FINANCIAL STATEMENTS AND RELATED ANNOUNCEMENT::HALF YEARLY RESULTS

Issuer & Securities

Issuer/ Manager

SINGAPORE POST LIMITED

Securities

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Please refer to the attachments.

Additional Details

For Financial Period Ended

30/09/2020

Attachments

SGXNET_1HFY2021.pdf

ResultsPresentation_1HFY2021.pdf

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SINGAPORE POST LIMITED
AND ITS SUBSIDIARIES

(Registration number: 199201623M)

SGXNET ANNOUNCEMENT
UNAUDITED RESULTS FOR THE
HALF YEAR ENDED 30 SEPTEMBER 2020

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	**FY2020/21 H1 S$'000**	FY2019/20 H1 S$'000	Variance %
Revenue	**707,781**	645,648	9.6%
Labour and related expenses	**(149,865)**	(140,953)	6.3%
Volume-related expenses[1]	**(429,215)**	(338,754)	26.7%
Administrative and other expenses	**(50,324)**	(48,595)	3.6%
Depreciation and amortisation	**(33,056)**	(34,206)	(3.4%)
Selling expenses	**(3,197)**	(4,073)	(21.5%)
Impairment loss on trade and other receivables	**(4,708)**	(1,035)	@
Operating expenses	**(670,365)**	(567,616)	18.1%
Other income	**2,367**	2,933	(19.3%)
Profit on operating activities	**39,783**	80,965	(50.9%)
Share of profit of associated companies and joint venture	**319**	64	@
Exceptional items[2]	**(532)**	985	N.M.
Interest income and investment income (net)	**3,275**	5,204	(37.1%)
Finance expenses	**(5,056)**	(6,339)	(20.2%)
Profit before tax	**37,789**	80,879	(53.3%)
Income tax expense	**(6,982)**	(16,781)	(58.4%)
Profit from continuing operations	**30,807**	64,098	(51.9%)
Discontinued operations[3]			
Loss from discontinued operations	**-**	(11,994)[3]	N.M.
Profit after tax	**30,807**	52,104	(40.9%)
Attributable to:			
Equity holders of the Company	**30,940**	53,411	(42.1%)
Non-controlling interests	**(133)**	(1,307)	(89.8%)
Underlying Net Profit [4]	**31,472**	52,426	(40.0%)

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

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

	FY2020/21 H1	FY2019/20 H1
Continuing operations		
- Basic	**1.04₵**	2.57₵
- Diluted	**1.04₵**	2.57₵
Discontinued operations		
- Basic	**-**	(0.53₵)
- Diluted	**-**	(0.53₵)

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 last year 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

	FY2020/21	FY2019/20	
	H1	H1	Variance
	S$'000	S$'000	%
Profit after tax	**30,807**	52,104	(40.9%)
Other comprehensive income (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			
- Gain / (loss) on translation of foreign operations	**10,936#**	(6,052)	N.M.
- Transfer to profit or loss arising from disposal of foreign subsidiaries	**-**	2,115	N.M.
Items that will not be reclassified subsequently to profit loss:			
Equity investments at fair value through other comprehensive income			
- Fair value gain / (loss)	**114**	(3,149)	N.M.
- Gain on sale	**-**	5	N.M.
Other comprehensive income / (loss) for the period (net of tax)	**11,050**	(5,459)	N.M.
Total comprehensive income for the period*	**41,857**	46,645	(10.3%)
Total comprehensive income attributable to:			
Equity holders of the Company	**42,252**	49,206	(14.1%)
Non-controlling interests	**(395)**	(2,561)	(84.6%)
	41,857	46,645	(10.3%)

* As shown in the Statement of changes in equity on pages 9 and 10.
\# Mainly due to translation of foreign operations in Australia.

N.M. Not meaningful.

Underlying Net Profit Reconciliation Table

	FY2020/21 H1	FY2019/20 H1	Variance
	S$'000	S$'000	%
Profit attributable to equity holders of the Company	**30,940**	53,411	(42.1%)
Impairment of investment and loan to an associated company	**472**	-	N.M.
Gain on disposal of property, plant and equipment	**(162)**	(16)	@
Professional fees	**76**	2	@
Provision for the restructuring of overseas operations	**146**	-	N.M.
Reversal of over-provision for contingent consideration of a foreign subsidiary	**-**	(971)	N.M.
Underlying Net Profit	**31,472**	52,426	(40.0%)

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

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

Continuing Operations	**FY2020/21 H1 S$'000**	FY2019/20 H1 S$'000	Variance %
Other interest income and investment income (net)	**3,275**	5,204	(37.1%)
Interest on borrowings	**(2,987)**	(4,294)	(30.4%)
Depreciation and amortisation	**(33,056)**	(34,206)	(3.4%)
Impairment loss on impairment on trade and other receivables	**(4,708)**	(1,035)	@
Foreign exchange gains	**2,560**	2,165	18.2%
Gain on disposal of property, plant and equipment	**162**	16	@

Included in loss from discontinued operations	**FY2020/21 H1 S$'000**	FY2019/20 H1 S$'000	Variance %
Interest income and investment income (net)	**-**	(29)	N.M.
Interest on borrowings	**-**	(860)	N.M.
Reversal of impairment on trade and other Receivables	**-**	491	N.M.
Foreign exchange Losses	**-**	(218)	N.M.

Total	**FY2020/21 H1 S$'000**	FY2019/20 H1 S$'000	Variance %
Interest income and investment income (net)	**3,275**	5,175	(36.7%)
Interest on borrowings	**(2,987)**	(5,154)	(42.0%)
Depreciation and amortisation	**(33,056)**	(34,206)	(3.4%)
Impairment loss on trade and other receivables	**(4,708)**	(544)	@
Foreign exchange gains	**2,560**	1,947	31.5%
Gain on disposal of property, plant and equipment	**162**	16	@

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-20	Mar-20	**Sep-20**	Mar-20
	S$'000	S$'000	**S$'000**	S$'000
ASSETS				
Current assets				
Cash and cash equivalents	**458,727**	492,997	**380,774**	431,056
Financial assets	**-**	9,501	**-**	9,501
Trade and other receivables	**206,776**	262,067	**163,437**	218,392
Derivative financial instruments	**537**	2,109	**537**	2,109
Inventories	**344**	331	**81**	36
Other current assets	**18,921**	18,628	**8,684**	8,913
	685,305	785,633	**553,513**	670,007
Non-current assets				
Financial assets	**95,942**	95,841	**19,095**	19,104
Trade and other receivables	**9,150**	8,641	**246,018**	246,723
Investments in associated companies and joint venture	**35,482**	35,334	**18,534**	18,534
Investments in subsidiaries	**-**	-	**319,371**	319,371
Investment properties	**1,007,932**	1,008,020	**951,501**	951,501
Property, plant and equipment	**425,027**	441,474	**274,148**	277,410
Right-of-use assets	**75,340**	73,218	**23,337**	21,101
Intangible assets	**309,469**	297,363	**-**	-
Deferred income tax assets	**3,580**	2,277	**-**	-
Other non-current asset	**6,275**	3,834	**-**	-
	1,968,197	1,966,002	**1,852,004**	1,853,744
Total assets	**2,653,502**	2,751,635	**2,405,517**	2,523,751
LIABILITIES				
Current liabilities				
Trade and other payables	**511,258**	506,952	**455,714**	457,542
Current income tax liabilities	**33,895**	40,531	**21,588**	27,540
Contract liabilities	**33,841**	31,957	**21,302**	20,190
Lease liabilities	**20,038**	19,346	**12,438**	9,179
Derivative financial instruments	**219**	932	**219**	932
Borrowings	**57,103**	156,963	**49,850**	149,750
	656,354	756,681	**561,111**	665,133
Non-current liabilities				
Trade and other payables	**13,197**	13,206	**2,162**	2,042
Borrowings	**206,509**	207,461	**200,000**	200,000
Contract liabilities	**27,187**	30,712	**27,175**	30,962
Lease liabilities	**64,904**	66,820	**11,480**	12,281
Deferred income tax liabilities	**36,848**	34,437	**21,648**	21,621
	348,645	352,636	**262,465**	266,906
Total liabilities	**1,004,999**	1,109,317	**823,576**	932,039
NET ASSETS	**1,648,503**	1,642,318	**1,581,941**	1,591,712
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)**	(29,724)	**(29,724)**	(29,724)
Other reserves	**84,265**	73,310	**44,369**	42,859
Retained earnings	**566,693**	570,206	**581,749**	592,989
Ordinary equity	**1,259,996**	1,252,554	**1,235,156**	1,244,886
Perpetual securities	**346,785**	346,826	**346,785**	346,826
	1,606,781	1,599,380	**1,581,941**	1,591,712
Non-controlling interests	**41,722**	42,938	**-**	-
Total equity	**1,648,503**	1,642,318	**1,581,941**	1,591,712

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

	Sep-20	Mar-20
	S$'000	S$'000
Amount repayable in one year or less, or on demand		
- Borrowings (secured)	**1,888**	1,863
- Borrowings (unsecured)	**55,215**	155,100
Amount repayable after one year:		
- Borrowings (secured)	**6,509**	7,461
- Borrowings (unsecured)	**200,000**	200,000
	263,612	364,424

The Group's unsecured borrowings in the financial year comprised S$200 million long term loan facility and short term loans, interest bearing at rates in the range of 1.2%-3.5% per annum.

Details of any collateral.

Secured borrowings comprised bank loans and are secured over investment properties asset of a subsidiary.

(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	
	FY2020/21 H1 S$'000	FY2019/20 H1 S$'000
Cash flows from operating activities		
Profit after tax	**30,807**	52,104
Adjustments for:		
Income tax expense	**6,982**	16,853
Impairment loss on trade and other receivables	**4,708**	544
Amortisation of contract liabilities	**(5,044)**	(3,738)
Amortisation of intangible assets	**228**	279
Depreciation	**32,828**	33,926
Gains on disposal of investments, property, plant and equipment	**(162)**	(16)
Share-based staff costs	**1,510**	1,228
Interest expense	**5,056**	7,199
Interest income	**(1,749)**	(3,533)
Impairment of associated companies	**115**	-
Impairment of a loan to an associated company	**357**	-
Share of profit of associated companies and joint venture	**(319)**	(64)
	44,510	52,678
Operating cash flow before working capital changes	**75,317**	104,782
Changes in working capital, net of effects from		
Inventories	**(13)**	28
Contract liabilities	**11,611**	(3,855)
Trade and other receivables	**46,845**	(7,675)
Trade and other payables	**7,154**	(36,176)
Cash generated from operations	**140,914**	57,104
Income tax paid	**(13,834)**	(18,448)
Net cash provided by operating activities	**127,080**	38,656
Cash flows from investing activities		
Additions to property, plant and equipment, investment properties and intangible assets	**(13,676)**	(6,871)
Contingent consideration paid in relation to acquisition of a subsidiary	**(1,508)**	-
Deconsolidation of subsidiaries, net of cash acquired	**-**	(3,934)
Interest received	**2,016**	3,730
Loan to an associated company	**(56)**	(1,040)
Proceeds from sale of financial assets	**-**	741
Proceeds from disposal of property, plant and equipment	**343**	84
Proceeds on maturity of financial assets	**9,501**	5,500
Repayment of loans by associated company	**62**	-
Net cash used in investing activities	**(3,318)**	(1,790)
Cash flows from financing activities		
Acquisition of non-controlling interests	**(2,296)**	-
Distribution paid to perpetual securities	**(7,499)**	(7,499)
Dividends paid to shareholders	**(26,995)**	(56,239)
Dividends paid to non-controlling interests in a subsidiary	**(392)**	(992)
Interest paid	**(4,007)**	(10,263)
Proceeds from bank loans	**100,018**	69,599
Repayment of principal portion of lease liabilities	**(15,937)**	(13,991)
Repayment of bank term loans and fixed rate notes	**(200,924)**	(84,274)
Net cash used in financing activities	**(158,032)**	(103,659)
Net decrease in cash and cash equivalents	**(34,270)**	(66,793)
Cash and cash equivalents at beginning of financial period	**492,997**	392,220
Cash and cash equivalents at end of financial period	**458,727**	325,427

During the 6 months ended 30 September 2019, the deconsolidated US businesses contributed S$5.3 million to the Group's net operating cash flows, contributed Nil in respect of investing activities and paid S$7.1 million in respect of financing 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 – 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$'000	Non-controlling interests S$'000	Total equity S$'000
Balance at 1 April 2020	**638,762**	**(29,724)**	**570,206**	**73,310**	**1,252,554**	**346,826**	**1,599,380**	**42,938**	**1,642,318**
Total comprehensive income / (loss) for the period	**-**	**-**	**30,940**	**11,312**	**42,252**	**-**	**42,252**	**(395)**	**41,857**
Transactions with owners, recognised directly in equity									
Acquisition of non-controlling interests	**-**	**-**	**-**	**(1,867)**	**(1,867)**	**-**	**(1,867)**	**(429)**	**(2,296)**
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	**-**	**-**	**(26,995)**	**-**	**(26,995)**	**-**	**(26,995)**	**-**	**(26,995)**
Dividends paid to non-controlling interests in a subsidiary	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(392)**	**(392)**
Employee share option scheme: - Value of employee services	**-**	**-**	**-**	**1,510**	**1,510**	**-**	**1,510**	**-**	**1,510**
Total	**-**	**-**	**(34,453)**	**(357)**	**(34,810)**	**(41)**	**(34,851)**	**(821)**	**(35,672)**
Balance at 30 September 2020	**638,762**	**(29,724)**	**566,693**	**84,265**	**1,259,996**	**346,785**	**1,606,781**	**41,722**	**1,648,503**
Balance at 1 April 2019	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

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 2020	**638,762**	**(29,724)**	**592,989**	**42,859**	**1,244,886**	**346,826**	**1,591,712**
Total comprehensive income for the period	**-**	**-**	**23,213**	**-**	**23,213**	**-**	**23,213**
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	**-**	**-**	**(26,995)**	**-**	**(26,995)**	**-**	**(26,995)**
Employee share option scheme:							
- Value of employee services	**-**	**-**	**-**	**1,510**	**1,510**	**-**	**1,510**
Total	**-**	**-**	**(34,453)**	**1,510**	**(32,943)**	**(41)**	**(32,984)**
Balance at 30 September 2020	**638,762**	**(29,724)**	**581,749**	**44,369**	**1,235,156**	**346,785**	**1,581,941**
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)	-	-	-
Purchase of treasury shares	-	-	-	-	-	-	-
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

(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 1st half ended 30 September 2020, no share was issued under the Singapore Post Share Option Scheme.

As at 30 September 2020, there were unexercised options for 13,266,000 (30 September 2019: 14,818,000) unissued ordinary shares under the Singapore Post Share Option Scheme (including Performance Option Plan but excluding Restricted Share Plan) and unvested shares for 14,032,262 (30 September 2019: 8,624,034) unissued ordinary shares under the Restricted Share Plan.

As at 30 September 2020, the Company held 25,511,422 treasury shares (30 September 2019: 25,511,422).

(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 2020, total issued shares excluding treasury shares were 2,249,578,103 (31 March 2020: 2,249,578,103).

(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 1st half ended 30 September 2020, 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 modifications or emphasis of a matter).

Not applicable.

(3A) Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:—

(a) Updates on the efforts taken to resolve each outstanding audit issue.
(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

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 2020.

(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 amendments and interpretations of Singapore Financial Reporting Standards (International) ("SFRS(I)") that are relevant to its operations and effective from 1 April 2020.

The adoption of these pronouncements did not have any significant impact on the financial performance or position of the Group except for the early adoption of Amendment to SFRS(I) 16: Covid 19 - Related Rental Concessions that is effective for annual periods beginning on or after 1 June 2020. As a practical expedient, the amendment to SFRS(I) 16 allows a lease to elect not to assess whether a rent concession that meets the conditions in paragraph 46B is a lease modification. A lessee that makes this election shall account for any change in lease payments resulting from the rent concession the same way it would account for the change applying this standard if the change were not a lease modification. The Group has applied the practical expedient to all rent concessions that meet the conditions set out.

(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.

	FY2020/21 H1	FY2019/20 H1
Continued Operations		
Based on weighted average number of ordinary shares in issue	**1.04₵**	2.57₵
On fully diluted basis	**1.04₵**	2.57₵
Discontinued Operations		
Based on weighted average number of ordinary shares in issue	**-**	(0.53₵)
On fully diluted basis	**-**	(0.53₵)
Total		
Based on weighted average number of ordinary shares in issue	**1.04₵**	2.04₵
On fully diluted basis	**1.04₵**	2.04₵

(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-20	Mar-20	**Sep-20**	Mar-20
Net asset value per ordinary share based on issued share capital of the Company at the end of the financial period (cents)	**71.43**	71.10	**70.32**	70.76

	The Group		The Company	
	Sep-20	Mar-20	**Sep-20**	Mar-20
Ordinary equity per ordinary share based on issued share capital of the Company at the end of the financial period (cents)	**56.01**	55.68	**54.91**	55.34

(8) Review of the performance of the group.

The consolidated income statement of the Group is presented as “Continuing Operations”, which excludes the U.S. Subsidiaries that had been deconsolidated with effect from September 2019.

Revenue

	FY20/21 H1 S$’000	FY19/20 H1 S$’000	Variance %
Post and Parcel	**392,605**	373,365	5.2%
Logistics	**293,896**	244,265	20.3%
Property	**55,504**	60,185	(7.8%)
Inter-segment eliminations*	**(34,224)**	(32,167)	(6.4%)
Total	**707,781**	645,648	9.6%

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

Profit on operating activities

	FY20/21 H1 S$’000	FY19/20* H1 S$’000	Variance %
Post and Parcel	**22,667**	68,810	(67.1%)
Logistics	**5,705**	(3,488)	N.M.
Property	**23,723**	26,765	(11.4%)
Others#	**(12,312)**	(11,122)	(10.7%)
Profit on operating activities	**39,783**	80,965	(50.9%)

**With effect from 1 April 2020, corporate cost allocation has been revised and prior year numbers have been restated for comparative purposes.*

 # Others refer to unallocated corporate overhead items

Group

For the half year ended 30 September 2020 ("H1"), Group revenue rose 9.6%, led by growth in the Post and Parcel as well as Logistics segments, with strong eCommerce volume growth across the Group.

Notwithstanding the higher earnings contribution from eCommerce, Covid-19 related disruptions impacted profitability, leading to a 50.9% decline in Group's Profit on operating activities.

More details are provided below.

Post & Parcel

In the Post & Parcel segment, revenue rose 5.2% for the half year.

The Domestic Post and Parcel business saw significant eCommerce volume growth of 43% for the half year ended September, as initiatives such as the new tracked letterbox product saw significant traction with customers. Volumes of letters and printed papers in Singapore continue to decline as expected due to electronic substitution, while business mails were also reduced as a result of the circuit breaker during the first quarter.

In the International Post and Parcel business, cross-border eCommerce volumes were largely resilient. This was achieved despite Covid-19 causing a massive disruption to international air freight out of Changi Airport, which resulted in delays and increased conveyance costs. With air freight disruptions leading to higher conveyance costs, International Post and Parcel's margins were largely eroded.

Due to the above reasons, profit on operating activities declined by 67.1% in H1 to S$22.7 million. This was partly mitigated by growth in earnings contribution from eCommerce revenue. During this period, eCommerce revenue contributed to 32% of total Domestic Post and Parcel revenues, up from 18% in the same period last year.

Logistics

In the Logistics segment, revenue rose 20.3% for the half year, with Couriers Please, Quantium Solutions and SP eCommerce experiencing strong growth as a result of increased adoption and rapid growth of eCommerce activities in Asia-Pacific.

In particular, Couriers Please has seen solid volume growth in Australia, with revenue rising 48%, or S$34 million, for the half-year.

Quantium Solutions and SP eCommerce benefited from the reengineering of processes to improve customer experience, efficiency, and scalability. This resulted in more customers coming on board for eCommerce logistics solutions, including warehousing, fulfilment as well as front-end solutions.

The freight forwarding entity Famous Holdings, despite facing a global trade slowdown, delivered a resilient performance.

As a result of the above, the Logistics segment delivered a strong turnaround to a profit of S$5.7 million for the half year ended 30 September 2020, from a loss of S$3.5 million in the corresponding period last year.

Property

In the Property segment, revenue declined 7.8% or S$4.7 million for H1, largely due to rental rebates provided for eligible tenants which amounted to approximately S$3.2 million, as well as lower receipts from car-park and atrium sales.

Accordingly, Profit on Operating activities declined by 11.4% or S$3.0 million to S$23.7 million.

In the first quarter of the financial year, the retail mall saw a substantial decline in footfall due to the circuit breaker measures and many tenants had to temporarily close as a result.

However, the mall's footfall and tenant sales have been on a recovery trajectory since the recent gradual reopening measures and easing of restrictions by the Government.

In spite of a weak leasing market due to the challenging economic environment, committed occupancy remained largely stable as the SingPost Centre retail mall and office remained at close to full occupancy as at 30 September 2020.

Others

The Others segment refers to unallocated corporate overhead items.

For H1, expenses under the Others segment was higher by 10.7% due to reversals of one-off expenses amounting to S$1.2 million in the comparative period last year. Excluding this, the Others segment remained stable.

Operating Expenses

Total operating expenses rose 18.1% in H1, driven by eCommerce volume growth, and exacerbated by Covid-19 related disruptions.

Volume-related expenses, which reflect outpayments for international postal terminal dues and mail conveyancing costs, rose 26.7% or S$90.5 million in H1, with higher eCommerce volumes across the Group.

Further, Covid-19 had caused a massive disruption to international air freight out of Changi Airport, and this resulted in substantially higher conveyance costs for the Group's International Post and Parcel business. Terminal dues for international postal items also increased with effect from 1 January 2020.

Labour and related expenses rose 6.3% or S$8.9 million in H1. This was due to higher contracted services for eCommerce related deliveries in line with strong volume growth, as well as higher costs related to Covid-19 disruptions such as health and safety arrangements for postmen. There was also higher unutilised leave compared to the same period last year.

In H1, the Group recognised approximately S$13 million for the Job Support Scheme ("JSS") relief, which was offset against labour and related expenses, as part of the Government of Singapore's measures to help businesses in coping with the impact from Covid-19. This has helped the Group mitigate the impact of Covid-19.

Administrative expenses rose 3.6% in H1, largely due to the roll out of a new information system in Australia to improve customer experience and manage the higher volumes.

Selling-related expense was lower by 21.5% in H1, due to lower sales promotion and advertising spend.

Impairment loss on trade and other receivables was higher at S$4.7 million for H1 compared to $1.0 million for the same period year, largely due to higher provisions for bad debt.

Other income

Other income was S$2.4 million, lower compared to S$2.9 million in the corresponding period last year due to a one-off insurance claim in the same period last year.

Exceptional items

The Group recorded an exceptional loss of S$0.5 million in H1 largely due to impairment of an associated company.

For H1 last year, there was an exceptional gain of S$1.0 million largely due to a reversal of provision for contingent consideration of a foreign subsidiary.

Interest Income and Finance Expense

Interest income and investment income was lower at S$3.3 million with lower interest income, while Finance expense was lower at S$5.1 million with lower interest expenses.

Share of Results of Associated Companies and Joint Venture

The share of profit from associated companies and joint venture rose to S$0.3 million for H1, compared to S$0.1 million in the corresponding period last year, largely due to improved performance from an associate in Australia.

Income Tax Expense

Income tax expense was S$7.0 million in H1 compared to S$16.8 million in the same period last year, largely due to lower profit before tax, as well as the effect of the JSS payouts received, which are exempt from tax.

Discontinued Operations

The Group had deconsolidated the financials for the U.S. Subsidiaries with effect from September 2019. Accordingly, there was no loss from discontinued operations in H1, compared to a loss of S$12.0 million in the corresponding period last year.

Net Profit

For the half year, net profit attributable to equity holders of the Company declined 42.1% to S$30.9 million, as Covid-19 related disruptions significantly impacted International Post and Parcel profitability. This was partly offset by higher earnings contribution from eCommerce growth in Singapore and Australia, as well as the absence of losses from discontinued operations.

Excluding exceptional items, underlying net profit declined 40.0% to S$31.5 million.

Statement of Financial Position

Assets

The Group's total assets amounted to S$2.7 billion as at 30 September 2020.

Current assets declined to S$685.3 million as at 30 September 2020, from S$785.6 million as at 31 March 2020, largely due to lower cash and cash equivalents as a result of net repayment of bank loans of S$100.9 million during this period.

Trade and other receivables declined to S$206.8 million as at 30 September 2020, from S$262.1 million as at 31 March 2020, due to payments received.

Current financial assets, which comprises SingPost's investments in corporate bonds declined to zero, due to redemption upon maturity.

Current derivative financial instruments declined to S$0.5 million from S$2.1 million, due to largely to maturity of hedge for a foreign currency.

Current inventories were stable at S$0.3 million, while Other current assets rose marginally to S$18.9 million, from S$18.6 million.

Non-current assets were stable at S$2.0 billion as at 30 September 2020.

Non-current financial assets, Investments in associated companies and JV, and Investment properties all remained largely stable at S$95.9 million, S$35.5 million and S$1,007.9 million respectively.

Non-current trade and other receivables rose to S$9.2 million from S$8.6 million, largely due to translation difference from a loan to an associated company.

Property, plant and equipment declined to S$425.0 million from S$441.5 million, mainly due to depreciation charges for the period.

Right-of-use assets increased to S$75.3 million, due to additional leases offset by the depreciation for the period and expiry of leases.

Intangible assets rose to S$309.5 million as at 30 September 2020, compared to S$297.4 million as at 31 March 2020, largely due to translation differences from the Australian dollar.

Deferred income tax assets rose to S$3.6 million from S$2.3 million, due to an increase in tax credit.

Other non-current asset increased to S$6.3 million, from S$3.8 million due to payments for an extension of call/put option for the freight forwarding business.

Liabilities

The Group's total liabilities were S$1.0 billion as at 30 September 2020, compared to S$1.1 billion as at 31 March 2020.

Current liabilities declined to S$656.4 million, from S$756.7 million, due substantially to a decline in current borrowings from S$157.0 million to S$57.1 million from partial repayment of a term loan.

Trade and other payables increased to S$511.3 million, from S$507.0 million, due largely to JSS, partly offset by lower balances from the timing of settlements in relation to the International Post and Parcel business.

Current contract liabilities rose to S$33.8 million, from S$32.0 million, due largely to advance collections.

Current lease liabilities, which relates to the current portion of lease payments recognised in accordance with SFRS(I) 16 Leases effective from 1 April 2019, rose marginally to S$20.0 million.

Current income tax liabilities declined to S$33.9 million due to payment of tax, partly offset by tax provisioning for the period.

Derivative financial instruments declined to S$0.2 million, from S$0.9 million after being marked to market.

Non-current liabilities declined to S$348.6 million, from S$352.6 million.

Non-current trade and other payables as well as Non-current borrowings were largely stable at S$13.2 million and S$206.5 million respectively.

Non-current 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, declined marginally to S$64.9 million.

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$27.2 million from S$30.7 million was mainly due to amortisation for the period.

Deferred income tax liabilities rose to S$36.8 million, from S$34.4 million, largely due to the increase in subsidiaries' profit.

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

Cash Flow

For the half year ended 30 September 2020, operating cash flow before working capital changes was S$44.5 million, compared to S$52.7 million last year, due to lower profit.

Working capital movement for the year improved significantly to positive S$65.6 million, due largely to favourable movement in trade receivables for eCommerce deliveries from China.

Consequently, net cash inflow from operating activities for H1 rose to S$127.1 million, compared against S$38.7 million in the corresponding period last year.

Net cash outflow for investing activities was S$3.3 million for H1, compared to S$1.8 million for the corresponding period last year. Capital expenditure rose to S$13.7 million compared to S$6.9 million last year, largely due to final release of payment for the SPC retail mall redevelopment of around S$7.1 million. This was offset by proceeds from maturity of financial assets of S$9.5 million.

Net cash outflow from financing activities for H1 amounted to S$158.0 million, compared to outflow of S$103.7 million in the same period last year. This was largely due to net repayment of bank loans of S$100.9 million, partly offset by lower interest paid and lower dividends to shareholders.

Financial Position

As at 30 September 2020, the Group was in a net cash position of S$195.1 million, compared to a net cash position of S$128.6 million as at 31 March 2020, due to higher operating cashflows over the period.

Ordinary shareholders' equity stands at S$1.26 billion as at 30 September 2020, marginally higher compared to 31 March 2020.

(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.

There remains significant uncertainty in the operating environment due to Covid-19. Group earnings and operating cashflows will continue to face headwinds from the disruptions to businesses. The extent and duration of the headwinds will depend on when the global pandemic situation will ease up.

The Group is carefully managing its expenses, cashflows and liquidity.

Notwithstanding the immediate challenges, SingPost remains committed to its transformation efforts.

The Group is implementing the Future of Post initiative, which will reengineer the Postal business to capture the broader growing opportunities for smart urban logistics. A key component of this ecosystem, the world's first-ever "Smart Letterbox", will commence public trials by the end of the calendar year.

Meanwhile, Property contribution from SingPost Centre retail mall and office is expected to remain relatively stable.

With a relatively strong balance sheet, the Group will continue to seek out new opportunities that will strengthen its capabilities and competitiveness in key markets.

Strategic acquisition in Australia

On 19 October 2020, the Group announced that it has entered into a conditional sale and purchase agreement to acquire an aggregate 38% equity interest in Freight Management Holdings Pty Ltd ("FMH") for an aggregate consideration of approximately A$85.0 million (equivalent to approximately S$84.1 million).

FMH is a leading 4th party logistics ("4PL") service company in Australia. Through the use of proprietary technology, FMH manages and executes its customers' supply chain and distribution requirements.

The acquisition will allow the SingPost Group to further scale its Business-to-Business-to-Consumer (B2B2C) logistics capabilities in Australia, and capitalise on the growing eCommerce segment.

Together with Couriers Please and Quantium Solutions Australia, the Group aims to derive synergistic benefits, grow volumes and build scale. This provides a strong platform for the SingPost Group to drive revenue and earnings in Australia over the long term.

(11) Dividends

Interim dividend

The outlook remains uncertain due to the ongoing Covid-19 situation, and the Group needs to adopt a prudent approach in managing cash flows.

For the 1st half ended 30 September 2020, the Board of Directors has declared an interim dividend of 0.5 cents per ordinary share (tax exempt one-tier).

The interim quarterly dividend of 0.5 cent per ordinary share will be paid on 2 December 2020. The transfer book and register of members of the Company will be closed on 20 November 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 November 2020 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 1st quarter ended 30 June 2019 was declared on 2 August 2019 and paid on 30 August 2019.

An interim dividend of 0.5 cent per ordinary share (tax exempt one-tier) for the 2nd quarter ended 30 September 2019 was declared on 1 November 2019 and paid on 29 November 2019.

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

Not applicable.

(13) Interested Person Transactions

During the 1st half ended 30 September 2020, the following interested person transactions were entered into by the Group:

	Nature of Relationship	Aggregate value of all interested person transactions during the financial period (excluding transactions less than S$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)		Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S$100,000)	
		FY2020/21 H1 S$'000	FY2019/20 H1 S$'000	**FY2020/21 H1 S$'000**	FY2019/20 H1 S$'000
Sales					
Singapore Power Limited	Each interested person is an associate of Singapore Post Limited's major shareholder, Temasek Holdings (Private) Limited	**-**	-	**379***	-
Singapore Telecommunications Group		**-**	-	**907***	1,365
Starhub Group		**-**	-	**266**	432
		-	-	**1,552**	1,797
Purchases					
Ascendas Real Estate Investment Trust	Each interested person is an associate of Singapore Post Limited's major shareholder, Temasek Holdings (Private) Limited	**-**	-	**1,686***	-
Harbourfront Centre Pte Ltd		**-**	-	**524***	-
PSA Corporation		**-**	-	**-**	949
Sembcorp Group		**-**	-	**-**	8,200*
Singapore Airlines Group		**-**	-	**12,236**	18,780
Singapore Telecommunications Group		**-**	-	**109**	-
SMRT Corporation		**-**	-	**267**	-
		-	-	**14,822**	27,929
Total interested person transactions		**-**	-	**16,374**	29,726

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

*Include contracts of duration exceeding one year.

(14) Confirmation by the Board pursuant to rule 720(1) of the Listing Manual

The Board had received undertakings from all its directors and executive officers in the format as set out in Appendix 7.7 in pursuant to Rule 720(1) of the listing manual of the Singapore Exchange Securities Trading Limited.

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

On behalf of the Board of Directors of the Company, we, the undersigned, hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the financial statements for the 1st half ended 30 September 2020 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
6 November 2020

Financial results H1 FY2020/21

6 November 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.

H1 FY2020/21 Financials

Cash flow and Financial Indicators

eCommerce Update

Segmental Performance

Strategy & Outlook

Resilient performance amid Covid-19 impact

Group P&L, S$M	H1 FY19/20	H1 FY20/21	% change
Revenue	**645.6**	**707.8**	**+9.6%**
Operating expenses	(567.6)	(670.4)	+18.1%
Profit on Operating Activities	**81.0**	**39.8**	**(50.9%)**
Share of Assoc & JV	0.0	0.3	@
Income tax	(16.8)	(7.0)	(58.4%)
Loss from discontinued operations	(12.0)	-	N.M.
Exceptional items	**1.0**	**(0.5)**	**N.M.**
Net profit attributable to equity holders	**53.4**	**30.9**	**(42.1%)**
Underlying net profit	**52.4**	**31.5**	**(40.0%)**

Led by growth in the Post and Parcel and Logistics segments, with strong eCommerce volume growth across the Group

Profit impacted by Covid-19 related disruptions, partly offset by higher earnings contribution from eCommerce growth in Singapore and Australia

N.M. denotes Not Meaningful
@ denotes variance exceeding 300%

Increase in expenses driven by volume growth, exacerbated by Covid-19 related disruptions

Group Expenses, S$M	H1 FY19/20	H1 FY20/21	% change
Volume-related	(338.8)	(429.2)	+26.7%
Labour & related	(141.0)	(149.9)	+6.3%
Admin, Selling-related & others	(53.7)	(58.2)	+8.4%
Depreciation & amortisation	(34.2)	(33.1)	(3.4%)
Operating Expenses	**(567.6)**	**(670.4)**	**+18.1%**
Finance Expenses	(6.3)	(5.1)	(20.2%)

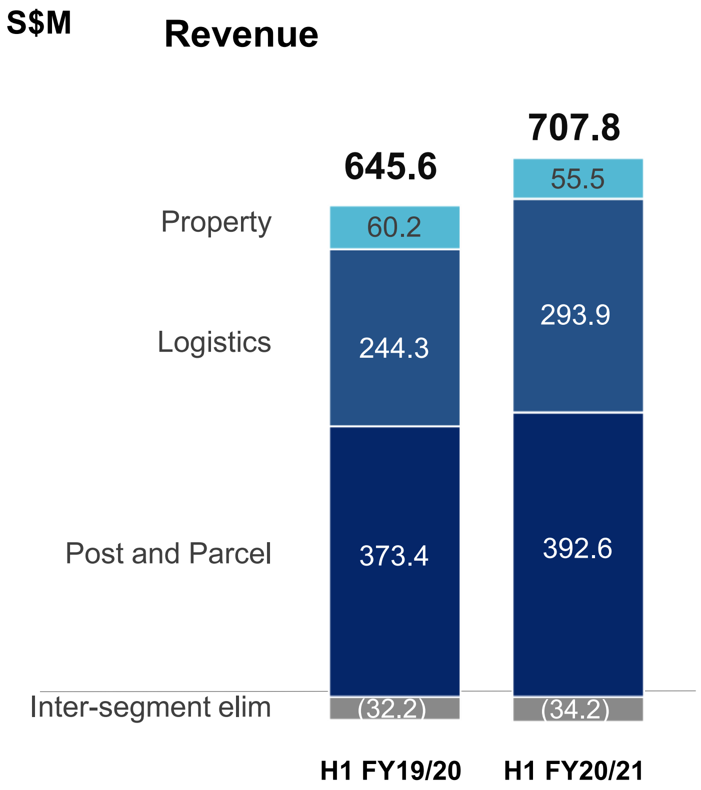
Due to higher eCommerce volumes across the Group, coupled with spike in international conveyance and commercial freight costs as a result of Covid-19 disruption

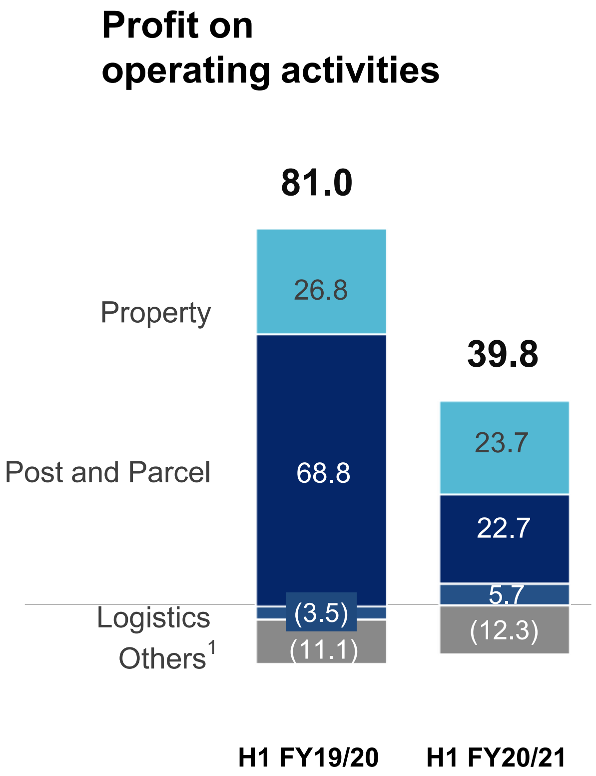
Due to increased eCommerce related deliveries in line with volume growth, as well higher costs in relation to Covid-19 disruptions such as health and safety arrangements, partially offset by JSS

Largely due to higher provisions for bad debt and higher admin expenses in Australia

Lower interest expense

Revenue & POA breakdown by segments





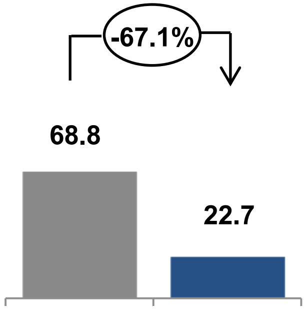
With effect from 1 April 2020, corporate cost allocation has been revised and prior year numbers have been restated for comparative purposes.
1. Refer to unallocated corporate overhead items

Summary of Segmental POA Performance

H1 FY19/20 POA H1 FY20/21 POA

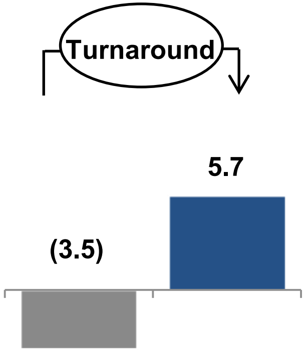
S$M

Post & Parcel



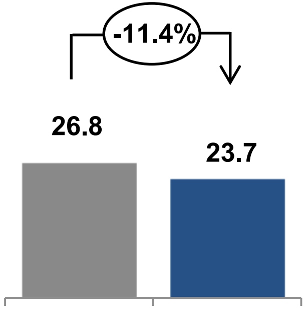
International margins largely eroded due to Covid-19 related air freight disruption; partly offset by strong growth in Domestic Commerce contribution

Logistics



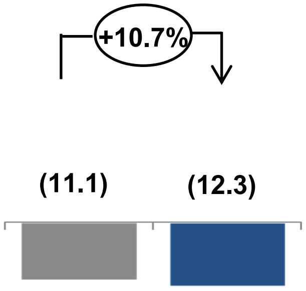
Benefitted from increased adoption of eCommerce activities in Asia-Pacific, as well as the re-engineering of processes to improve customer experience, efficiency & scalability

Property



Largely due to rental rebates provided for eligible tenants which amounted to around $3.2m, as well as lower car-park and atrium sales revenue

Others



Higher by 10.7% due to reversals of one-off expenses amounting to S$1.2m last year. Excluding this, the Others segment remained stable.

With effect from 1 April 2020, corporate cost allocation has been revised and prior year numbers have been restated for comparative purposes.
Others refer to unallocated corporate overhead items

- H1 FY2020/21 Financials
- **Cash flow and Financial Indicators**
- eCommerce Update
- Segmental Performance
- Strategy & Outlook

H1 cash flow reflects resilience of the business

Cashflow, S$M	H1 FY19/20	H1 FY20/21	% change
Operating	38.7	127.1	+228.7%
Investing	(1.8)	(3.3)	+85.4%
Financing	(103.7)	(158.0)	+52.5%
Net increase / (decrease) in cash	**(66.8)**	**(34.3)**	**(48.7%)**

Strong improvement in operating cashflow due to positive movements in working capital

Due largely to net repayment of bank term loans and fixed rate notes of S$101 million

Decline in cash due to net repayment of bank loans, offset by higher cash from operations

Strong financial indicators and liquidity position

	As at Mar 20	As at Sep 20	% change
Cash and cash equivalents	493.0	458.7	(7.0%)
Borrowings	364.4	263.6	(27.7%)
Net cash / (debt) position	**128.6**	**195.1**	**+51.7%**

The Group remains in a net cash position, which further improved compared to the start of the financial year

	H1 FY19/20	H1 FY20/21	% change
EBITDA	116.2	72.6	(37.5%)
EBITDA to finance expense	**18.3x**	**14.4x**	

Lower coverage ratio due to lower EBITDA

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

H1 FY2020/21 Financials

Cash flow and Financial Indicators

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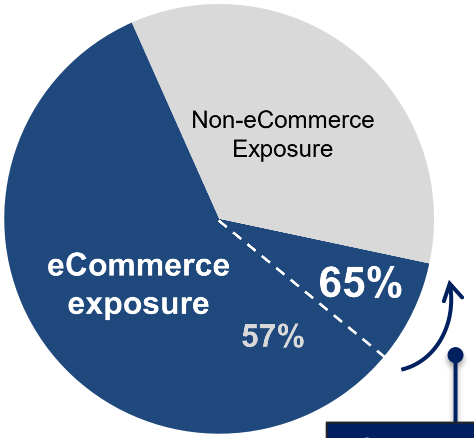
Group: eCommerce now drives 65% of Group revenues

eCommerce related revenues estimated to be around 65% of Group revenue

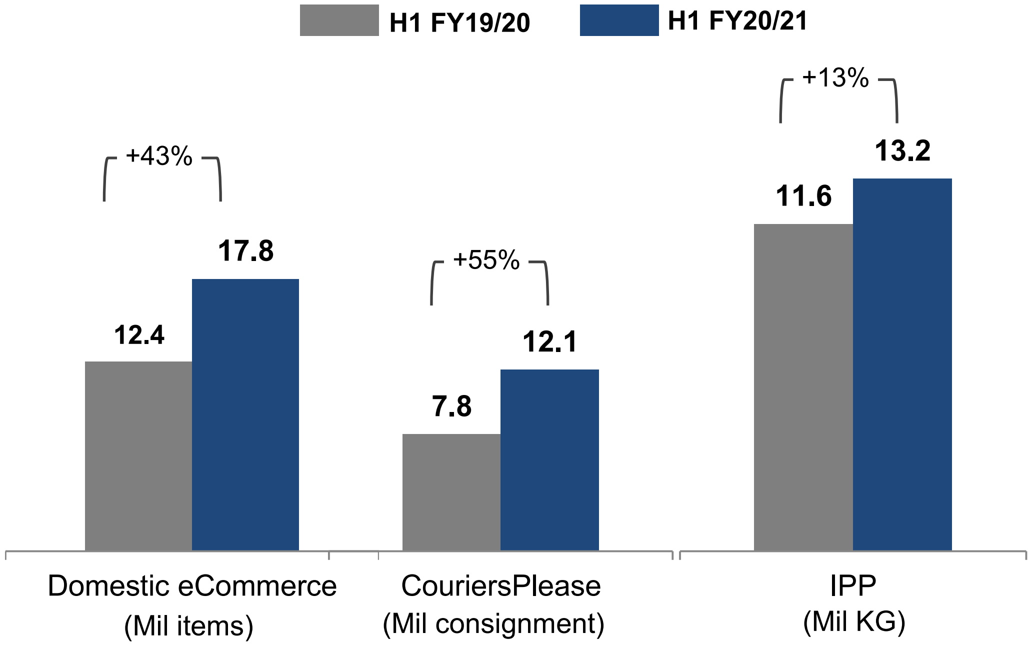


+8 percentage points vs 1H FY19/20

eCommerce exposed entities:
DPP (eCommerce), IPP
CP, QS, SPeC

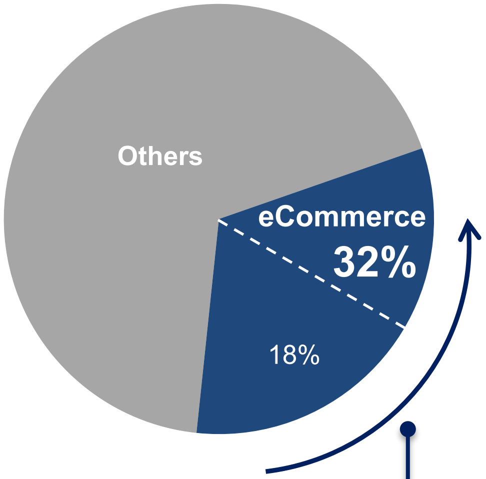
Non eComm exposed entities:
DPP (Mail)
Famous, Property

Strong growth in eCommerce volumes across various segments of the business



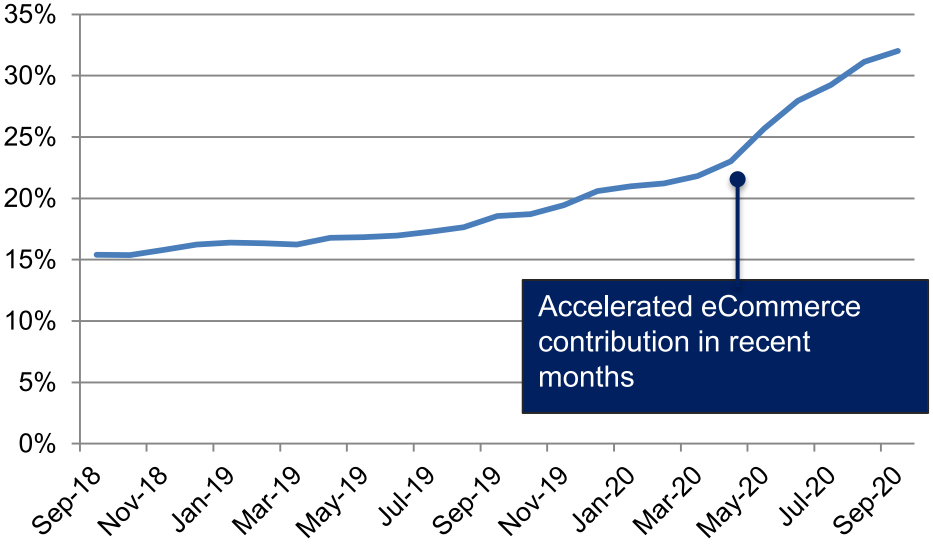
Domestic Post & Parcel: eCommerce has accelerated, and is now one-third of DPP revenue

1H FY20/21
DPP Revenue



eCommerce revenue contribution rose 14 percentage points compared to H1 FY19/20

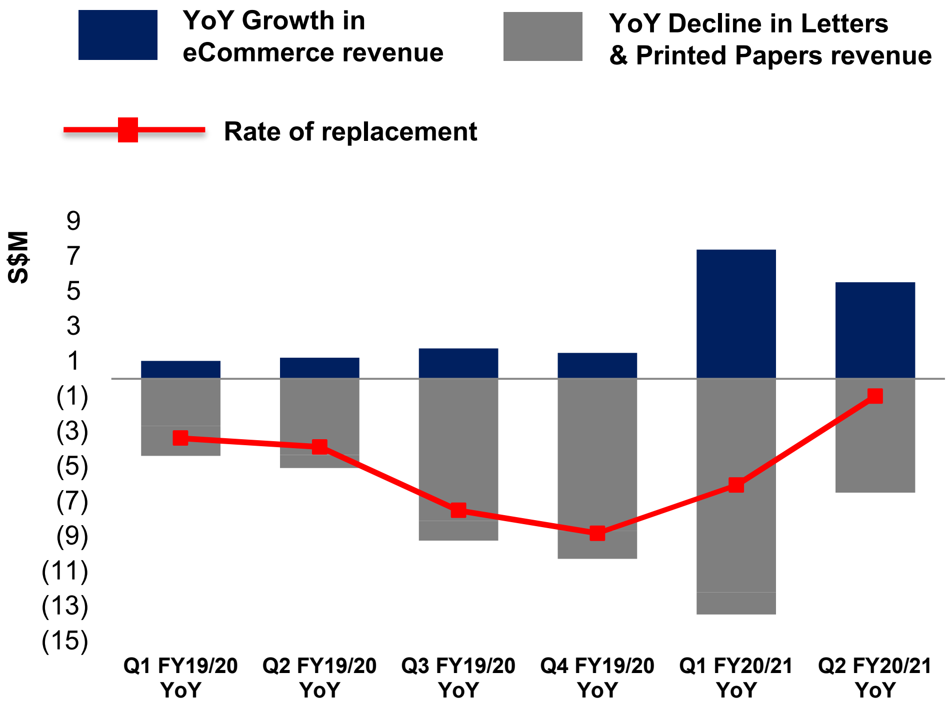
eCommerce revenue as % of Total DPP revenue (rolling 6 months)



Accelerated eCommerce contribution in recent months

Domestic Post & Parcel revenue can be sustained, as eCommerce is starting to cover Letters & Printed Papers decline

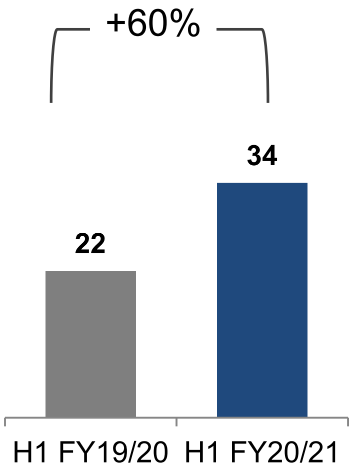
Growth in eCommerce revenue is starting to cover the decline from e-Substitution



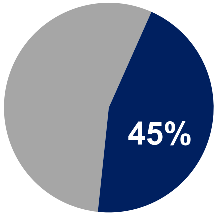
If Domestic Post and Parcel (eCommerce), & International Post and Parcel are standalone businesses

Domestic Post and Parcel (eCommerce)

Revenue

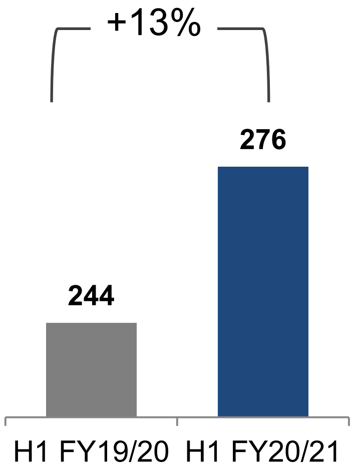


Estimated Market share[1]



International Post and Parcel

Revenue



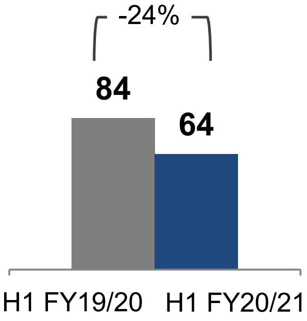
Global destinations

1. Estimated share of Singapore's total eCommerce volumes, including those delivered on Postal network

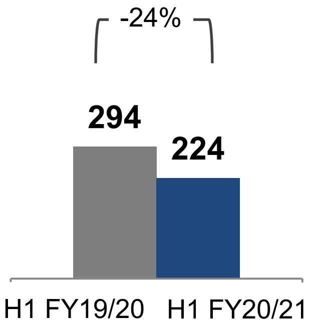
Decline in Letters & Printed Papers continues; Service quality metrics at Domestic Post & Parcel have improved

Revenue & volume trends for Letters & Printed Papers

Revenue

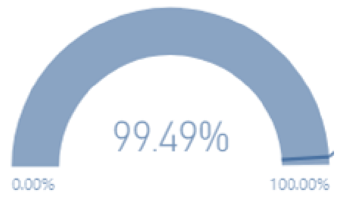


Volume

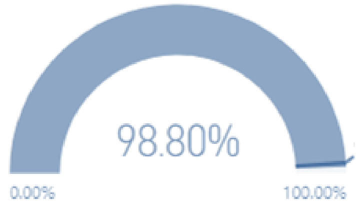


Post & Parcel meeting Service Standards; Ready for peak season

Tracked Postal Products SLA by Month (latest)



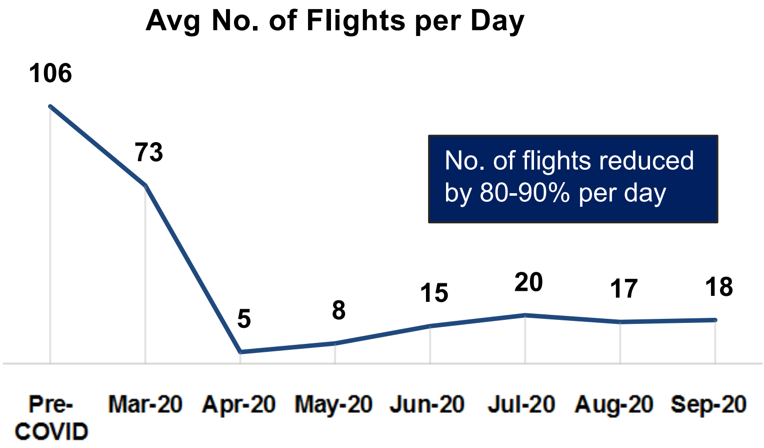
Parcel SLA by Month (latest)

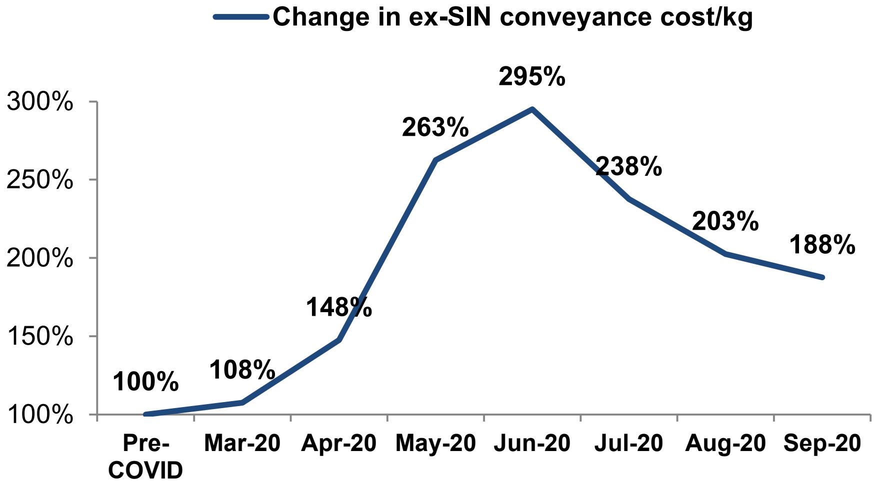


Covid-19 has severely impacted air freight capacity and increased conveyance costs significantly

Reduced flight capacity from Changi Airport

Surge in ex-Singapore Conveyance Costs (S$/KG)





- H1 FY2020/21 Financials
- Cash flow and Financial Indicators
- eCommerce Update
- **Segmental Performance**
- Strategy & Outlook

Post and Parcel

Group P&L, S$M	H1 FY19/20	H1 FY20/21	% change
Revenue	**373.4**	**392.6**	**+5.2%**
International	244.0	275.5	+12.9%
Domestic[1]	129.4	117.1	(9.5%)
eCommerce	*21.6*	*34.5*	*+60.0%*
Others	*107.8*	*82.6*	*(23.4%)*
Profit on Operating Activities	**68.8**	**22.7**	**(67.1%)**

Growth in eCommerce revenue, offset by letter decline

International margins largely eroded due to Covid-19 air freight disruption; partly offset by growth in Domestic eCommerce contribution

1. Includes products and services transacted at the post offices

Logistics

Group P&L, S$M	H1 FY19/20	H1 FY20/21	% change
Revenue	**244.3**	**293.9**	**+20.3%**
eCommerce logistics[1]	120.3	167.2	+39.0%
Freight forwarding[2]	123.9	126.7	+2.2%
Profit on Operating Activities	**(3.5)**	**5.7**	**N.M.**

Strong growth as a result of increased adoption of eCommerce activities in Asia-Pacific. In particular, CouriesPlease revenue rose 48% on strong volume growth in Australia. QS and SPeC benefitted from process reengineering initiatives, leading to more customers for eCommerce logistics solutions, such as warehousing, fulfilment & front-end solutions.

Strong turnaround to profit of S$5.7 million

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

N.M. denotes Not Meaningful

Property & Self-storage

Group P&L, S$M	H1 FY19/20	H1 FY20/21	% change
Revenue	**60.2**	**55.5**	**(7.8%)**
Property	49.1	44.6	(9.1%)
Self-storage	11.1	10.9	(1.7%)
Profit on Operating Activities	**26.8**	**23.7**	**(11.4%)**

Impacted by rental rebates provided to eligible tenants of approximately S$3.2 million, as well as lower receipts from car-park and atrium sales

Committed Occupancy

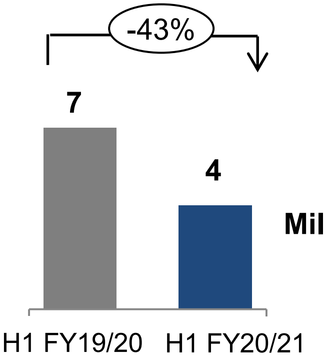
As at	Sep 19	Mar 20	Sep 20
Mall	99.6%	100.0%	100.0%
Office/ Enrichment	95.7%	98.1%	99.1%

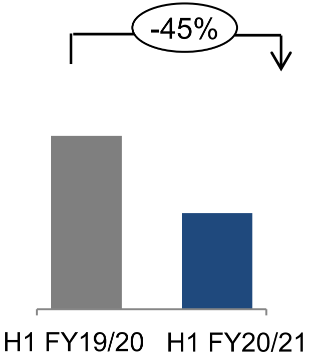
SPC Retail Mall performance

Footfall and Tenant sales remain down on a year-on-year basis

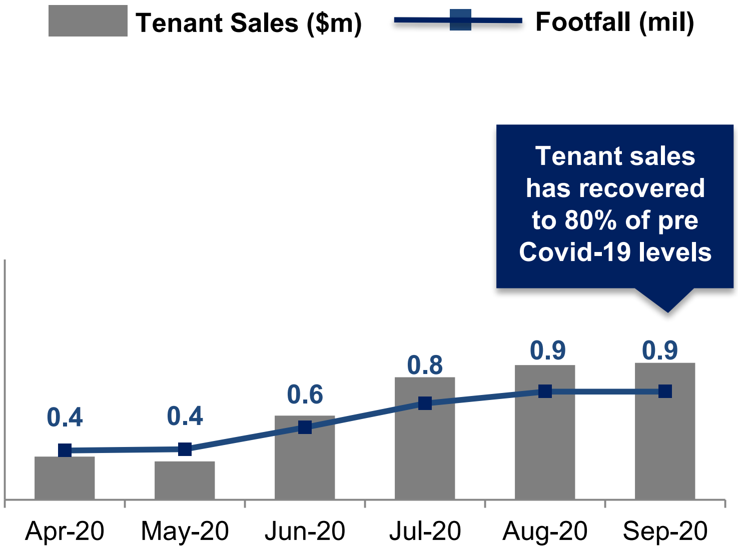
Footfall

Tenant sales





However, there has been a gradual recovery

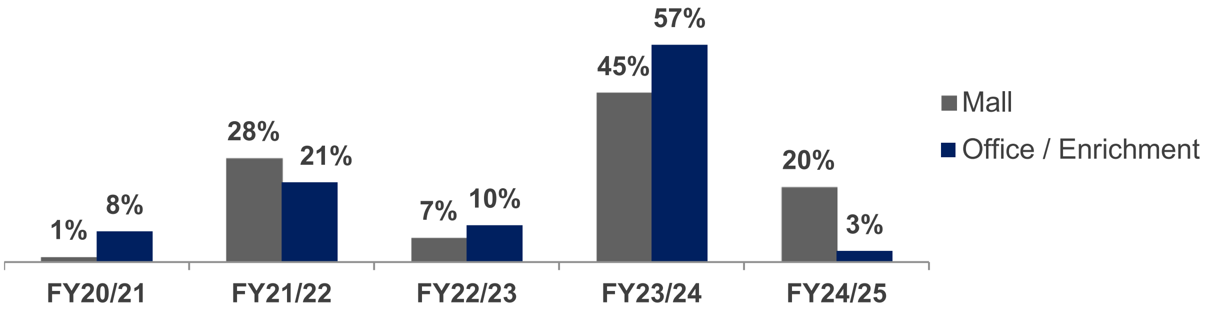


Leases expiring in FY20/21 have been substantially renewed

Lease Expiries & Renewals for FY20/21

	Expiring			Renewed		
	No. of leases	NLA (sq ft)	As % of total NLA	No. of leases	NLA (sq ft)	As % of total NLA
Mall	75	88,878	51.5%	64	83,212	48.2%
Office / Enrichment	12	76,232	17.1%	10	65,694	14.8%

Lease expiry Profile (as at 30 Sept 2020)



H1 FY2020/21 Financials

Cash flow and Financial Indicators

eCommerce Update

Segmental Performance

Strategy & Outlook

Outlook

There remains significant uncertainty in the operating environment due to Covid-19. Group earnings and operating cashflows will continue to face headwinds from the disruptions to businesses as detailed above. The extent and duration of the headwinds will depend on when the global pandemic situation will ease up.

The Group is carefully managing its expenses, cashflow and liquidity.

Notwithstanding the immediate challenges, SingPost remains committed to its transformation efforts.

The Group is implementing the Future of Post initiative, which will reengineer the Postal business to capture the broader growing opportunities for smart urban logistics. A key component of this ecosystem, the world's first-ever "Smart Letterbox", will commence public trials by the end of the calendar year.

Meanwhile, Property contribution from SingPost Centre retail mall and office is expected to remain relatively stable.

With a relatively strong balance sheet, the Group will continue to seek out new opportunities that will strengthen its capabilities and competitiveness in key markets.

Outlook

Strategic acquisition in Australia

On 19 October 2020, the Group announced that it has entered into a conditional sale and purchase agreement to acquire an aggregate 38% equity interest in Freight Management Holdings Pty Ltd (“FMH”) for an aggregate consideration of approximately A$85.0 million (equivalent to approximately S$84.1 million).

FMH is a leading 4th party logistics (“4PL”) service company in Australia. Through the use of proprietary technology, FMH manages and executes its customers’ supply chain and distribution requirements.

The acquisition will allow the SingPost Group to further scale its Business-to-Business-to-Consumer (B2B2C) logistics capabilities in Australia, and capitalise on the growing eCommerce segment.

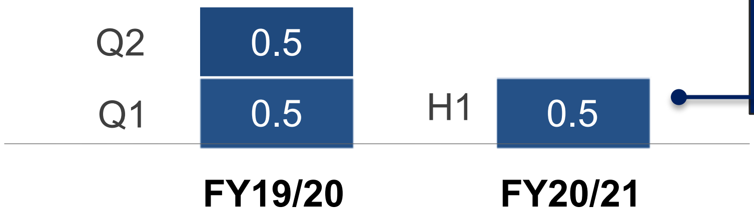
Together with CouriersPlease and Quantium Solutions Australia, the Group aims to derive synergistic benefits, grow volumes and build scale. This provides a strong platform for the SingPost Group to drive revenue and earnings in Australia over the long term.

Prudent approach to dividends given uncertain environment

The outlook remains uncertain due to the ongoing Covid-19 situation, and the Group is adopting a prudent approach in managing cash flows.

For the half year ended 30 September 2020, the Board has announced an interim dividend of 0.5 cent per share.

Dividend per share, S¢

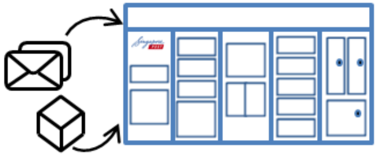


SingPost has moved to half-yearly reporting with effect from FY20/21.

The interim dividend of 0.5 cent represents around 36% of H1 underlying net profit.

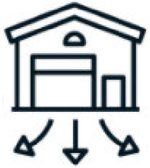
Our Strategic Intent – 3 Key Thrusts

Deploying Smart Urban Logistics to Dominate in Singapore



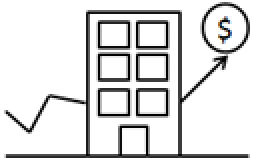
Future of Post - Transforming the national postal system to be THE national delivery infrastructure and network to move and distribute all goods beyond postal items

Build an Integrated B2B2C Network to Tap Growing Demand



Build a strong B2B2C network to exploit growing demand for integrated supply chains, including creating a second home market - targeting a sizeable eCommerce market with high growth potential and adoption in Asia-Pacific

Renewed Focus on Property to Optimise and Grow Returns



Property to play a bigger role - generate significant earnings, while serving as an asset to enable other businesses

Thank You

Media Release

Singapore Post revenue rises 9.6% to S$707.8 million in first half of FY2020/21

- **Increased revenue led by strong eCommerce volume growth in the Post and Parcel as well as Logistics segments across the Group**
- **eCommerce-related revenue grows to 32% of total Domestic Post and Parcel, up from 18% in the same period last year**
- **Net profit attributable to equity holders of the Company declined 42.1% to S$30.9 million and profit on operating activities declined 50.9% to S$39.8 million, as Covid-19 disruptions led to a sharp rise in international conveyance costs and labour-related expenses**
- **Interim dividend of 0.5 cent per share declared for first half of financial year**

Financial Highlights

GROUP RESULTS	H1 FY20/21 (S$'000)	H1 FY19/20 (S$'000)	Variance
Continuing operations[1]			
Revenue	707,781	645,648	9.6%
Operating expenses	(670,365)	(567,616)	18.1%
Profit on operating activities	39,783	80,965	(50.9%)
Share of profit of associated companies and joint venture	319	64	@
Exceptional items	(532)	985	N.M.
Discontinued operations[2]			
Loss from discontinued operations	-	(11,994)	N.M.
Group total			
Net profit	30,940	53,411	(42.1%)
Underlying net profit	31,472	52,426	(40.0%)
Dividend per share(cents)	0.5	1.0	-

N.M. – Not meaningful; @ - denotes variance of more than 300%

SINGAPORE, 6 November 2020 – Singapore Post Limited (SingPost) today announced its results for the half year ending 30 September 2020.

[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 half year ended 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 first half of the year rose 9.6% to S$707.8 million, led by growth in the Post and Parcel as well as Logistics segments, with strong eCommerce volume growth across the Group.

However, profit on operating activities declined 50.9%, as the Group incurred higher costs on eCommerce volume growth, exacerbated by Covid-19 related disruptions, in particular, severe escalation of cross-border conveyance costs as a result of flight disruptions.

Correspondingly, net profit attributable to equity holders declined by 42.1% to S$30.9 million in the first half of the year, and the Group recorded an underlying net profit of S$31.5 million, down 40% from the previous year.

Mr Paul Coutts, Group Chief Executive Officer, said: “SingPost is capitalising on the growth in eCommerce, which has resulted in our rise in revenue, off-setting the decline in letter mail volumes in the Domestic Post and Parcel segment.

“Despite the strong demand for our logistics and delivery services, margins for some of our business segments have been eroded through higher costs associated with Covid-19, and we expect this to be the case for as long as the global pandemic continues.

“While we remain optimistic in the strategies taken to reposition ourselves for the new norm, Covid-19 continues to pose significant challenges to the operating environment for businesses. Therefore, we remain judicious in managing our expenses, cashflow and liquidity, even as we execute our key strategic initiatives such as the Future of Post and recent investment in Australia in order to secure our future,” said Mr Coutts.

Performance of Business Segments

In the Post and Parcel segment, revenue rose 5.2% for the half year. Domestic Post and Parcel saw significant eCommerce volume growth of 43% for the half year ended September, as initiatives such the new tracked letterbox product were well-received by customers. eCommerce revenue now stands at 32% of all Domestic Post and Parcel revenues, up from 18% the previous year.

Volumes of letters and printed papers continue to decline as expected due to electronic substitution. The Group also faced higher costs with additional health and safety arrangements for Covid-19, including temporary housing for our Malaysian colleagues in Singapore. These measures, while costly, have allowed SingPost to continue its service obligations to Singapore.

In the International Post and Parcel business, cross-border eCommerce volumes were largely resilient. This was achieved despite Covid-19 causing a massive disruption to international air freight out of Changi Airport, with a 96% reduction in passenger fleet movement. The resulting long delays and limited cargo space meant significantly higher conveyance costs that largely eroded International Post and Parcel's margins.

In the Logistics segment, revenue rose 20.3% for the half year. CouriersPlease, Quantium Solutions and SP eCommerce experienced robust growth as a result of increased adoption of eCommerce activities in Asia-Pacific. In particular, CouriersPlease saw solid volume growth in Australia, with revenue rising 48% for the half-year.

Both Quantium Solutions and SP eCommerce continue to benefit from the reengineering of processes to improve customer experience, efficiency, and scalability. This has resulted in more customers taking up their suite of eCommerce logistics solutions, which include warehousing, fulfilment as well as front-end solutions.

The Group's freight forwarding entity Famous Holdings delivered a resilient performance despite facing a global trade slowdown.

As a result, the Logistics segment delivered a strong turnaround to a profit of S$5.7 million for the half year ended 30 September 2020, from a loss of S$3.5 million in the same period last year.

For the Property segment, which comprises commercial property, rental and self-storage business, revenue declined 7.8% to S$55.5 million in the half-year, largely due to rental rebates provided for eligible tenants amounting to about S$3.2 million, as well as lower receipts from car-park and atrium sales. Correspondingly, profit on operating activities fell 11.4% to S$23.7 million.

In the first quarter of the financial year, SingPost Centre retail mall saw a substantial decline in footfall due to the circuit breaker measures. Many tenants had to temporarily close as a result, but this has since recovered with the gradual opening and easing of safe management measures over the past few months.

In spite of a soft leasing market due to the challenging economic environment, the SingPost Centre retail mall and office remained at close to full occupancy as at 30 September 2020. Through proactive leasing efforts, contribution from SingPost Centre retail mall and office is expected to remain relatively stable for the rest of the year, barring any unforeseen circumstances.

Strategic investment in Australia

On 19 October 2020, the Group announced that it has entered into a conditional sale and purchase agreement to invest an aggregate 38% equity interest in Freight Management Holdings Pty Ltd ("FMH") for an aggregate consideration of approximately A$85.0 million (approximately S$84.1 million).

FMH is a leading 4th party logistics service company in Australia. Through the use of proprietary technology, FMH manages and executes its customers' supply chain and distribution requirements.

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Together with CouriersPlease and Quantium Solutions Australia, the Group aims to derive synergistic benefits, grow volumes and build scale. This provides a strong platform for the SingPost Group to drive revenue and earnings in Australia over the long term.

Future of Post

Since last year, SingPost had embarked on its Smart Urban Logistics initiative, aimed at reinventing a sustainable national mail delivery system to drive long-term business performance and value creation. In September 2019, SingPost unveiled a smart letterbox delivery system prototype.

SingPost will commence a one-year public trial of smart letterboxes by the end of the year. Residents will enjoy unprecedented convenience, security and accuracy for their mail, paving the way for an eCommerce-led future of postal services in Singapore. The new smart letterbox will have several state-of-the-art features, including push notification through an app for residents whenever they receive mail; larger containers/drawers to hold eCommerce items; and a keyless access system for mail retrieval.

More details will be unveiled in a separate announcement later this month.

Interim dividend

The outlook remains uncertain due to the ongoing Covid-19 situation, and the Group continues to adopt a prudent approach in managing cash flows. For the first half of FY2020/21, 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 2020.

- 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.