576**	63,931	(53.7%)	**81,680**	103,478	(21.1%)
Attributable to:						
Equity holders of the Company	**30,493**	50,202	(39.3%)	**83,904**	94,066	(10.8%)
Non-controlling interests	**(917)**	13,729	N.M.	**(2,224)**	9,412	N.M.
Underlying Net Profit [4]	**31,204**	32,882	(5.1%)	**83,630**	85,652	(2.4%)

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

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

	FY2019/20 Q3	FY2018/19 Q3	FY2019/20 9M	FY2018/19 9M
Continuing operations				
- Basic	**1.19₵**	2.62₵	**3.76₵**	5.03₵
- Diluted	**1.19₵**	2.62₵	**3.76₵**	5.03₵
Discontinued operations[5]				
- Basic	**-**	(0.57₵)	**(0.53₵)**	(1.36₵)
- Diluted	**-**	(0.57₵)	**(0.53₵)**	(1.36₵)

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 discontinued operations of S$12.0 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/(loss) per share were calculated based on net profit/(loss) 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 Q3 S$'000	FY2018/19 Q3 S$'000	Variance %	**FY2019/20 9M S$'000**	FY2018/19 9M S$'000	Variance %
Profit after tax	**29,576**	63,931	(53.7%)	**81,680**	103,478	(21.1%)
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.
Currency translation differences						
- Loss on translation of foreign operations	**759**	(4,284)	N.M.	**(5,293)**	(6,438)	17.8%
- Transfer to profit or loss arising from disposal of foreign subsidiaries	**-**	-	-	**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	**(153)**	(797)	80.8%	**(3,302)**	(668)	@
- Gain on sale	**-**	-	-	**5**	-	N.M.
Other comprehensive income / (loss) for the period (net of tax)	**606**	(5,081)	N.M.	**(4,853)**	(7,106)	31.7%
Total comprehensive income for the period*	**30,182**	58,850	(48.7%)	**76,827**	96,372	(20.3%)
Total comprehensive income attributable to:						
Equity holders of the Company	**31,112**	45,237	(31.2%)	**80,318**	87,703	(8.4%)
Non-controlling interests	**(930)**	13,613	N.M.	**(3,491)**	8,669	N.M.
	30,182	58,850	(48.7%)	**76,827**	96,372	(20.3%)

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

Underlying Net Profit Reconciliation Table

	FY2019/20 Q3 S$'000	FY2018/19 Q3 S$'000	Variance %	**FY2019/20 9M S$'000**	FY2018/19 9M S$'000	Variance %
Profit attributable to equity holders of the Company	**30,493**	50,202	(39.3%)	**83,904**	94,066	(10.8%)
Additional provision for contingent consideration of a foreign subsidiary	**-**	2,539	N.M.	**-**	2,539	N.M.
Professional fees	**681**	644	5.7%	**683**	810	(15.7%)
Gain on dilution of interest in an associated company	**-**	(42,662)	N.M.	**-**	(42,662)	N.M.
Losses on disposal of property, plant and equipment	**30**	186	(83.9%)	**14**	229	(93.9%)
Fair value loss on warrants from an associated company	**-**	7,468	N.M.	**-**	16,165	N.M.
Reversal of over-provision of contingent consideration in a foreign subsidiary	**-**	-	-	**(971)**	-	N.M.
Exceptional items	**711**	(31,825)	N.M.	**(274)**	(22,919)	(98.8%)
NCI share of gain on dilution of interest in an associated company	**-**	14,505	N.M.	**-**	14,505	N.M.
Underlying Net Profit	**31,204**	32,882	(5.1%)	**83,630**	85,652	(2.4%)

N.M. Not meaningful.

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

Continuing Operations	**FY2019/20 Q3 S$'000**	FY2018/19 Q3 S$'000	Variance %	**FY2019/20 9M S$'000**	FY2018/19 9M S$'000	Variance %
Interest income and investment income (net)	**392**	1,693	(76.8%)	**5,596**	3,885	44.0%
Interest on borrowings	**(2,157)**	(2,252)	(4.2%)	**(6,451)**	(6,109)	5.6%
Depreciation and amortisation	**(16,867)**	(9,620)	75.3%	**(51,073)**	(28,793)	77.4%
Impairment loss on trade and other receivables	**(116)**	(81)	43.2%	**(1,151)**	(206)	@
Foreign exchange (losses) / gains	**(226)**	(1,315)	(82.8%)	**1,939**	(753)	N.M.
Losses on disposal of property, plant and equipment	**(30)**	(186)	(83.9%)	**(14)**	(229)	(93.9%)
Gain on dilution of interest in an associated company	**-**	42,662	N.M.	**-**	42,662	N.M.

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

Included in Loss from <u>**discontinued operations**</u>	**FY2019/20 Q3 S$'000**	FY2018/19 Q3 S$'000	Variance %	**FY2019/20 9M S$'000**	FY2018/19 9M S$'000	Variance %
Interest loss and investment loss (net)	**-**	(111)	N.M.	**(29)**	(153)	(81.0%)
Interest on borrowings	**-**	(74)	N.M.	**(860)**	(1,061)	(19.0%)
Depreciation and amortisation	**-**	(4,978)	N.M.	**-**	(14,483)	N.M.
(Impairment loss on) / reversal of impairment on trade and other receivables	**-**	(1,357)	N.M.	**491**	(1,808)	N.M.
Foreign exchange losses	**-**	(126)	N.M.	**(218)**	(167)	(30.5%)

<u>**Total**</u>	**FY2019/20 Q3 S$'000**	FY2018/19 Q3 S$'000	Variance %	**FY2019/20 9M S$'000**	FY2018/19 9M S$'000	Variance %
Interest income and investment income (net)	**392**	1,582	(75.2%)	**5,567**	3,732	49.2%
Interest on borrowings	**(2,157)**	(2,326)	(7.3%)	**(7,311)**	(7,170)	2.0%
Depreciation and amortisation	**(16,867)**	(14,598)	15.5%	**(51,073)**	(43,276)	18.0%
Impairment loss on trade and other receivables	**(116)**	(1,438)	(91.9%)	**(660)**	(2,014)	(67.2%)
Foreign exchange (losses) / gains	**(226)**	(1,441)	(84.3%)	**1,721**	(920)	N.M.
Loss on disposal of property, plant and equipment	(30)	(186)	(83.9%)	(14)	(229)	(93.9%)
Gain on dilution of interest in an associated company	-	42,662	N.M.	-	42,662	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	
	Dec-19	Mar-19	**Dec-19**	Mar-19
	S$'000	S$'000	**S$'000**	S$'000
ASSETS				
Current assets				
Cash and cash equivalents	**259,147**	392,220	**205,381**	330,266
Financial assets	**9,508**	7,230	**9,508**	7,230
Trade and other receivables	**315,199**	264,689	**273,609**	200,920
Derivative financial instruments	**-**	58	**-**	58
Inventories	**460**	692	**79**	180
Other current assets	**16,099**	21,339	**6,432**	6,496
	600,413	686,228	**495,009**	545,150
Non-current assets				
Financial assets	**92,937**	105,789	**19,108**	28,652
Trade and other receivables	**8,932**	7,797	**247,315**	249,452
Investments in associated companies and joint venture	**39,580**	39,840	**18,534**	18,534
Investments in subsidiaries	**-**	-	**318,371**	318,371
Investment properties	**999,284**	999,349	**948,253**	948,253
Property, plant and equipment	**447,270**	466,798	**279,958**	270,742
Right-of-use assets	**74,675**	-	**24,003**	-
Intangible assets	**304,941**	307,438	**-**	-
Deferred income tax assets	**2,835**	3,194	**-**	-
Other non-current asset	**2,890**	2,807	**-**	-
	1,973,344	1,933,012	**1,855,542**	1,834,004
Total assets	**2,573,757**	2,619,240	**2,350,551**	2,379,154
LIABILITIES				
Current liabilities				
Trade and other payables	**463,424**	486,990	**418,311**	408,147
Current income tax liabilities	**33,044**	44,291	**24,489**	35,254
Contract liabilities	**33,376**	38,214	**19,993**	23,041
Lease liabilities	**22,363**	-	**9,884**	-
Derivative financial instruments	**430**	440	**430**	440
Borrowings	**208,650**	281,842	**200,196**	268,581
	761,287	851,777	**673,303**	735,463
Non-current liabilities				
Trade and other payables	**12,245**	17,757	**1,768**	1,088
Borrowings	**7,647**	9,034	**-**	-
Contract liabilities	**32,842**	38,334	**32,830**	38,334
Lease liabilities	**63,189**	-	**14,406**	-
Deferred income tax liabilities	**40,547**	41,875	**22,988**	22,896
	156,470	107,000	**71,992**	62,318
Total liabilities	**917,757**	958,777	**745,295**	797,781
NET ASSETS	**1,656,000**	1,660,463	**1,605,256**	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	**75,937**	78,024	**41,640**	40,127
Retained earnings	**577,989**	579,633	**604,044**	585,832
Ordinary equity	**1,262,964**	1,266,245	**1,254,722**	1,234,547
Perpetual securities	**350,534**	346,826	**350,534**	346,826
	1,613,498	1,613,071	**1,605,256**	1,581,373
Non-controlling interests	**42,502**	47,392	**-**	-
Total equity	**1,656,000**	1,660,463	**1,605,256**	1,581,373

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

	Dec-19	Mar-19
	S$'000	S$'000
Amount repayable in one year or less, or on demand		
- Borrowings (secured)	**1,829**	1,666
- Borrowings (unsecured)	**206,821**	280,176
Amount repayable after one year:		
- Borrowings (secured)	**7,647**	9,034
	216,297	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 Q3 S$'000	FY2018/19 Q3 S$'000	**FY2019/20 9M S$'000**	FY2018/19 9M S$'000
Cash flows from operating activities				
Profit after tax	**29,576**	63,931	**81,680**	103,478
Adjustments for:				
Income tax expense	**8,372**	9,392	**25,225**	30,269
Impairment loss on trade and other receivables	**116**	1,438	**660**	2,014
Amortisation of contract liabilities	**(2,096)**	(1,764)	**(5,834)**	(5,365)
Amortisation of intangible assets	**114**	2,741	**393**	8,025
Depreciation	**16,755**	11,857	**50,681**	35,251
Gain on dilution of interest in an associated company	**-**	(42,662)	**-**	(42,662)
Losses on disposal of property, plant and equipment	**30**	186	**14**	229
Loss on derivative instrument	**-**	7,468	**-**	16,165
Share-based staff costs	**726**	515	**1,954**	1,558
Interest expense	**3,127**	2,326	**10,326**	7,170
Interest income	**(1,153)**	(1,449)	**(4,686)**	(4,198)
Share of (profit) / loss of associated companies and joint venture	**(46)**	(17)	**(110)**	7,092
	25,945	(9,969)	**78,623**	55,548
Operating cash flow before working capital changes	**55,521**	53,962	**160,303**	159,026
Changes in working capital, net of effects from acquisition and disposal of subsidiaries				
Inventories	**204**	123	**232**	121
Contract liabilities	**(641)**	2,324	**(4,496)**	549
Trade and other receivables	**(78,186)**	(29,409)	**(85,861)**	(26,361)
Trade and other payables	**56,759**	75,902	**20,583**	(1,340)
Cash generated from operations	**33,657**	102,902	**90,761**	131,995
Income tax paid	**(17,526)**	(15,399)	**(35,974)**	(32,693)
Net cash provided by operating activities	**16,131**	87,503	**54,787**	99,302
Cash flows from investing activities				
Additions to property, plant and equipment, investment properties and intangible assets	**(3,520)**	(6,651)	**(10,391)**	(25,449)
Deconsolidation of subsidiaries	**-**	-	**(3,934)**	-
Interest received	**1,415**	1,212	**5,145**	3,913
Loan to an associated company	**-**	(701)	**(1,040)**	(701)
Proceeds from sale of financial assets	**-**	-	**741**	106
Proceeds from disposal of property, plant and equipment	**5**	13	**89**	89
Proceeds on maturity of financial assets	**-**	-	**5,500**	-
Net cash used in investing activities	**(2,100)**	(6,127)	**(3,890)**	(22,042)
Cash flows from financing activities				
Distribution paid to perpetual securities	**-**	-	**(7,499)**	(7,499)
Dividends paid to shareholders	**(11,248)**	(11,283)	**(67,487)**	(67,860)
Dividends paid to non-controlling interests in a subsidiary	**-**	(314)	**(992)**	(586)
Interest paid	**(1,627)**	(4,050)	**(11,890)**	(8,725)
Proceeds from re-issuance of treasury shares	**-**	-	**-**	281
Purchase of treasury shares	**-**	(4,813)	**-**	(10,526)
Proceeds from bank loan	**8,806**	29,966	**78,405**	179,246
Repayment of principal portion of lease liabilities	**(6,674)**	-	**(20,665)**	-
Repayment of bank term loan	**(69,568)**	(30,225)	**(153,842)**	(129,761)
Net cash used in financing activities	**(80,311)**	(20,719)	**(183,970)**	(45,430)
Net (decrease) / increase in cash and cash equivalents	**(66,280)**	60,657	**(133,073)**	31,830
Cash and cash equivalents at beginning of financial period	**325,427**	285,223	**392,220**	314,050
Cash and cash equivalents at end of financial period	**259,147**	345,880	**259,147**	345,880

During the 9 months ended 31 December 2019, the deconsolidated US businesses used S$5.3 million (contributed 9M FY2018/19: S$5.9 million) in the Group's operating activities, contributed Nil (used in 9M FY2018/19: S$8.3 million) in respect of investing activities and paid S$7.1 million (contributed 9M FY2018/19: S$53.8 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 – Q3

	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$'000	Non-controlling interests S$'000	Total Equity S$'000
Balance at 1 October 2019	**638,762**	**(29,724)**	**562,493**	**74,592**	**1,246,123**	**346,785**	**1,592,908**	**43,432**	**1,636,340**
Total comprehensive income / (loss) for the period	**-**	**-**	**30,493**	**619**	**31,112**	**-**	**31,112**	**(930)**	**30,182**
Transactions with owners, recognised directly in equity									
Distribution of perpetual securities	**-**	**-**	**(3,749)**	**-**	**(3,749)**	**3,749**	**-**	**-**	**-**
Dividends paid to shareholders	**-**	**-**	**(11,248)**	**-**	**(11,248)**	**-**	**(11,248)**	**-**	**(11,248)**
Employee share option scheme:									
- Value of employee services	**-**	**-**	**-**	**726**	**726**	**-**	**726**	**-**	**726**
Total	**-**	**-**	**(14,997)**	**726**	**(14,271)**	**3,749**	**(10,522)**	**-**	**(10,522)**
Balance at 31 December 2019	**638,762**	**(29,724)**	**577,989**	**75,937**	**1,262,964**	**350,534**	**1,613,498**	**42,502**	**1,656,000**
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
Transactions with owners, recognised directly in equity									
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

The Group – 9M

	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$'000	Non-controlling interests S$'000	Total equity 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	**-**	**-**	**83,904**	**(3,586)**	**80,318**	**-**	**80,318**	**(3,491)**	**76,827**
Transactions with owners, recognised directly in equity									
Transfer upon disposal of investment	**-**	**-**	**5**	**(5)**	**-**	**-**	**-**	**(407)**	**(407)**
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	**-**	**-**	**(67,487)**	**-**	**(67,487)**	**-**	**(67,487)**	**-**	**(67,487)**
Dividends paid to non-controlling interests in a subsidiary	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(992)**	**(992)**
Employee share option scheme:									
- Value of employee services	**-**	**-**	**-**	**1,954**	**1,954**	**-**	**1,954**	**-**	**1,954**
- Treasury shares re-issued	**-**	**450**	**-**	**(450)**	**-**	**-**	**-**	**-**	**-**
Total	**-**	**450**	**(78,689)**	**1,499**	**(76,740)**	**3,708**	**(73,032)**	**(1,399)**	**(74,431)**
Balance at 31 December 2019	**638,762**	**(29,724)**	**577,989**	**75,937**	**1,262,964**	**350,534**	**1,613,498**	**42,502**	**1,656,000**
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

The Company – Q3

	Attributable to ordinary shareholders of the Company						
	Share capital	Treasury shares	Retained earnings	Other reserves	Total	Perpetual securities	Total
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Balance at 1 October 2019	**638,762**	**(29,724)**	**588,641**	**40,914**	**1,238,593**	**346,785**	**1,585,378**
Total comprehensive income for the period	**-**	**-**	**30,400**	**-**	**30,400**	**-**	**30,400**
Transactions with owners, recognised directly in equity							
Distribution on perpetual securities	**-**	**-**	**(3,749)**	**-**	**(3,749)**	**3,749**	**-**
Dividends paid to shareholders	**-**	**-**	**(11,248)**	**-**	**(11,248)**	**-**	**(11,248)**
Employee share option scheme:							
- Value of employee services	**-**	**-**	**-**	**726**	**726**	**-**	**726**
Total	**-**	**-**	**(14,997)**	**726**	**(14,271)**	**3,749**	**(10,522)**
Balance at 31 December 2019	**638,762**	**(29,724)**	**604,044**	**41,640**	**1,254,722**	**350,534**	**1,605,256**
Balance at 1 October 2018	638,762	(20,760)	744,161	38,581	1,400,744	346,785	1,747,529
Total comprehensive income for the period	-	-	35,740	(36)	35,704	-	35,704
Transactions with owners, recognised directly in equity							
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

The Company – 9M

	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	**-**	**-**	**96,901**	**14**	**96,915**	**-**	**96,915**
Transactions with owners, recognised directly in equity							
Transfer upon disposal of investment	**-**	**-**	**5**	**(5)**	**-**	**-**	**-**
Distribution on perpetual securities	**-**	**-**	**(11,207)**	**-**	**(11,207)**	**11,207**	**-**
Distribution paid on perpetual securities	**-**	**-**	**-**	**-**	**-**	**(7,499)**	**(7,499)**
Dividends paid to shareholders	**-**	**-**	**(67,487)**	**-**	**(67,487)**	**-**	**(67,487)**
Employee share option scheme:							
- Value of employee services	**-**	**-**	**-**	**1,954**	**1,954**	**-**	**1,954**
- Treasury shares re-issued	**-**	**450**	**-**	**(450)**	**-**	**-**	**-**
Total	**-**	**450**	**(78,689)**	**1,499**	**(76,740)**	**3,708**	**(73,032)**
Balance at 31 December 2019	**638,762**	**(29,724)**	**604,044**	**41,640**	**1,254,722**	**350,534**	**1,605,256**
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	-	-	105,659	93	105,752	-	105,752
Transactions with owners, recognised directly in equity							
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

(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 2019, no share was issued under the Singapore Post Share Option Scheme.

As at 31 December 2019, there were unexercised options for 13,782,000 (31 December 2018: 18,397,000) unissued ordinary shares under the Singapore Post Share Option Scheme (including Performance Option Plan but excluding Restricted Share Plan) and unvested shares for 8,549,496 (31 December 2018: 5,659,760) unissued ordinary shares under the Restricted Share Plan.

As at 31 December 2019, the Company held 25,511,422 treasury shares (31 December 2018: 21,097,852).

(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 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 3rd quarter ended 31 December 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 Q3	FY2018/19 Q3	**FY2019/20 9M**	FY2018/19 9M
Continued Operations				
Based on weighted average number of ordinary shares in issue	**1.19₵**	2.62₵	**3.76₵**	5.03₵
On fully diluted basis	**1.19₵**	2.62₵	**3.76₵**	5.03₵
Discontinued Operations				
Based on weighted average number of ordinary shares in issue	**-**	(0.57₵)	**(0.53₵)**	(1.36₵)
On fully diluted basis	**-**	(0.57₵)	**(0.53₵)**	(1.36₵)
Total				
Based on weighted average number of ordinary shares in issue	**1.19₵**	2.06₵	**3.23₵**	3.67₵
On fully diluted basis	**1.19₵**	2.06₵	**3.23₵**	3.67₵

(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-19	Mar-19	**Dec-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)	**71.72**	71.72	**71.36**	70.31

	The Group		The Company	
	Dec-19	Mar-19	**Dec-19**	Mar-19
Ordinary equity per ordinary share based on issued share capital of the Company at the end of the financial period (cents)	**56.14**	56.30	**55.78**	54.89

(8) Review of the performance of the group.

During the financial year, 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 2019. 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.

On 2 December 2019, the bankruptcy court entered orders approving the sale of substantially all of the assets of Jagged Peak, Inc. (the "Jagged Peak Sale") and the sale of substantially all of the assets of TradeGlobal LLC (the "TradeGlobal Sale"). On 12 December 2019 (U.S. time), the U.S. Subsidiaries filed notices with the bankruptcy court that the closing of the Jagged Peak Sale and the TradeGlobal Sale had occurred. SingPost does not expect any material financial impact to the SingPost Group from the Jagged Peak Sale and the TradeGlobal Sale.

For the third quarter ("Q3") and nine months ("9M") ended 31 December 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 Q3 S$'000	FY18/19 Q3 S$'000	Variance %	**FY19/20 9M S$'000**	FY18/19 9M S$'000	Variance %
Post and Parcel	**211,558**	213,203	(0.8%)	**584,923**	575,904	1.6%
Logistics	**132,884**	135,404	(1.9%)	**377,149**	385,636	(2.2%)
Property	**30,515**	30,671	(0.5%)	**90,700**	91,101	(0.4%)
Inter-segment eliminations*	**(19,043)**	(15,925)	19.6%	**(51,210)**	(50,090)	2.2%
Total	**355,914**	363,353	(2.0%)	**1,001,562**	1,002,551	(0.1%)

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

Group revenue declined 2.0% in Q3 due largely to the decline in domestic letter mail volumes, as well as lower freight forwarding revenue from a slowdown in global trade activities.

For 9M, revenue was stable with growth in International Post & Parcel offsetting lower freight forwarding revenue as well as depreciation of the Australian dollar against the Singapore dollar.

In the Post & Parcel segment, revenue remained largely stable in Q3. International revenue rose to a record of close to S$150 million on the back of higher cross-border eCommerce related deliveries, and this helped make up the decline in Domestic revenue. Domestic eCommerce-related volumes registered strong double-digit percentage growth during the quarter, but was insufficient to offset an accelerated decline to double-digit percentage in letter mail volumes, which continues to form the majority of revenue and volume.

For 9M, Post & Parcel revenue rose 1.6%, led by growth in International.

In the Logistics segment, revenue was lower by 1.9% in Q3 and 2.2% for 9M, due to a decline in freight forwarding revenue, as well as depreciation of the Australian dollar against the Singapore dollar. For Q3, there was an additional impact of the bushfires.

Quantium Solutions continued to deliver good operational momentum as revenue rose 25.6% in Q3 with the addition of new customers in Singapore and North Asia.

Property segment revenue, which comprises commercial property rental and the self-storage business, remained largely stable for Q3 and 9M, with SingPost Centre retail mall and office remaining at close to full occupancy.

Operating Expenses

Despite benefits delivered by our cost savings actions, taken in anticipation of a declining mail environment, operating expenses increased 3.5% for Q3 and 3.8% for 9M due to significant investments to improve service levels, as well as the impact of higher terminal dues for the International Postal business.

Volume-related expenses, which remain the largest cost component for the Group, rose 2.7% in Q3 and 5.0% in 9M. This reflects outpayments for international postal terminal dues and mail conveyancing costs, which supports the higher revenues for the International Post and Parcel business. The above was partially offset by lower costs for the freight forwarding business in line with lower revenue.

Labour and related expenses rose 3.9% in Q3 and 2.9% in 9M, with additional postmen hired for the Singapore postal operations, as well as higher remuneration, as part of initiatives to improve service levels.

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 consolidated income 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	**Q3 FY2019/20**	**9M FY2019/20**
	S$'M	**S$'M**
Administrative and others – Operating lease	8.1	23.7
Depreciation expense for right-of-use assets	(7.3)	(21.9)
Finance expense	(1.0)	(3.0)
Net impact to P&L	**(0.2)**	**(1.2)**

Largely as a result of the above, Administrative and other expenses declined 15.3% in Q3 and 23.2% for 9M, while Depreciation and amortisation expenses rose 75.3% in Q3 and 77.4% for 9M.

Selling-related expense rose 25.5% in Q3 and 22.2% for 9M, due to lower cost recovery for international postal items compared to the corresponding periods last year.

Impairment loss on trade and other receivables was higher at S$116,000 for Q3 and S$1.2 million for 9M, largely due to higher provisions for bad debt in relation to International Post & Parcel.

Other income

Other income rose to S$3.9 million in Q3 and S$6.8 million for 9M due largely to trade-related foreign currency exchange differences as well as trade-related interest income received.

Profit on operating activities

	FY19/20 Q3 S$'000	FY18/19 Q3 S$'000	Variance %	**FY19/20 9M S$'000**	FY18/19 9M S$'000	Variance %
Post and Parcel	**38,130**	47,622	(19.9%)	**109,451**	131,450	(16.7%)
Logistics	**(710)**	455	N.M.	**(3,352)**	(1,194)	180.7%
Property	**13,858**	13,853	0.0%	**40,506**	40,389	0.3%
Others*	**(9,930)**	(7,127)	39.3%	**(24,292)**	(18,863)	28.8%
Profit on operating activities	**41,348**	54,803	(24.6%)	**122,313**	151,782	(19.4%)

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

Profit on operating activities declined 24.6% in Q3 and 19.4% in 9M, largely due to lower earnings from Domestic Post and Parcel as a result of lower letter mail volumes.

In the Post & Parcel segment, Profit on operating activities declined 19.9% for Q3 and 16.7% for 9M. Domestic earnings declined as growth from eCommerce-related deliveries was insufficient to offset an accelerated decline in letter volumes and the partial cessation of advertising mail volumes. In addition, higher costs were incurred 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$0.7 million for Q3, compared to S$0.5 million profit in Q3 last year. This was largely due to losses at Couriers Please in December, which was impacted by the bushfires in Australia.

For 9M, losses were S$3.4 million compared to S$1.2 million in 9M last year. While Quantium Solutions' financial performance improved with improved operating leverage, this was offset by onboarding costs for eCommerce customers in Asia Pacific (SP eCommerce), as well as lower freight forwarding profit due to lower volumes from the slowdown in global trade (Famous Holdings), and to a lesser extent, the Q3 negative impact from Couriers Please.

Under the Property segment, profit on operating activities was stable for both Q3 and 9M.

Under the Others segment, expenses rose by S$2.8 million to S$9.9 million in Q3, largely due to a one-off settlement of professional fees, and higher provision for doubtful debt.

For 9M, Others rose by S$5.4 million to S$24.3 million, due largely to the fee mentioned above, and higher provision for doubtful debt compared to the corresponding period last year.

Exceptional items

In Q3 and 9M last year, the Group had recorded an exceptional gain of S$31.8 million and S$22.9 million respectively, largely due to gain on dilution of interest in 4PX, partly offset by fair value loss on warrants of S$7.5 million from GD Express. Details are provided in the Underlying Net Profit Reconciliation Table on page 4.

In comparison, the exceptional items this year were significantly lower with a loss of S$0.7 million in Q3 due to professional fees not within the ordinary course of business. For 9M, there was a gain of S$0.3 million with the above professional fees offset by a reversal of over-provision of contingent consideration in a foreign subsidiary.

Interest Income and Finance Expense

Interest income and investment income declined to S$0.4 million in Q3 due to unfavourable non-trade related foreign currency translation movement. For 9M, Interest income and investment income rose to S$5.6 million, due to higher interest income and favourable non-trade related foreign currency translation movement.

Finance expenses rose to S$3.1 million in Q3 and S$9.5 million in 9M, due to higher finance costs of S$1.0 million in Q3 and S$3.0 million in 9M from the adoption of SFRS(I) 16 Leases accounting treatment.

Share of Results of Associated Companies and Joint Venture

With effect from Q3 last year, the Group had ceased equity accounting for 4PX and disposed of its stake in Indo Trans Logistics Corporation (“ITL”).

Accordingly, the share of profit from associated companies and joint venture was S$46,000 in Q3, compared to S$17,000 in the corresponding period last year.

For 9M, the share of profit was S$0.1 million, compared to losses of S$7.1 million for 9M last year, which still included 4PX and ITL results.

Income Tax Expense

Income tax expense declined 10.9% in Q3 to S$8.4 million with lower profit on operating activities. For 9M, income tax expense declined 19.2% as there was an additional tax provision in Q1 last year for a foreign subsidiary.

Discontinued Operations

Loss from discontinued operations was zero in Q3, compared to a loss of S$12.8 million in the corresponding period last year, as the Group had deconsolidated the financials for the U.S. Subsidiaries with effect from September 2019. Consequently, loss from discontinued operations for 9M was lower at S$12.0 million compared to S$30.8 million in the corresponding period last year.

Net Profit

With the absence of the significant exceptional gain recorded last year, net profit declined 39.3% to S$30.5 million for 3Q, and declined 10.8% to S$83.9 million for 9M.

Underlying Net Profit

The absence of losses from the U.S. Subsidiaries compared to the corresponding period last year, was offset by lower profit for Post and Parcel due to lower domestic letter volumes.

Accordingly, underlying net profit, which excludes exceptional items, declined by 5.1% to S$31.2 million in Q3, and by 2.4% to S$83.6 million for 9M.

Statement of Financial Position

Assets

The Group's total assets amounted to S$2.6 billion as at 31 December 2019.

Current assets declined to S$600.4 million as at 31 December 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 repayment of a bank loan, as well as net outpayments for international postal terminal dues during the period.

Trade and other receivables rose to S$315.2 million as at 31 December 2019, from S$264.7 million as at 31 March 2019, due to revenue growth from international eCommerce deliveries.

Current financial assets, which largely comprise SingPost's investments in corporate bonds, rose to S$9.5 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 of S$58,000 was reclassified to liabilities after being marked to market.

Current inventories declined to S$0.5 million from S$0.7 million due to lower inventory in Australia.

Other current assets declined to S$16.1 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$74.7 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$92.9 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$8.9 million from S$7.8 million due to a loan to an associated company.

Property, plant and equipment declined to S$447.3 million from S$466.8 million, mainly due to depreciation charges for the period.

Intangible assets declined slightly to S$304.9 million as at 31 December 2019, compared to S$307.4 million as at 31 March 2019, due to translation differences largely from the Australian dollar, as well as amortisation.

Deferred income tax assets declined to S$2.8 million from S$3.2 million largely due to deconsolidation of the U.S. Subsidiaries.

Liabilities

The Group's total liabilities were S$917.8 million as at 31 December 2019, compared to S$958.8 million as at 31 March 2019.

Current liabilities declined to S$761.3 million, from S$851.8 million, due substantially to a decline in current borrowings to S$208.7 million, from S$281.8 million, with the repayment of a bank loan during the period.

Trade and other payables declined to S$463.4 million, from S$487.0 million, as a result of settlement of international postal payments.

This was partially offset by an increase in Lease liabilities of S$22.4 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$33.4 million, from S$38.2 million, due to lower advance collection for franked mail.

Current income tax liabilities declined to S$33.0 million due to lower tax provisioning and payments.

The Group is showing a net current liability position as at 31 December 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$156.5 million, from S$107.0 million, largely because of an S$63.2 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$12.2 million from S$17.8 million largely due to reclassification of a deferred rent liabilities to Right-of-use assets in accordance to SFRS(I) 16 Leases from 1 April 2019, as well as deconsolidation of the U.S. subsidiaries.

Non-current borrowings declined to S$7.6 million from S$9.0 million due to net repayment of borrowings.

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$32.8 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 nine months of the financial year, operating cash flow before working capital changes was S$160.3 million, compared to S$159.0 million last year.

Working capital movement for 9M was negative S$69.5 million, due largely to an increase in trade receivables, as a one-time change in contracting party for eCommerce deliveries from China led to a timing difference in payments received. (Since the close of the period ended 31 December 2019, about S$51 million payment in respect of these trade receivables have been received.)

Consequently, net cash inflow from operating activities for 9M declined to S$54.8 million, compared against S$99.3 million in the corresponding period last year.

Net cash outflow for investing activities was S$3.9 million for 9M, compared to outflow of S$22.0 million in the corresponding period last year, due largely to lower capital expenditure, which declined to S$10.4 million compared to S$25.4 million last year.

Net cash outflow from financing activities for 9M amounted to S$184.0 million, compared to outflow of S$45.4 million in the same period last year. The difference was largely due to net repayment of bank loan of S$75.4 million, compared to net proceeds of S$49.5 million in the corresponding period last year.

Financial Position

As at 31 December 2019, the Group was in a net cash position of S$42.9 million, compared to a net cash position of S$101.3 million as at 31 March 2019, largely due to payment of dividends, net 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$1.26 billion as at 31 December 2019, marginally lower compared to 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 has shown an accelerated decline, while eCommerce related packet and parcel volumes continue to grow. The Group has invested significantly to improve service quality, which has shown results over the peak season. The above are expected to result in lower blended margins and lower operating cashflows.

International mail continues to grow on the back of cross-border eCommerce deliveries. However, higher terminal dues has taken effect from 1 January 2020. We will continue to manage our traffic mix in order to mitigate the impact of the increases.

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

The novel coronavirus issue has not had a material impact to the Group results thus far. However, if this situation persists or worsens, it might create further macroeconomic headwinds.

(11) Dividends

Current financial period reported on

Interim dividend
For the third quarter ended 31 December 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 28 February 2020. The Share Transfer Books and Register of Members of the Company will be closed on 20 February 2020 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 19 February 2020, will be registered to determine members' entitlements to the interim 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 2018 was declared on 1 February 2019 and paid on 28 February 2019.

(12) If no dividend has been declared (recommended), a statement to that effect and the reason(s) for the decision.

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.

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 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$100,000)**	
	FY2019/20 Q3 S$'000	FY2018/19 Q3 S$'000	**FY2019/20 Q3 S$'000**	FY2018/19 Q3 S$'000
Sales				
Singapore Telecommunications Group	**-**	-	**202**	850*
	-	-	**202**	850
Purchases				
Ascendas Real Estate Investment Trust	**-**	-	**-**	831*
PSA Corporation	**-**	-	**273***	-
Sembcorp Group	**-**	-	**-**	150
	-	-	**273**	981
Total interested person transactions	**-**	-	**475**	1,831

	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$100,000)	
	FY2019/20 9M S$'000	FY2018/19 9M S$'000	**FY2019/20 9M S$'000**	FY2018/19 9M S$'000
Sales				
Singapore Telecommunications Group	**-**	-	**1,567**	1,337*
Starhub Group	**-**	-	**432**	558
	-	-	**1,999**	1,895
Purchases				
Ascendas Real Estate Investment Trust	**-**	-	**-**	831*
PSA Corporation	**-**	-	**1,222***	2,256*
Sembcorp Group	**-**	-	**8,200***	150
Singapore Airlines Group	**-**	-	**18,780**	5,100
Singapore Telecommunications Group	**-**	-	**-**	812*
	-	-	**28,202**	9,149
Total interested person transactions	**-**	-	**30,201**	11,044

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 third quarter ended 31 December 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
7 February 2020

Financial results
Q3 & 9M FY2019/20

7 Feb 2020

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.

- Q3 & 9M FY2019/20 Financials
- Cash flow and Balance sheet
- Segmental results
- Outlook

Q3 FY2019/20 financial statement

S$M	Q3 FY18/19	Q3 FY19/20	YoY % change	
Revenue	**363.4**	**355.9**	**(2.0%)**	In spite of record revenue of close to S$150m for International Post & Parcel, this was insufficient to offset the decline in domestic letter mail, as well as lower freight forwarding revenue from a slowdown in global trade
Operating expenses	(307.7)	(318.4)	+3.5%	
Profit on operating activities	**54.8**	**41.3**	**(24.6%)**	Consequently, profit on operating activities declined
Share of associated companies & JV	0.0	0.0	+170.6%	Ceased equity accounting for 4PX and disposed stake in Indo Trans Logistics
Exceptional items	31.8	(0.7)	N.M.	Exceptional gain last year largely due to gain on dilution of interest in 4PX
Income tax expense	(9.4)	(8.4)	(10.9%)	
Loss from discontinued operations	(12.8)	-	N.M.	
Net profit attributable to equity holders	**50.2**	**30.5**	**(39.3%)**	Due to the absence of the significant exceptional gain on dilution recorded last year
Underlying net profit	**32.9**	**31.2**	**(5.1%)**	The absence of losses from the U.S. Subsidiaries compared to last year, was offset by lower profit for Post and Parcel due to lower domestic letter volumes

N.M. denotes Not Meaningful

Q3 FY2019/20 expenses

S$M	Q3 FY18/19	Q3 FY19/20	YoY % change
Operating expenses	**(307.7)**	**(318.4)**	**+3.5%**
Volume-related	(193.5)	(198.8)	+2.7%
Labour & related	(70.3)	(73.1)	+3.9%
Admin, selling-related & others	(34.2)	(29.7)	(13.2%)
Depreciation & amortisation	(9.6)	(16.9)	+75.3%

S$M	Q3 FY18/19	Q3 FY19/20	YoY % change
Finance expenses	**(2.3)**	**(3.1)**	**+38.7%**

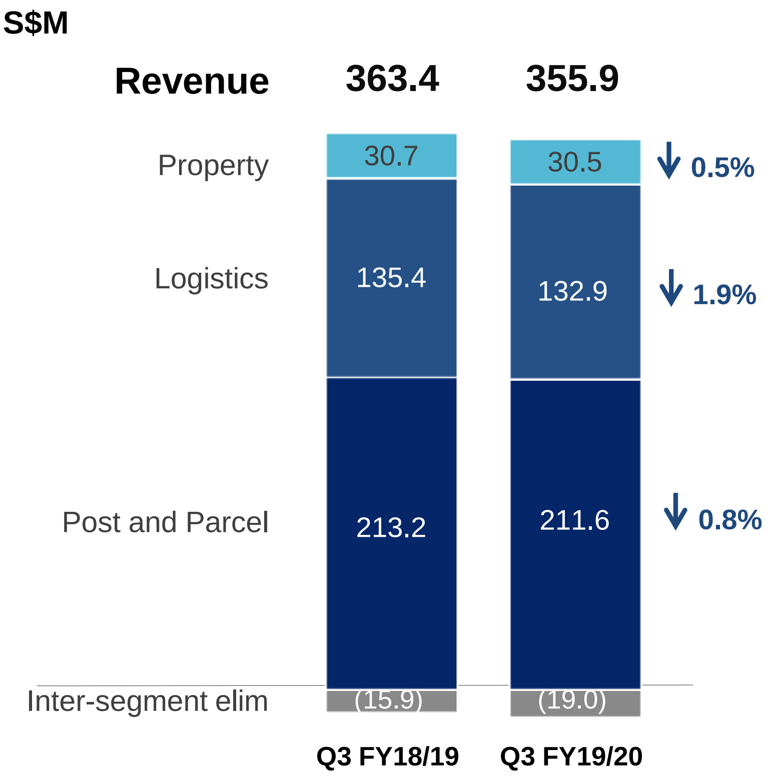
Despite benefits delivered by our cost savings actions, taken in anticipation of a declining mail environment, opex rose 3.5% due to significant investments to improve service levels, as well as the impact of higher terminal dues for the International Postal business

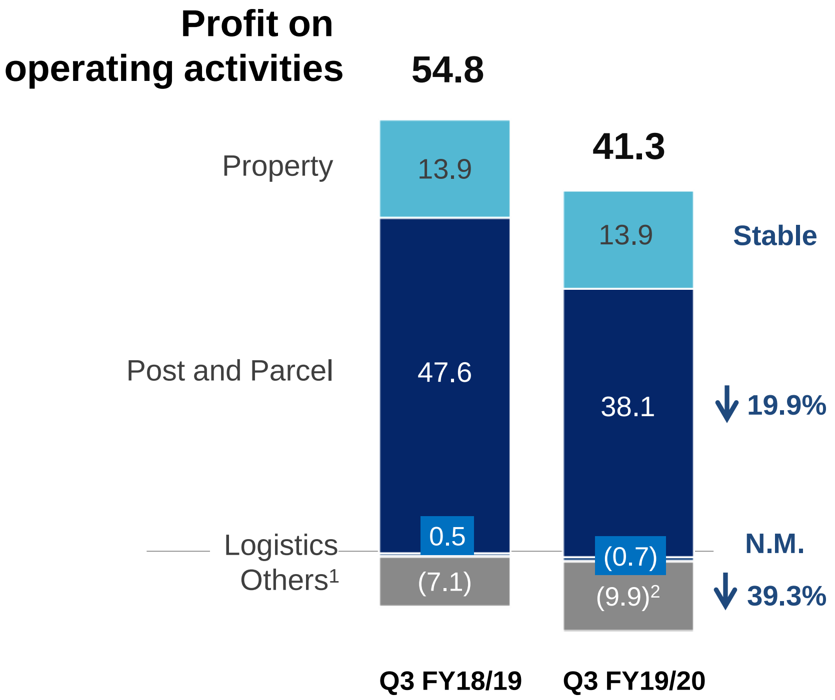
Additional postmen hired for the Singapore postal operations, as well as higher remuneration

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	Q3 FY19/20
Admin & others – Operating lease expense	8.1
Depreciation expense for right-of-use assets	(7.3)
Finance expense for right-of-use assets	(1.0)
Net impact to P&L	**(0.2)**

Q3 FY19/20 segment revenue and POA (Continuing operations)





1. Refer to unallocated corporate overhead items and trade-related foreign currency translation differences.
2. The increase was largely due to a one-off settlement of professional fees, and higher provision for doubtful debt.

N.M. denotes Not Meaningful

Cash flow & Balance sheet

Free cash flow

S$M	9M FY18/19	9M FY19/20
Operating cash flow before working capital changes	159.0	160.3
Changes in working capital	(27.0)	(69.5)
Income tax paid	(32.7)	(36.0)
Net cash provided by operating activities	99.3	54.8
Capital expenditure	(25.4)	(10.4)
Free cash flow	**73.9**	**44.4**

- Stable operating cash flow before working capital changes
- Due largely to an increase in trade receivables, as a one-time change in contracting party for eCommerce deliveries from China led to a timing difference in payments received

Since the close of the period ended 31 December 2019, about S$51 million payment in respect of these trade receivables have been received

Financial indicators

S$M Financial indicators	As at Mar 2019	**As at Dec 2019**
Cash & cash equivalents at end of financial period	392.2	259.1
Borrowings	290.9	216.3
Net cash / (debt) position	101.3	42.9

— Lower compared to March 2019, due to payment of dividends, timing of receivables in respect of International eCommerce deliveries, as well as net repayment of a bank term loan

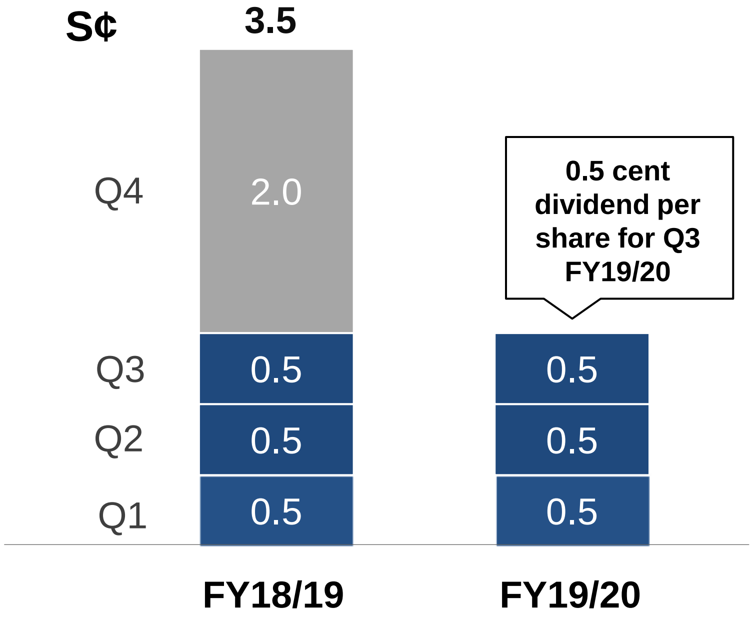
	9M FY18/19	**9M FY19/20**
EBITDA[1]	180.5	162.7
EBITDA to finance expense (times)	25.2x	15.8x
Adjusted to exclude impact of SFRS(1) 16 *Leases*	-	22.3x

— Increase was due to adoption of SFRS(I) 16 *Leases*

1. EBITDA is defined as profit before tax, adding back interest and depreciation and amortisation expenses.

Maintained dividend for Q3 FY2019/20

Dividend per share



Books closure: 20 Feb 2020
Payment date: 28 Feb 2020

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	Q3 FY18/19	Q3 FY19/20	YoY % change	9M FY18/19	9M FY19/20	YoY % change
Revenue	**213.2**	**211.6**	**(0.8%)**	**575.9**	**584.9**	**+1.6%**
Domestic[1]	*73.5*	*63.3*	*(13.8%)*	*212.5*	192.7	*(9.3%)*
International	*139.7*	*148.2*	*+6.1%*	*363.4*	*392.2*	*+7.9%*
Profit on operating activities	**47.6**	**38.1**	**(19.9%)**	**131.5**	**109.5**	**(16.7%)**
Margin	*22.3%*	*18.0%*		*22.8%*	18.7%	

Revenue remained largely stable in Q3. International revenue rose to a record of close to S$150 million on the back of higher cross-border eCommerce-related deliveries, and this helped make up the decline in Domestic revenue. Domestic eCommerce-related volumes registered strong double-digit percentage growth during the quarter, but was insufficient to offset an accelerated decline to double-digit percentage in letter mail volumes, which continues to form the majority of revenue and volume. For 9M, Post & Parcel revenue rose 1.6%, led by growth in International.

Profit on operating activities declined 19.9% for Q3 and 16.7% for 9M. Domestic earnings declined as growth from eCommerce-related deliveries was insufficient to offset an accelerated decline in letter volumes and the partial cessation of advertising mail volumes. In addition, higher costs were incurred 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	Q3 FY18/19	Q3 FY19/20	YoY % change	9M FY18/19	9M FY19/20	YoY % change
Revenue	**135.4**	**132.9**	**(1.9%)**	**385.6**	**377.1**	**(2.2%)**
eCommerce logistics[1]	*68.2*	*70.8*	*+3.8%*	*193.3*	191.1	*(1.1%)*
Freight forwarding[2]	*67.2*	*62.1*	*(7.6%)*	*192.4*	186.0	*(3.3%)*
Profit on operating activities	**0.5**	**(0.7)**	**N.M.**	**(1.2)**	**(3.4)**	**(180.7%)**
Margin	*0.3%*	*(0.5%)*		*(0.3%)*	(0.9%)	

Revenue was lower by 1.9% in Q3 and 2.2% for 9M, due to a decline in freight forwarding revenue, as well as depreciation of the Australian dollar against the Singapore dollar. For Q3, there was an additional impact of the bushfires. Quantium Solutions continued to deliver good operational momentum as revenue rose 25.6% in Q3 with the addition of new customers in Singapore and North Asia.

Losses on operating activities stood at S$0.7 million for Q3, compared to S$0.5 million profit in Q3 last year. This was largely due to losses at Couriers Please in December, which was impacted by the bushfires in Australia. For 9M, losses were S$3.4 million compared to S$1.2 million in 9M last year. While Quantium Solutions' financial performance improved with improved operating leverage, this was offset by onboarding costs for eCommerce customers in Asia Pacific (SP eCommerce), as well as lower freight forwarding profit due to lower volumes from the slowdown in global trade (Famous Holdings), and to a lesser extent, the Q3 negative impact from Couriers Please.

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

N.M. denotes Not Meaningful

Property

S$M

Property	Q3 FY18/19	Q3 FY19/20	YoY % change	9M FY18/19	9M FY19/20	YoY % change
Revenue	**30.7**	**30.5**	**(0.5%)**	**91.1**	**90.7**	**(0.4%)**
Profit on operating activities	**13.9**	**13.9**	**+0.0%**	**40.4**	**40.5**	**+0.3%**
Margin	*45.2%*	*45.4%*		*44.3%*	*44.7%*	

Property segment revenue, which comprises commercial property rental and the self-storage business, remained largely stable for Q3 and 9M, with SingPost Centre retail mall and office remaining at close to full occupancy.

Profit on operating activities was stable for both Q3 and 9M.

Outlook

Outlook

In Singapore, domestic letter mail volume has shown an accelerated decline, while eCommerce-related packet and parcel volumes continue to grow. The Group has invested significantly to improve service quality, which has shown results over the peak season. The above are expected to result in lower blended margins and lower operating cashflows.

International mail continues to grow on the back of cross-border eCommerce deliveries. However, higher terminal dues has taken effect from 1 January 2020. We will continue to manage our traffic mix in order to mitigate the impact of the increases.

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

The novel coronavirus issue has not had a material impact to the Group results thus far. However, if this situation persists or worsens, it might create further macroeconomic headwinds.

Thank You

Supplementary information

9M FY2019/20 financial statement

S$M	9M FY18/19	9M FY19/20	YoY % change
Revenue	**1,002.6**	**1,001.6**	**(0.1%)**
Operating expenses	(853.2)	(886.0)	+3.8%
Profit on operating activities	**151.8**	**122.3**	**(19.4%)**
Share of associated companies & JV	(7.1)	0.1	N.M.
Exceptional items	22.9	0.3	(98.8%)
Income tax expense	(31.1)	(25.2)	(19.2%)
Loss from discontinued operations	(30.8)	(12.0)	(61.0%)
Net profit attributable to equity holders	**94.1**	**83.9**	**(10.8%)**
Underlying net profit	**85.7**	**83.6**	**(2.4%)**

N.M. denotes Not Meaningful

9M FY2019/20 expenses

S$M	9M FY18/19	9M FY19/20	YoY % change
Operating expenses	**(853.2)**	**(886.0)**	**+3.8%**
Volume-related	(512.1)	(537.5)	+5.0%
Labour & related	(208.0)	(214.1)	+2.9%
Admin, selling-related & others	(104.4)	(83.4)	(20.1%)
Depreciation & amortisation	(28.8)	(51.1)	+77.4%

S$M	9M FY18/19	9M FY19/20	YoY % change
Finance expenses	**(6.1)**	**(9.5)**	**+54.9%**

Impact on adoption of SFRS(I) 16	9M FY19/20
Admin & others – Operating lease expense	23.7
Depreciation expense for right-of-use assets	(21.9)
Finance expense for right-of-use assets	(3.0)
Net impact to P&L	**(1.2)**

Underlying Net Profit Reconciliation Table

S$'000	Q3 FY18/19	Q3 FY19/20	9M FY18/19	9M FY19/20
Profit attributable to equity holders	**50,202**	**30,493**	**94,066**	**83,904**
Exceptional items	**(31,825)**	**711**	**(22,919)**	**(274)**
Additional provision for contingent consideration of a foreign subsidiary	2,539	-	2,539	-
Professional fees	644	681	810	683
Gain on dilution of interest in an associated company	(42,662)	-	(42,662)	-
Losses / (gain) on disposal of property, plant and equipment	186	30	229	14
Fair value loss on warrants from an associated company	7,468	-	16,165	-
Reversal of over-provision of contingent consideration in a foreign subsidiary	-	-	-	(971)
NCI share of gain on dilution of interest in an associated company	**14,505**	**-**	**14,505**	**-**
Underlying net profit	**32,882**	**31,204**	**85,652**	**83,630**

Media Release

Singapore Post third quarter net profit declines to S$30.5 million due to absence of prior year's exceptional gains

- **Revenue down 2% to S$355.9 million, due to declining domestic letter mail volumes and slowdown in global trade**
- **Excluding exceptional items, Underlying Net Profit slips S$1.7 million to S$31.2 million**
- **Interim dividend of 0.5 cent per share declared**

Financial Highlights

GROUP RESULTS	Q3 FY19/20 (S$'000)	Q3 FY18/19 (S$'000)	Variance	9M FY19/20 (S$'000)	9M FY18/19 (S$'000)	Variance
***Continuing operations*[1]**						
Revenue	355,914	363,354	(2.0%)	1,001,562	1,002,551	(0.1%)
Operating expenses	(318,433)	(307,716)	3.5%	(886,049)	(853,221)	3.8%
Profit on operating activities	41,348	54,803	(24.6%)	122,313	151,782	(19.4%)
Share of loss of associated companies and joint venture	46	17	170.6%	110	(7,092)	N.M.
Exceptional items	(711)	31,825	N.M.	274	22,919	(98.8%)
***Discontinued operations*[2]**						
Loss from discontinued operations	-	(12,756)	N.M.	(11,994)	(30,779)	(61.0%)
Group total						
Net profit	30,493	50,202	(39.3%)	83,904	94,066	(10.8%)
Underlying net profit	31,204	32,882	(5.1%)	83,630	85,652	(2.4%)
Dividend per share(cents)	0.5	0.5	-	1.5	1.5	-

N.M. – Not meaningful

SINGAPORE, 7 February 2020 – Singapore Post Limited (SingPost) today announced its results for the third quarter ending 31 December 2019.

Revenue for the quarter was down 2% to S$355.9 million, largely due to an accelerated decline in domestic letter mail volumes, as well as weak performance in the freight forwarding business. This is in spite of the highest quarterly revenue of S$148 million ever

[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, since the second quarter ending 30 September 2019, the consolidated financial statement of the Group has been 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'.

achieved by the international post and parcel business, which was insufficient to offset the declines.

Net profit attributable to equity holders dropped to S$30.5 million for Q3, due to an absence of significant exceptional gains recorded last year.

The absence of losses from the U.S. subsidiaries compared to the corresponding period last year was offset by lower profit for Post and Parcel due to lower domestic letter volumes. Excluding the impact of exceptional items, underlying net profit was down 5.1% to S$31.2 million for the quarter.

Mr Paul Coutts, Group Chief Executive Officer, said: “Even though eCommerce-related deliveries have shown strong growth, we are seeing these benefits being eroded by the decline in letter mail volumes.

“As part of our response to the decline of domestic letter mail volumes, we will continue with our *Future of Post* strategy to reposition ourselves and transform Singapore’s postal landscape. We expect to commence trials of our new technology in the coming months,” Mr Coutts added.

Performance of Business Segments

The Post and Parcel segment revenue remained stable for Q3 at S$211.6 million. International post and parcel revenue posted a record high on the back of higher cross-border eCommerce related deliveries, and this helped make up the decline in Domestic revenue.

Domestic eCommerce-related volumes registered strong double-digit percentage growth during the quarter, but the gains were offset by a double-digit percentage decline in domestic letter mail volumes, which continue to make up the majority of revenue in this segment. This is intensified by higher costs incurred for service quality improvements this year, including the hiring of additional postmen to handle the increased eCommence deliveries and enhancement of their remuneration since the beginning of the financial year.

Profit on operating activities for the segment was down 19.9% to S$38.1 million for Q3.

For the Logistics segment, revenue was lower by 1.9% in Q3, due to a decline in freight forwarding volumes as a result of the slowdown in global trade and lower contributions from CouriersPlease, our courier delivery service in Australia. CouriersPlease was also affected by the depreciation of the Australian dollar and lower parcel volumes as a result of the Australian bushfires. However, the dip in segment revenue was mitigated by strong performance by Quantium Solutions, which saw a 25.6% revenue gain as a result of new customers in Singapore and North Asia.

Overall, losses on operating activities for the Logistics segment stood at S$0.7 million for Q3 this year, largely incurred by CouriersPlease, as compared to S$0.5 million profit last year.

In the Property segment comprising our commercial property, rental and self-storage business, revenue remained largely stable at S$30.5 million for Q3, with SingPost Centre retail mall and office remaining at close to full occupancy. Profit on operating activities for Q3 held stable at S$13.9 million.

Interim dividend

For the third 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 28 February 2020.

- End -

Media Contacts

Robin Goh
Tel: +65 9093 5772
Email: robingoh@singpost.com

Shannon Lim (Mr)
Tel: +65 9728 8580
Email: shannonlim@singpost.com

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.