

SINGAPORE POST LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration Number: 199201623M)

**RESPONSE TO SINGAPORE EXCHANGE SECURITIES TRADING LIMITED'S QUERY ON
THE COMPANY'S ANNOUNCEMENT DATED 2 FEBRUARY 2018**

Singapore Post Limited (the "**Company**") refers to the query from Singapore Exchange Securities Trading Limited ("**SGX-ST**") on 7 February 2018 relating to the Company's Unaudited Results for the Third Quarter and Nine Months ended 31 December 2017 which was released on 2 February 2018, and wishes to respond as follows:

SGX-ST'S Query:

With reference to the statement of financial position on page 5 of the unaudited results for the third quarter and nine months ended 31 December 2017, please disclose the reason(s) for the variance in the "*Trade and other payables*" financial statement line items:

Line Item	The Group		The Company	
	Dec-17 S\$'000	Mar-17 S\$'000	Dec-17 S\$'000	Mar-17 S\$'000
Current liabilities	501,053	395,084	396,766	353,681
Trade and other payables				
Non-current liabilities	23,840	44,462	1,935	2,070
Trade and other payables				

The Company's Response:

1. On the line item "Group's Current liabilities - Trade and other payables"
The increase by S\$105.969 million from S\$395.084 million as at 31 March 2017 to S\$501.053 million as at 31 December 2017 was mainly due to:
 - (a) S\$47 million higher trade payables with regards to international mail terminal dues and conveyance costs, in line with higher international mail volumes and revenue over the same period;
 - (b) S\$24 million higher trade payables with regards to the US businesses due to higher volumes and revenue over the seasonal peak period;
 - (c) S\$16 million reclassification from "Non-current Trade and other payables" to "Current Trade and other payables" with these payables coming due in less than 12 months, compared to more than 12 months previously; and
 - (d) S\$7 million capital expenditure accrual largely for the SingPost Centre retail mall.

2. On the line item “Group’s Non-current liabilities - Trade and other payables”
The decrease by S\$20.622 million from S\$44.462 million as at 31 March 2017 to S\$23.840 million as at 31 December 2017 was mainly due to:
 - (a) The above-mentioned S\$16 million reclassification from “Non-current Trade and other payables” to “Current Trade and other payables” with these payables coming due in less than 12 months, compared to more than 12 months previously; and
 - (b) S\$4 million payment of certain payables over the period.
3. On the line item “Company’s Current liabilities - Trade and other payables”
The increase by S\$43.085 million from S\$353.681 million as at 31 March 2017 to S\$396.766 million as at 31 December 2017 was mainly due to:
 - (a) S\$47 million higher trade payables with regards to international mail terminal dues and conveyance costs, in line with higher international mail volumes and revenue over the same period; and
 - (b) S\$7 million capital expenditure accrual largely for the SingPost Centre retail mall,
and partially offset by S\$12 million payment of certain payables over the period.
4. On the line item “Company’s Non-current liabilities - Trade and other payables”
The Company’s Non-current liabilities - Trade and other payables of S\$2.070 million as at 31 March 2017 and S\$1.935 million as at 31 December 2017 were largely stable.

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