

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 11 MAY 2018**

Singapore Post Limited (the "**Company**") refers to the query from Singapore Exchange Securities Trading Limited ("**SGX-ST**") on 14 May 2018 relating to the Company's Unaudited Results for the Fourth Quarter and Financial Year ended 31 March 2018 which was released on 11 May 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 fourth quarter and financial year ended 31 March 2018, it is noted that the:-

- (a) derivative financial instruments increased from approximately S\$16.1 million as at 31 March 2017 to approximately S\$19.9 million as at 31 March 2018. Please explain the reason(s) for the increase; and
- (b) inventories decreased from approximately S\$4.5 million as at 31 March 2017 to approximately S\$0.9 million as at 31 March 2018. Please explain the reason(s) for the decrease.

The Company's Response:

- (a) On the line item "Derivative financial instruments", the increase of approximately S\$3.8 million was mainly due to:
 - (i) S\$2.5 million gain on warrants held in an associated company; and
 - (ii) S\$1.3 million fair value gain from forward currency hedges.
- (b) On the line item "Inventories", the decrease of approximately S\$3.5 million was mainly due to a reduction in inventory held for a customer in relation to the eCommerce business in Singapore.

Issued by Singapore Post Limited on 15 May 2018.