DIRECTORS' STATEMENT AND FINANCIAL STATEMENTS

CONTENTS

DIRECTORS' STATEMENT

For the financial year ended 31 March 2023

The directors present their statement to the members together with the audited consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company for the financial year ended 31 March 2023.

In the opinion of the directors,

(a) the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company as set out on pages 111 to 237 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2023, and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year ended on that date; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts when they fall due.

DIRECTORS

The directors of the Company in office at the date of this statement are as follows:

Mr Simon Claude Israel (Chairman)
Mr Phang Heng Wee, Vincent (Group Chief Executive Officer)
Mr Bob Tan Beng Hai
Mr Chen Jun
Ms Elizabeth Kong Sau Wai
Mrs Fang Ai Lian
Mr Steven Robert Leonard
Ms Lim Cheng Cheng
Ms Chu Swee Yeok

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE BENEFITS BY MEANS OF THE ACQUISITION OF SHARES AND DEBENTURES

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, other than as disclosed under "Share Options" and "Restricted Share Plan" on pages 99 to 103 of this statement.

DIRECTORS' STATEMENT

For the financial year ended 31 March 2023

DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

(a) According to the register of directors' shareholdings kept by the Company under Section 164 of the Singapore Companies Act 1967, none of the directors holding office at the end of the financial year had any interest in the shares and debentures of the Company and its related corporations.

(b) According to the register of directors' shareholdings kept by the Company under Section 164 of the Singapore Companies Act 1967, certain directors holding office at the end of the financial year had interests in the options to subscribe for ordinary shares of the Company granted pursuant to the Singapore Post Share Option Scheme and unvested restricted shares of the Company granted pursuant to Singapore Post Restricted Share Plan 2013 as set out below and under "Share Options" and "Restricted Share Plan" on pages 99 to 103 of this statement.

	Number of unvested restricted shares held by director	
	At 31.3.2023	At 1.4.2022
<u>Unvested performance share awards</u>		
Phang Heng Wee, Vincent	**1,734,359**	669,264
<u>Unvested restricted shares awards</u>		
Phang Heng Wee, Vincent	**866,102**	371,763

(c) The directors' interests in the shares of the Company as at 21 April 2023 were the same as those as at 31 March 2023.

SHARE OPTIONS

The Singapore Post Share Option Scheme was adopted on 21 March 2003, and a new scheme, known as Singapore Post Share Option Scheme 2012 was adopted on 29 June 2012; collectively known as the "Scheme". The Scheme is administered by the Compensation Committee comprising Mr Bob Tan Beng Hai (Chairman), Mr Simon Claude Israel and Mrs Fang Ai Lian during the financial year ended 31 March 2023.

Employees (including executive directors), subject to certain conditions, are eligible to participate in the Scheme. The Scheme provides a means to recruit, retain and give recognition to employees who have contributed to the success and development of the Company and / or the Group.

The principal terms of the Scheme are as follows:

- The exercise price of the granted options is equal to the average of the last dealt prices for the share on the Singapore Exchange Securities Trading Limited ("SGX-ST") for the five (5) consecutive trading days immediately preceding the date of grant of that option.

- The value of the share option is determined using the Trinomial option pricing model (taking into account relevant assumptions).

DIRECTORS' STATEMENT

For the financial year ended 31 March 2023

SHARE OPTIONS (continued)

- Granted options shall be exercisable, in whole or in part, during the exercise period applicable to that option and in accordance with the vesting schedule applicable to that option or other conditions (if any) that may be imposed by the Compensation Committee in relation to that option. Options may be exercised, in whole or in part in respect of 1,000 shares or any multiple thereof, by a participant giving notice in writing, accompanied by a remittance for the aggregate subscription cost in respect of the shares for which that option is exercised. The method of settlement could be in cheque, cashier's order, banker's draft or postal order made out in favour of the Company or such other mode of payment as may be acceptable to the Company. There are no restrictions on the eligibility of the persons to whom the options have been granted to participate in any other share option or share incentive scheme, whether or not implemented by any of the other companies within the Group or any other company. The Group has no legal or constructive obligation to repurchase or settle the options in cash.

- The vesting schedule for the share options granted to eligible employees (including executive directors) effective from 20 May 2014 are as follows:

Vesting period	Proportion of Total Share Options that are exercisable
Before / On first anniversary of date of grant	0 per cent
After first anniversary and before second anniversary of date of grant	Up to 30.0 per cent of grant
On / After second anniversary and before third anniversary of date of grant	Up to another 30.0 per cent of grant **OR** Up to 60.0 per cent of grant if share options were not exercised after the first vesting year
On / After third anniversary till tenth anniversary of date of grant	Balance **OR** 100.0 per cent of grant if share options were not exercised after the first and second vesting years

- The share options granted to eligible employees (including executive directors) effective 26 June 2006 to 10 March 2014 have a four-year vesting schedule and the details are as follows:

Vesting period	Proportion of Total Share Options that are exercisable
Before / On first anniversary of date of grant	0 per cent
After first anniversary and before second anniversary of date of grant	Up to 25.0 per cent of grant
On / After second anniversary and before third anniversary of date of grant	Up to another 25.0 per cent of grant **OR** Up to 50.0 per cent of grant if share options were not exercised after the first vesting year
On / After third anniversary and before fourth anniversary of date of grant	Up to another 25.0 per cent of grant **OR** Up to 75.0 per cent of grant if share options were not exercised after the first and second vesting years
On / After fourth anniversary till tenth anniversary of date of grant	Balance **OR** 100.0 per cent of grant if share options were not exercised after the first, second and third vesting years

DIRECTORS' STATEMENT

For the financial year ended 31 March 2023

SHARE OPTIONS (continued)

- On 11 May 2012, 17 January 2014, 7 March 2014 and 1 April 2014, performance share options were granted to key management staff. Vesting of these options is based on the Company's performance against a set of stretched targets on the Group's profit and the Company's target share price performance.

- The total number of shares over which options may be granted under the Scheme on any date, when added to the nominal amount of shares issued and issuable and in respect of all options granted under the Scheme, shall not exceed 5.0 per cent of the issued share capital of the Company on the day preceding that date.

Since the adoption of the Scheme to 31 March 2022, a total of 178,687,936 share options have been granted. Detail of the options are set out in the Directors' Statement for the respective financial years.

During the financial year ended 31 March 2023, no share options were granted. At the end of the financial year, details of the options granted and the number of unissued ordinary shares of the Company under options outstanding are as follows:

			Number of ordinary shares under options outstanding				
Date of Grant	**Exercise Period**	**Exercise Price**	**Balance At 1.4.22 ('000)**	**Granted during financial year ('000)**	**Options exercised ('000)**	**Options forfeited ('000)**	**Balance At 31.3.23 ('000)**
Options Granted Under Singapore Post Share Options Scheme For employees (including executive directors)							
11.05.12	19.05.14 to 11.05.22	S$1.030	482	–	–	482	–
10.08.12	11.08.13 to 10.08.22	S$1.070	689	–	–	689	–
17.01.14	18.01.17 to 17.01.24	S$1.350	1,223	–	–	848	375
07.03.14	08.03.17 to 07.03.24	S$1.330	375	–	–	–	375
20.05.14	21.05.15 to 20.05.24	S$1.450	609	–	–	301	308
07.08.14	08.08.15 to 07.08.24	S$1.760	62	–	–	30	32
19.05.15	20.05.16 to 19.05.25	S$1.890	1,875	–	–	678	1,197
20.05.16	21.05.17 to 20.05.26	S$1.570	1,492	–	–	526	966
Total Share Options			6,807	–	–	3,554	3,253

No option has been granted to controlling shareholders of the Company or their associates.

No key management personnel or employee has received options of 5% or more of the total number of shares available under the Scheme during the financial year. No other director or employee of the Company and its subsidiaries (as defined in the SGX-ST Listing Manual) has received options of 5% or more of the total number of shares available to all directors and employees of the Company and its subsidiaries under the Scheme during the financial year.

No option was granted at a discount during the financial year.

DIRECTORS' STATEMENT

For the financial year ended 31 March 2023

RESTRICTED SHARE PLAN

The Singapore Post Restricted Share Plan 2013 (the "Plan") was implemented with the approval of shareholders at the Extraordinary General Meeting held on 28 June 2013. The duration of the Plan is 10 years commencing from 28 June 2013. Amendments to the Plan to prescribe performance conditions were duly approved by the shareholders at the Company's annual general meeting ("AGM") held on 20 July 2017.

At the Company's AGM held on 21 July 2022, the shareholders approved the following:

(i) extension of the Plan for another 10 years up to 27 June 2033; and

(ii) alteration to the rules of the Plan to take into account amendments to the Listing Manual, as well as to streamline and rationalise certain provisions.

Enhancements to the Plan (the "Enhanced Plan") were subsequently designed to reinforce the delivery of long-term growth and shareholder value to drive an ownership culture and retain staff whose contributions are essential to the well-being of the Group. The Enhanced Plan allow fully paid shares to be granted to non-executive directors of the Group and associated companies.

The release schedule for the shares granted to eligible employees (excluding non-executive directors) prior to financial year 2017/18 is as follows:

Vesting Period	Vesting Date	Percentage of Shares that will beReleased on Vesting Date
From award date to date before first anniversary of award date	First anniversary of award date	30% (rounded to nearest whole share)
From first anniversary of award date to date before second anniversary of award date	On second anniversary of date of award	30% (rounded to nearest whole share)
From second anniversary of award date to date before third anniversary of award date	On third anniversary of date of award	Balance 40%

- 100% of the restricted shares granted to non-executive directors vest after one year from the date of grant.

Since the adoption of the Plan to 31 March 2022, a total of 5,839,118 restricted shares were granted.

During the financial year ended 31 March 2023, no restricted shares were granted under the Plan. There are no outstanding unvested restricted shares as at the start of the financial year.

DIRECTORS' STATEMENT

For the financial year ended 31 March 2023

ENHANCED PLAN

Following shareholders' approval to the Enhanced Plan at the Company's annual general meeting held on 20 July 2017, participants will receive fully paid SingPost shares provided that prescribed performance targets are met within a prescribed performance period. Shares granted from financial year 2017/18 onwards comprises of two types of awards:

(a) Performance Share Award; and

(b) Restricted Share Award.

The Performance Share Award, granted to senior management, has two long-term performance measures: Return on Equity and Absolute Total Shareholder Returns. For Performance Share Award from financial year 2020/21 onwards, an additional performance measure, CO2 Reduction from financial year 2018/19, is added. The Restricted Share Award, granted to a broader group of executives and key talents, has one long-term performance measure: Underlying Net Profit. The performance period for both types of awards is three or four years depending on when the performance conditions are met.

The performance conditions incorporate stretched targets aimed at delivering long-term shareholder value. Depending on achievement of the respective performance hurdles, 0% to 200% of the awards may vest.

Performance Share Awards

Since the adoption of the Enhanced Plan to 31 March 2022, a total of 6,020,288 shares have been granted.

During the financial year ended 31 March 2023, 1,244,281 shares were granted. Details of the grants are as follows:

Date of Grant	Balance As At 1.4.22 ('000)	Share Awards Granted ('000)	Share Awards Vested ('000)	Share Awards Cancelled ('000)	Balance As At 31.3.23 ('000)
31.05.19	591	–	–	–	591
01.06.20	455	–	–	–	455
20.01.22	269	–	–	–	269
03.06.22	–	1,244	–	–	1,244
Total	**1,315**	**1,244**	**–**	**–**	**2,559**

Restricted Share Awards

Since the adoption of the Enhanced Plan to 31 March 2022, a total of 11,044,023 restricted shares have been granted.

During the financial year ended 31 March 2023, 3,897,113 shares were granted. Details of the grants are as follows:

Date of Grant	Balance As At 1.4.22 ('000)	Share Awards Granted ('000)	Share Awards Vested ('000)	Share Awards Cancelled ('000)	Balance As At 31.3.23 ('000)
31.05.19	1,143	–	–	262	881
01.06.20	1,944	–	–	590	1,354
20.01.22	1,140	–	–	372	768
03.06.22	–	3,897	–	1,330	2,567
Total	**4,227**	**3,897**	**–**	**2,554**	**5,570**

DIRECTORS' STATEMENT

For the financial year ended 31 March 2023

FREIGHT MANAGEMENT HOLDINGS PTY LIMITED ("FMH") LONG TERM INCENTIVE PLAN

The FMH Group Long Term Incentive Plan (the "FMH LTIP") was implemented by FMH, a subsidiary of the Group, on 10 November 2022 with the approval of shareholders on the same day.

The FMH LTIP provides an incentive to retain employees and recognise their effort and contribution in the long-term performance and success of FMH and its subsidiaries, as well as provides opportunity for the employees to acquire rights to receive fully paid ordinary shares in the capital of FMH in accordance with the rules of FMH LTIP.

The FMH LTIP has two performance measures: Earnings before Interest, Taxes, Depreciation and Amortisation ("EBITDA") and Return on Equity. The performance period is to 30 June 2024.

During the financial year ended 31 March 2023, 529 share rights were granted. Details of the grants are as follows:

Date of Grant	Balance As At 1.4.22	Rights Awards Granted	Rights Awards Vested	Rights Awards Cancelled	Balance As At 31.3.23
10.11.22	–	529	–	–	529
Total	**–**	**529**	**–**	**–**	**529**

AUDIT COMMITTEE

At the date of this statement, the members of the Audit Committee are as follows:

Mrs Fang Ai Lian (Chairman)
Mr Bob Tan Beng Hai
Ms Chu Swee Yeok

All members of the Audit Committee were non-executive and independent directors.

The Audit Committee carried out its functions in accordance with Section 201B(5) of the Singapore Companies Act 1967.

The Audit Committee has reviewed the overall scope, plans and results of both internal and independent audits and the assistance given by the Company's officers to the auditors. It has met with the Company's internal and independent auditors to discuss the results of their respective examinations and evaluations of the Company's system of internal accounting controls.

The Audit Committee has also reviewed the statement of financial position and statement of changes in equity of the Company and the consolidated financial statements of the Group for the financial year ended 31 March 2023 as well as the independent auditor's report thereon prior to their submission to the Board of Directors for approval.

Pursuant to the requirements of the SGX-ST, the Audit Committee, with the assistance of the internal auditors, has reviewed the guidelines and procedures that were set up to identify, report and where necessary, seek appropriate approval for interested person transactions of the Group. Interested person transactions of the Group during the financial year have also been reviewed by the Audit Committee.

The Audit Committee has recommended to the Board of Directors that the independent auditor, Deloitte & Touche LLP, be nominated for re-appointment at the forthcoming Annual General Meeting of the Company.

DIRECTORS' STATEMENT

For the financial year ended 31 March 2023

AUDITOR

The auditor, Deloitte & Touche LLP, has expressed its willingness to accept re-appointment.

On behalf of the directors

Mr Simon Claude Israel
Chairman

Mr Phang Heng Wee, Vincent
Director

Singapore

5 June 2023

INDEPENDENT AUDITOR'S REPORT

To the Members of Singapore Post Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Singapore Post Limited (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 March 2023, and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group and the statement of changes in equity of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 111 to 237.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Act"), Singapore Financial Reporting Standards (International) ("SFRS(I)s") and International Financial Reporting Standards ("IFRSs") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 March 2023, and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and of the changes in equity of the Company for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

INDEPENDENT AUDITOR'S REPORT

To the Members of Singapore Post Limited

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements for the financial year ended 31 March 2023. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	Our audit performed and responses thereon
Assessment of impairment of goodwill and other intangible assets *Refer to Notes 3(a) and 26 to the financial statements.* As at 31 March 2023, the goodwill and other intangible assets amounted to S$415.7 million and S$85.3 million respectively. Management has determined the recoverable amounts of respective cash-generating units ("CGUs") based on value-in-use calculations. Management's assessment of the recoverable amounts of the CGUs involves significant judgement about the future cash flow projections of the business and the appropriate terminal growth rates and discount rates applied to these future cash flow projections. In arriving at the recoverable amounts, management has considered strategies and plans that have been approved by the Board and are in the process of being implemented. Management has considered the performance of the different CGUs during the current financial year and the economic environment which these CGUs operate in to develop the future cash flow projections. Overall, management has assessed that there is no impairment of goodwill and other intangible assets as the recoverable amount is higher than the carrying value as at 31 March 2023.	Our audit procedures focused on evaluating the key assumptions used by management in performing the impairment review. These procedures included: • evaluating the appropriateness of allocation of goodwill and other intangible assets to the different CGUs; • challenging management's future cash flow projections through comparison with recent performance, historical trend analyses, expectations of future development of the business and market conditions and publicly available industry and economic data; • involving our specialists to evaluate the appropriateness of management's assumptions, which include terminal growth rates and discount rates, by developing an independent expectation using economic and industry forecasts and rates of comparable companies with consideration for specific jurisdiction factors; • comparing current year's actual results against prior year's forecasts to assess whether assumptions made in prior year on hindsight had been reasonable; and • performing sensitivity analysis over the recoverable amounts of the Group's CGUs, based on reasonably possible changes in the key assumptions as set out above. Based on the procedures performed, we noted management's key estimates and assumptions used in the impairment assessment of goodwill and other intangible assets to be within a reasonable range of our expectations. We have evaluated the adequacy of the Group's disclosures made in relation to goodwill and other intangible assets and found them to be adequate.

INDEPENDENT AUDITOR'S REPORT

To the Members of Singapore Post Limited

Key Audit Matter	Our audit performed and responses thereon
Acquisition of additional interest in Freight Management Holdings Pty Ltd *Refer to Notes 3(b), 9 and 27 to the financial statements.* As at 1 April 2022, the Group held 51% shareholding in Freight Management Holdings Pty Ltd ("FMH"). On 31 March 2023, the Group completed its acquisition of an additional 37% equity in FMH. The aggregate consideration for this acquisition approximate S$174.8 million, subject to adjustments as agreed in the share sale and purchase agreement. Such consideration includes a contingent consideration which is dependent, amongst others, the Earnings before Interest, Taxes, Depreciation and Amortisation ("EBITDA") of FMH for the period from 1 July 2022 to 30 June 2023 and involves management estimate and judgement. During the financial year, the Group further revised the terms of its contractual arrangement with FMH non-controlling shareholders in respect of the put options previously granted to the non-controlling shareholders and included terms for a new grant of call options to the Group. Significant management judgment is also required in estimating the fair value of the remaining 12% gross liability of put options due to non-controlling shareholders at 31 March 2023, and the underlying assumptions to be applied in determining this gross liability based on the previous and new terms. Management has engaged an external valuation specialist to determine the fair value of the gross liability of put options (of the remaining 12% interests) at 31 March 2023.	We obtained and reviewed the relevant share sale and purchase agreement and identified critical terms with accounting impact. We verified the payments made during the year relating to the acquisition of the 37% shareholding. In respect of the external valuation specialist engaged by the Group, we evaluated their competency and experience to assist management in performing the required valuations for FMH. We further read the engagement terms to determine whether there were any matters that might have affected their independence and objectivity or imposed a limitation on the scope of their work. We engaged our valuation specialists in assessing the methodology, reasonableness of the valuation model and the appropriateness of the key assumptions applied in valuing the fair value of the gross liability (of the remaining 12% interests). We checked the resultant impact of the above to the consolidated income statement for the year ended 31 March 2023. Based on the procedures performed, we found management's basis of estimating (i) contingent consideration relating to the acquisition of additional 37% shareholding and (ii) measurement of the gross liability to be within a reasonable range of our expectations. We also assessed the appropriateness of the disclosures in the financial statements in respect of this matter.

INDEPENDENT AUDITOR'S REPORT

To the Members of Singapore Post Limited

Key Audit Matter	Our audit performed and responses thereon
Valuation of investment properties *Refer to Notes 3(c) and 23 to the financial statements.* As at 31 March 2023, the Group's investment properties amounted to S$965.8 million, representing 34.0% of the Group's total assets. These investment properties are stated at their fair values based on independent external valuations. The net fair value gain on investment properties recognised during the year amounted to S$18.6 million. The valuation of these investment properties (primarily Singapore Post Centre) located in Singapore is inherently subjective as it involves judgement in determining the appropriate valuation methodologies to be used, the underlying assumptions to be applied and consideration of terms and conditions and restrictions in the property agreements. The assumptions on which the property values are based, are influenced by the tenure and tenancy details for each property, prevailing market yields, comparable market transactions and market conditions during the year as well as expected transacted price of the property (if available).	We obtained an understanding of the Group's process for selection of the external valuer. We evaluated the qualifications and competence of the external valuer and read the engagement terms to determine whether there were any matters that might have affected their independence and objectivity or imposed a limitation on the scope of their work. We held discussions with the valuer to understand the basis of valuation techniques and assumptions applied on the properties' valuations. With the involvement of our internal valuation specialists, we evaluated the appropriateness of the valuation techniques used by the external valuer for the key investment properties. We benchmarked and challenged the key assumptions used in their valuation by reference to externally published industry data, where available, and we also considered whether these assumptions are consistent with the current market environment. Based on the procedures performed, the valuation methodologies used are in line with generally accepted market practices and the estimates and assumptions used are within a reasonable range of our expectations. We also considered the adequacy of the disclosures in the financial statements regarding the key assumptions used in the valuation and the relationships between the key unobservable inputs and fair values and found them to be adequate.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT

To the Members of Singapore Post Limited

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act, SFRS(I)s and IFRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

INDEPENDENT AUDITOR'S REPORT

To the Members of Singapore Post Limited

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Mr. Yang Chi Chih.

Deloitte & Touche LLP

Public Accountants and
Chartered Accountants

Singapore

5 June 2023

CONSOLIDATED INCOME STATEMENT

For the financial year ended 31 March 2023

	Note	Group 2023 S$'000	Group 2022 S$'000
Revenue	4	**1,872,259**	1,665,579
Labour and related expenses	5	**(350,743)**	(309,916)
Volume-related expenses	6	**(1,214,042)**	(1,051,023)
Administrative and other expenses	7	**(126,227)**	(115,267)
Depreciation and amortisation	8	**(82,570)**	(74,424)
Selling-related expenses		**(9,731)**	(7,363)
Reversal of impairment loss / (Impairment loss) on trade and other receivables		**131**	(2,211)
Operating expenses		**(1,783,182)**	(1,560,204)
Other income		**4,089**	6,699
Operating profit		**93,166**	112,074
Share of profit of associated companies and joint ventures	21	**23**	4,847
Exceptional items	9	**(7,705)**	1,858
Earnings before interest and tax		**85,484**	118,779
Interest income and investment income (net)	10	**2,148**	3,366
Finance expenses	11	**(19,623)**	(14,779)
Profit before income tax		**68,009**	107,366
Income tax expense	12	**(29,249)**	(19,623)
Profit after tax		**38,760**	87,743
Profit attributable to:			
Equity holders of the Company		**24,679**	83,112
Non-controlling interests		**14,081**	4,631
		38,760	87,743
Basic and diluted earnings per share attributable to ordinary shareholders of the Company			
– Excluding distribution to perpetual securities holders	13	**0.62 cents**	3.09 cents
– Including distribution to perpetual securities holders	13	**1.10 cents**	3.69 cents

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 March 2023

	Group	
	2023	2022
	S$'000	S$'000
Profit after tax	**38,760**	87,743
Other comprehensive (loss) / income (net of tax):		
Items that may be reclassified subsequently to profit or loss:		
Currency translation differences:		
– Loss on translation of foreign operations	**(12,350)**	(2,131)
– Disposal / liquidation of foreign subsidiaries	**(34)**	(246)
– Transfer to profit or loss arising from change in ownership interest from an associated company to a subsidiary	**–**	(63)
Items that will not be reclassified subsequently to profit or loss:		
Equity investments at fair value through other comprehensive income		
– Fair value loss	**(48,532)**	(10,992)
– Gain on fair value hedge of an equity instrument designated at FVTOCI	**56,879**	–
Revaluation gain on property, plant and equipment upon transfer to investment properties	**298**	6,412
Other comprehensive loss for the year (net of tax)	**(3,739)**	(7,020)
Total comprehensive income for the year	**35,021**	80,723
Total comprehensive income attributable to:		
Equity holders of the Company	**19,996**	76,845
Non-controlling interests	**15,025**	3,878
	35,021	80,723

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF FINANCIAL POSITION

As at 31 March 2023

	Note	Group 2023 S$'000	Group 2022 S$'000	Company 2023 S$'000	Company 2022 S$'000
ASSETS					
Current assets					
Cash and cash equivalents	14	**495,696**	280,438	**375,071**	200,598
Financial assets	15	**–**	8,006	**–**	8,006
Trade and other receivables	16	**229,831**	234,060	**117,132**	101,776
Derivative financial instruments	17	**372**	391	**372**	391
Inventories		**513**	523	**5**	16
Other current assets	18	**25,394**	35,335	**7,851**	8,909
		751,806	558,753	**500,431**	319,696
Assets classified as held for sale	19	**11,700**	5,499	**11,700**	–
		763,506	564,252	**512,131**	319,696
Non-current assets					
Financial assets	15	**42,076**	90,631	**–**	–
Derivative financial instruments	17	**56,879**	–	**–**	–
Trade and other receivables	20	**4,945**	4,945	**218,238**	212,920
Investments in associated companies and joint ventures	21	**31,949**	34,072	**21,891**	21,891
Investments in subsidiaries	22	**–**	–	**361,313**	361,313
Investment properties	23	**965,771**	956,610	**953,033**	945,274
Property, plant and equipment	24	**386,928**	412,454	**229,741**	245,818
Right-of-use assets	25	**71,565**	71,266	**38,259**	19,647
Intangible assets	26	**500,958**	529,441	**–**	–
Deferred income tax assets	30	**7,361**	8,657	**–**	–
Other non-current assets	18	**5,832**	7,076	**–**	–
		2,074,264	2,115,152	**1,822,475**	1,806,863
Total assets		**2,837,770**	2,679,404	**2,334,606**	2,126,559
LIABILITIES					
Current liabilities					
Trade and other payables	27	**632,539**	667,500	**416,086**	392,352
Current income tax liabilities		**22,359**	24,542	**9,149**	13,161
Contract liabilities	29	**30,037**	29,397	**26,541**	23,597
Lease liabilities	28	**32,152**	29,833	**12,257**	8,288
Derivative financial instruments	17	**1,413**	552	**1,132**	552
Borrowings	28	**1,370**	77,527	**–**	50,000
		719,870	829,351	**465,165**	487,950
Liabilities directly associated with assets classified as held for sale	19	**–**	2,082	**–**	–
		719,870	831,433	**465,165**	487,950
Non-current liabilities					
Trade and other payables	27	**21,616**	148,567	**604,565**	354,948
Borrowings	28	**623,020**	439,481	**–**	–
Contract liabilities	29	**7,177**	15,394	**7,177**	15,394
Lease liabilities	28	**47,575**	53,612	**26,859**	12,115
Deferred income tax liabilities	30	**44,214**	48,816	**22,521**	22,478
		743,602	705,870	**661,122**	404,935
Total liabilities		**1,463,472**	1,537,303	**1,126,287**	892,885
NET ASSETS		**1,374,298**	1,142,101	**1,208,319**	1,233,674
EQUITY					
Capital and reserves attributable to the Company's equity holders					
Share capital	31	**638,762**	638,762	**638,762**	638,762
Treasury shares	31	**(29,516)**	(29,724)	**(29,516)**	(29,724)
Other reserves	32	**(77,620)**	81,841	**35,390**	37,308
Retained earnings		**598,558**	616,527	**563,683**	587,328
Ordinary equity		**1,130,184**	1,307,406	**1,208,319**	1,233,674
Perpetual securities	33	**251,504**	–	**–**	–
		1,381,688	1,307,406	**1,208,319**	1,233,674
Non-controlling interests	22	**(7,390)**	(165,305)	**–**	–
Total equity		**1,374,298**	1,142,101	**1,208,319**	1,233,674

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 March 2023

	Note	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
Group										
Balance at 1 April 2022		638,762	(29,724)	616,527	81,841	1,307,406	–	1,307,406	(165,305)	1,142,101
Total comprehensive income for the year		–	–	24,679	(4,683)	19,996	–	19,996	15,025	35,021
Transactions with owners, recognised directly in equity										
Acquisition of non-controlling interest	(a)	–	–	–	(152,860) [(ii)]	(152,860)	–	(152,860)	152,873	13
Issuance of perpetual securities	33	–	–	–	–	–	248,972	248,972	–	248,972
Distribution of perpetual securities	33	–	–	(10,726)	–	(10,726)	10,726	–	–	–
Distribution paid on perpetual securities	33	–	–	–	–	–	(8,194)	(8,194)	–	(8,194)
Dividends paid to shareholders	34	–	–	(33,296)	–	(33,296)	–	(33,296)	–	(33,296)
Dividends paid to non-controlling interests in a subsidiary		–	–	–	–	–	–	–	(9,983)	(9,983)
Issuance of shares to employee	32(b)(iv)	–	208	–	(104)	104	–	104	–	104
Employee share option scheme:										
– Value of employee services	32(b)(i)	–	–	1,374	(1,814)	(440)	–	(440)	–	(440)
Total		–	208	(42,648)	(154,778)	(197,218)	251,504	54,286	142,890	197,176
Balance at 31 March 2023		638,762	(29,516)	598,558	(77,620)	1,130,184	251,504	1,381,688	(7,390)	1,374,298

Notes

(a) The acquisition of non-controlling interest in a subsidiary comprises:

(i) A net amount of S$13,000 measured by reference to the proportionate share of the reserves and net assets and liabilities on acquisition date.

(ii) Gross liabilities were recognised for an obligation which arose from a put option written with the non-controlling shareholder of FMH. In March 2023, the put option was exercised for the acquisition of an additional 37% equity interest in FMH and the related gross liabilities were transferred to other reserves.

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 March 2023

	Note	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
Group										
Balance at 1 April 2021		638,762	(29,724)	564,708	103,005	1,276,751	346,826	1,623,577	47,846	1,671,423
Total comprehensive income for the year		–	–	83,112	(6,267)	76,845	–	76,845	3,878	80,723
Transactions with owners, recognised directly in equity										
Acquisition of subsidiaries	(a)	–	–	–	–	–	–	–	(214,720)	(214,720)
Transfer of revaluation gain on property, plant and equipment and other capital reserve on loss of control of a subsidiary	9	–	–	6,017	(6,017)	–	–	–	–	–
Adjustment to other reserves		–	–	–	1,139	1,139	–	1,139	–	1,139
Redemption of perpetual securities	33	–	–	(4,397)	–	(4,397)	(345,603)	(350,000)	–	(350,000)
Distribution of perpetual securities	33	–	–	(13,652)	–	(13,652)	13,652	–	–	–
Distribution paid on perpetual securities		–	–	–	–	–	(14,875)	(14,875)	–	(14,875)
Dividends paid to shareholders	34	–	–	(24,745)	–	(24,745)	–	(24,745)	–	(24,745)
Dividends paid to non-controlling interests in a subsidiary		–	–	–	–	–	–	–	(2,309)	(2,309)
Employee share option scheme:										
– Value of employee services	32(b)(i)	–	–	5,484	(10,019)	(4,535)	–	(4,535)	–	(4,535)
Total		–	–	(31,293)	(14,897)	(46,190)	(346,826)	(393,016)	(217,029)	(610,045)
Balance at 31 March 2022		638,762	(29,724)	616,527	81,841	1,307,406	–	1,307,406	(165,305)	1,142,101

Notes

(a) The non-controlling interest on acquisition of subsidiaries comprises:

(i) An amount of S$26,665,000 (Note 40(b)(vi)) measured by reference to the share of fair value of the net identifiable assets and liabilities on acquisition date; less

(ii) An amount of S$241,385,000 relating to a reserve for an obligation arising from a put option written with the non-controlling shareholders of FMH. When exercised under certain conditions, this will require the Group to purchase the remaining 49% ownership interest in FMH.

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 March 2023

	Note	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
Company								
Balance at 1 April 2022		**638,762**	**(29,724)**	**587,328**	**37,308**	**1,233,674**	**–**	**1,233,674**
Total comprehensive income for the year		**–**	**–**	**8,277**	**–**	**8,277**	**–**	**8,277**
Transactions with owners, recognised directly in equity								
Dividends paid to shareholders	34	**–**	**–**	**(33,296)**	**–**	**(33,296)**	**–**	**(33,296)**
Issuance of shares to employee	32(b)(iv)	**–**	**208**	**–**	**(104)**	**104**	**–**	**104**
Employee share- option scheme:								
– Value of employee services	32(b)(i)	**–**	**–**	**1,374**	**(1,814)**	**(440)**	**–**	**(440)**
Total		**–**	**208**	**(31,922)**	**(1,918)**	**(33,632)**	**–**	**(33,632)**
Balance at 31 March 2023		**638,762**	**(29,516)**	**563,683**	**35,390**	**1,208,319**	**–**	**1,208,319**
Balance at 1 April 2021		638,762	(29,724)	584,072	46,836	1,239,946	346,826	1,586,772
Total comprehensive income for the year		–	–	40,566	491	41,057	–	41,057
Transactions with owners, recognised directly in equity								
Redemption of perpetual securities	33	–	–	(4,397)	–	(4,397)	(345,603)	(350,000)
Distribution on perpetual securities	33	–	–	(13,652)	–	(13,652)	13,652	–
Distribution paid on perpetual securities		–	–	–	–	–	(14,875)	(14,875)
Dividends paid to shareholders	34	–	–	(24,745)	–	(24,745)	–	(24,745)
Employee share option scheme:								
– Value of employee services	32(b)(i)	–	–	5,484	(10,019)	(4,535)	–	(4,535)
Total		–	–	(37,310)	(10,019)	(47,329)	(346,826)	(394,155)
Balance at 31 March 2022		638,762	(29,724)	587,328	37,308	1,233,674	–	1,233,674

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 March 2023

	Group	
	2023	2022
	S$'000	S$'000
Cash flows from operating activities		
Profit after tax	**38,760**	87,743
Adjustments for:		
Income tax expense	**29,249**	19,623
(Reversal of) / Impairment loss on trade and other receivables	**(131)**	2,211
Amortisation of contract liabilities	**(7,925)**	(7,754)
Amortisation of intangible assets	**7,641**	3,148
Depreciation	**74,929**	71,276
Fair value loss on put option redemption liability	**21,719**	1,945
Gain on change of ownership interest from an associated company to a subsidiary	**–**	(32,427)
Fair value gain on investment properties	**(18,565)**	(1,279)
Loss on disposal of property, plant and equipment	**227**	574
Gain on disposal of an associated company	**(99)**	–
Reversal of provision for restructuring of overseas operations	**–**	(101)
Net (gain) / loss on disposal / liquidation of subsidiaries	**(448)**	6,317
Reversal of share-based staff costs	**(440)**	(4,535)
Finance expenses	**19,623**	14,779
Fair value gain on contingent consideration	**(1,284)**	–
Interest income	**(7,500)**	(1,760)
Impairment of property, plant and equipment	**1,441**	4,374
Impairment of associated companies	**–**	2,700
(Reversal of) / Impairment of loans to associated companies	**(525)**	1,644
Impairment of disposal group classified as held for sale	**–**	5,469
Share of profit of associated companies and joint ventures	**(23)**	(4,847)
	117,889	81,357
Operating cash flow before working capital changes	**156,649**	169,100
Changes in working capital, net of effects from		
Inventories	**10**	21
Trade and other receivables	**20,832**	(21,016)
Trade and other payables	**(29,397)**	(34,839)
Contract liabilities	**348**	297
Cash generated from operations	**148,442**	113,563
Income tax paid	**(32,786)**	(24,037)
Net cash provided by operating activities	**115,656**	89,526

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 March 2023

	Group	
	2023	2022
	S$'000	S$'000
Cash flows from investing activities		
Contingent consideration paid in relation to acquisition of subsidiary	**(10,697)**	–
Acquisition of subsidiaries, net of cash acquired (Note 40)	**(7,982)**	(111,484)
Disposal / liquidation of subsidiaries, net of cash disposed	**418**	71,814
Additions to property, plant and equipment, investment properties and intangible assets	**(28,429)**	(24,258)
Dividends received from associated companies	**–**	1,788
Interest received	**6,614**	1,881
Investment in a joint venture company	**(10)**	–
Proceeds from disposal of an associated company	**1,380**	–
Proceeds from disposal of property, plant and equipment	**721**	448
Proceeds on sale / maturity of financial assets	**8,000**	6,500
Repayment of loans by an associated company	**2,803**	8
Net cash used in investing activities	**(27,182)**	(53,303)
Cash flows from financing activities		
Acquisition of additional interest in existing subsidiary	**(156,119)**	–
Distribution paid to perpetual securities	**(8,194)**	(14,875)
Dividends paid to shareholders	**(33,296)**	(24,745)
Dividends paid to non-controlling interests in a subsidiary	**(9,983)**	(2,309)
Finance expenses paid	**(21,899)**	(13,544)
Repayment of principal portion of lease liabilities	**(21,501)**	(31,841)
Proceeds from issuance of perpetual securities	**248,972**	–
Redemption of perpetual securities	**–**	(350,000)
Proceeds from bank loans and notes	**185,952**	288,286
Repayment of bank loans and notes	**(57,148)**	(106,739)
Net cash provided by / (used in) financing activities	**126,784**	(255,767)
Net increase / (decrease) in cash and cash equivalents	**215,258**	(219,544)
Cash and cash equivalents at beginning of financial year	**280,438**	501,212
Changes in cash and cash equivalents transferred to assets held for sale (Note 19)	**–**	(1,230)
Cash and cash equivalents at end of financial year	**495,696**	280,438

The accompanying notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. GENERAL INFORMATION

Singapore Post Limited (the "Company") is listed on the Singapore Exchange and incorporated and domiciled in Singapore. The address of its registered office and principal place of business is 10 Eunos Road 8, Singapore Post Centre, Singapore 408600.

The principal activities of the Company consist of the operation and provision of postal and parcel delivery services, eCommerce logistics and property. Its subsidiaries are principally engaged in provision of delivery services and eCommerce logistics solutions, provision of integrated supply chain and distributions services, freight forwarding and investment holding.

These financial statements were authorised for issue on 5 June 2023 in accordance with a resolution of the Board of Directors of Singapore Post Limited.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of accounting

The financial statements have been prepared in accordance with the historical cost basis, except as disclosed in the accounting policies below, and are drawn up in accordance with the provisions of the Singapore Companies Act 1967, Singapore Financial Reporting Standards (International) ("SFRS(I)s") and International Financial Reporting Standards ("IFRSs"). SFRS(I)s are issued by the Accounting Standards Council and comprise standards and interpretations that are equivalent to IFRSs issued by the International Accounting Standards Board. All references to SFRS(I)s and IFRSs are subsequently referred to as SFRS(I)s in these financial statements unless otherwise stated.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

The preparation of financial statements in conformity with SFRS(I)s requires management to exercise judgement in applying the Group's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

2.2 Adoption of new and revised standards

On 1 April 2022, the Group and the Company adopted all the new and revised SFRS(I) pronouncements that are relevant to its operations. Pronouncements issued, but not yet effective, as at 31 March 2023 have not been early adopted in the financial statements. The adoption of these new and revised SFRS(I) pronouncements does not result in changes to the Group's and the Company's accounting policies and has no material effect on the amounts reported for the current or prior years.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 Group accounting

(a) *Subsidiaries*

(i) *Consolidation*

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group has power over the entity, is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group until the date that control ceases.

In preparing the consolidated financial statements, transactions, balances and unrealised gains on transactions between group entities are eliminated. Unrealised losses are also eliminated but are considered an impairment indicator of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests comprise the portion of a subsidiary's net results of operations and of net assets of a subsidiary attributable to the interests that are not owned directly or indirectly by the equity holders of the Company. They are shown separately in the consolidated statement of comprehensive income, statement of changes in equity and statement of financial position. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary, even if this results in the non-controlling interests having a deficit balance.

(ii) *Acquisitions*

The acquisition method of accounting is used to account for business combinations by the Group.

The consideration transferred for the acquisition of a subsidiary or business comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary at the acquisition date.

If the contingent consideration is classified as equity, it is not re-measured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in the income statement.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss.

Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 Group accounting (continued)

(a) *Subsidiaries* (continued)

(ii) *Acquisitions* (continued)

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the date of acquisition either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the net identifiable assets acquired is recorded as goodwill.

Please refer to the paragraph Note 2.19(a) for the subsequent accounting policy on goodwill.

(iii) *Disposals of subsidiaries or businesses*

When a change in the Group's ownership interest in a subsidiary results in a loss of control over the subsidiary, the assets and liabilities of the subsidiary including any goodwill are derecognised. Amounts previously recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to retained earnings if required by a specific SFRS(I).

Any retained equity interest in the entity is remeasured at fair value. The difference between the carrying amount of the retained interest at the date when control is lost and its fair value is recognised in profit or loss.

Please refer to Note 2.16 for the accounting policy on investments in subsidiaries in the separate financial statements of the Company.

(b) *Transactions with non-controlling interests*

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control over the subsidiary are accounted for as equity transactions.

(c) *Put option with non-controlling interests*

When the Group enters into a put option agreement with the non-controlling shareholder in an existing subsidiary on their equity interests in that subsidiary and provides for settlement in cash or in another financial asset by the Group, the Group recognises a financial liability for the present value of the exercise price of the option. Subsequent to initial recognition of the financial liability, changes in the carrying amount of the financial liability is recognised in profit or loss. Amount initially recognised under equity is not subsequently re-measured.

On exercise of the put option, the financial liability will be derecognised on settlement in cash or in another financial asset by the Group. Changes in the Group's ownership interest in a subsidiary is accounted for according to transaction with non-controlling interests (Note 2.3 (b)).

If the put option expires unexercised, the financial liability is reversed against equity – Non-controlling interests.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 Group accounting (continued)

(d) Associated companies and joint ventures

Associated companies are entities over which the Group has significant influence, but not control. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. The Group's joint ventures are entities over which the Group has contractual arrangements to jointly share the control over the economic activity of the entities with one or more parties.

Investments in associated companies and joint ventures are accounted for in the consolidated financial statements using the equity method of accounting less impairment losses.

Investments in associated companies and joint ventures are initially recognised at cost. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange, plus cost directly attributable to the acquisition. Goodwill on associated companies and joint ventures represents the excess of the cost of acquisition over the Group's share of the fair value of the identifiable net assets of the associated companies and joint ventures and is included in the carrying amount of the investments.

In applying the equity method of accounting, the Group's share of its associated companies' and joint venture's post-acquisition profits or losses is recognised in profit or loss and its share of post-acquisition other comprehensive income is recognised in other comprehensive income. These post-acquisition movements and distributions received from associated companies and joint ventures are adjusted against the carrying amount of the investments. When the Group's share of losses in an associated companies or joint ventures equals or exceeds its interest in the associated companies or joint ventures, including any other unsecured non-current receivables, the Group does not recognise further losses, unless it has obligations to make or has made payments on behalf of the associated companies or joint ventures.

Unrealised gains on transactions between the Group and its associated companies and joint ventures are eliminated to the extent of the Group's interest in the associated companies and joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of impairment of the asset transferred. Where necessary, adjustments are made to the financial statements of associated companies and joint ventures to ensure consistency of accounting policies adopted by the Group.

Investments in associated companies and joint ventures are derecognised when the Group loses significant influence and joint control respectively. Any retained equity interest in the entity is remeasured at its fair value. The difference between the carrying amount of the retained interest at the date when significant influence or joint control is lost and its fair value is recognised in profit or loss.

Gains and losses arising from partial disposals or dilutions in investments in associated companies and joint ventures are recognised in profit or loss.

Please refer to Note 2.16 for the accounting policy on investments in associated companies and joint ventures in the separate financial statements of the Company.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.4 Leases

As a *lessee*, the Group leases various retail outlets, warehousing space and machinery from non-related parties.

As a *lessor*, the Group leases commercial and retail, and warehousing space to non-related parties.

(a) *When the Group is the lessee:*

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses the incremental borrowing rate specific to the lessee.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.4 Leases (continued)

(a) When the Group is the lessee (continued):

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used); or
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under SFRS(I) 1-37 *Provisions, Contingent Liabilities and Contingent Assets*. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the statement of financial position.

The Group applies SFRS(I) 1-36 *Impairment of Assets* to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in Note 2.20.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line 'Other operating expenses' in the statement of profit or loss.

As a practical expedient, SFRS(I) 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has elected to not separate lease and non-lease component for property leases and account these as one single lease component.

The Group has applied the amendment to SFRS(I) 16 *Leases: COVID-19-Related Rent Concessions*. The Group applies the practical expedient allowing it not to assess whether a rent concession related to COVID-19 is a lease modification. The Group applies the practical expedient consistently to contracts with similar characteristics and in similar circumstances.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.4 Leases (continued)

(b) *When the Group is the lessor:*

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Group is an intermediate lessor, it accounts for the head lease and the sublease as two separate contracts. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

When a contract includes lease and non-lease components, the Group applies SFRS(I) 15 *Revenue from Contracts with Customers* to allocate the consideration under the contract to each component.

2.5 Revenue recognition

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control of a product or service to a customer.

(a) *Post and Parcel*

Revenue is recognised from post and parcel related activities which includes collecting, sorting, transporting and distributing domestic and international mail as well as sale of philatelic products, agency services, financial services and parcel deliveries in Singapore.

Revenue from sale of goods is recognised when the goods are delivered to the customer and all criteria for acceptance have been satisfied which is the point when control of goods has transferred to the customer. Under the Group's standard contract terms, customers do not have a right of return.

Revenue from the rendering of services is recognised when the services are rendered and the contracted performance obligation is satisfied. Such revenue can be recognised at a point in time or over time depending on when control of goods or services is transferred to the customer. The Group's delivery-related contracts may include variable consideration such as volume-based discounts or rebates. When consideration is variable, the estimated amount is included in the transaction price to the extent that it is highly probable that a significant reversal of the cumulative revenue will not occur when the uncertainty associated with the variable consideration is resolved.

Fee commission is recognised for agency services provided for which the Group acts as an agent and has no control over specified goods/services.

Accrual for unearned revenue is made for stamps which have been sold, but for which services have not been rendered as at the end of the reporting period. This accrual is classified as "contract liabilities".

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.5 Revenue recognition (continued)

(a) Post and Parcel (continued)

The Group received upfront payment with respect to post assurance collaboration from HSBC Life (Singapore) Pte Ltd ("HSBC Life") (formerly known as AXA Life Insurance Singapore Private Limited) and revenue is recognised in profit or loss on a straight-line basis over the period of 10 years till 19 January 2025. When the period between the recognition of revenue and payment by the customer exceeds one year, an adjustment is made to the transaction price for the time value of money. The Group has elected to apply the practical expedient not to adjust the transaction price for the existence of significant financing component when the period between the transfer of control of good or service to a customer and the payment date is one year or less.

A contract liability is recognised when the Group has not yet performed under the contract but has received advanced payments from the customer. Contract liabilities are recognised as revenue as the Group performs under the contract.

(b) Logistics

The Group provides eCommerce logistics, warehousing, fulfilment and distribution and freight forwarding services.

Revenue from the rendering of services is recognised when the services are rendered.

Brokerage income from freight forwarding, being net of costs of premium against premium income is recognised at the effective date of the related insurance policies. Brokerage on premium adjustments is recognised when the uncertainty associated with the variable consideration is resolved.

(c) Property

Rental income from operating leases is recognised on a straight-line basis over the lease term.

Revenue from self-storage solutions, management services and advertising and promotion income are recognised on a straight-line basis over the service period.

2.6 Employee compensation

Employee benefits are recognised as an expense, unless the cost qualifies to be capitalised as an asset.

(a) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund, on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.6 Employee compensation (continued)

(b) Defined benefit plans

Defined benefit plans are post-employment benefit pension plans other than defined contribution plans. Defined benefit plans typically define the amount of benefit that an employee will receive on or after retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the statement of financial position in respect of a defined benefit pension plan is the present value of the defined benefit obligation at the reporting date less the fair value plan assets, together with adjustments for unrecognised past-service costs. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using market yields of high quality corporate bonds that are denominated in the currency in which the benefits will be paid, and have tenures approximating to that of the related post-employment benefit obligations.

Actuarial gains and losses are recognised in other comprehensive income in the period when they arise.

Past service costs are recognised immediately in profit or loss, unless the changes to the pension plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, the past service costs are amortised on a straight-line basis over the vesting period.

(c) Share-based compensation

The share-based compensation plans of the Group are accounted as equity-settled share-based payments. The value of the employee services received in exchange for the grant of options is recognised as an expense in profit or loss with a corresponding increase in the share option reserve over the vesting period. The total amount to be recognised over the vesting period is determined by reference to the fair value of the options granted on the date of the grant. Non-market vesting conditions are included in the estimation of the number of shares under options that are expected to become exercisable on the vesting date. At the end of each reporting period, the Group revises its estimates of the number of shares under options that are expected to become exercisable on the vesting date and recognises the impact of the revision of the estimates in profit or loss, with a corresponding adjustment to the share option reserve over the remaining vesting period.

When the options are exercised, the proceeds received (net of transaction costs) and the related balance previously recognised in the share option reserve are credited to the share capital account, when new ordinary shares are issued, or to the "treasury shares" account, when treasury shares are re-issued to the employees.

2.7 Government grants

Grants from the government are recognised as a receivable at their fair value when there is reasonable assurance that the grant will be received and the Group will comply with all the attached conditions.

Government grants receivable are recognised as income or cost recovery over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Government grants relating to expenses are shown separately as offset against the related expenses.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.8 Borrowing costs

Borrowing costs are recognised in profit or loss using the effective interest method.

2.9 Exceptional items

Exceptional items refer to items of income or expense within the income statement from ordinary activities that are of such size, nature or incidence that their separate disclosure is considered necessary to explain the performance of the Group for the financial year.

2.10 Income taxes

Income tax expense comprises current and deferred tax.

The current tax is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible.

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted in countries where the Company and subsidiaries operate by the end of the reporting period.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

A deferred income tax liability is recognised on temporary differences arising on investments in subsidiaries, associated companies and joint ventures, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

Deferred income tax is calculated at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Except for investment properties measured using the fair value method, the measurement of deferred tax liabilities and assets reflects the tax consequence that will follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amounts of its assets and liabilities.

For the purposes of measuring deferred tax liabilities and deferred tax assets for investment properties that are measured using the fair value model the carrying amounts of such properties are presumed to be recovered through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model of the Group whose business objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale. The Group has not rebutted the presumption that the carrying amount of the investment properties will be recovered entirely through sale.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.10 Income taxes (continued)

Current and deferred income taxes are recognised as income or expenses in profit or loss, except to the extent that the tax arises from a business combination or a transaction which is recognised outside profit or loss (either in other comprehensive income or directly in equity), in which case the tax is also recognised outside profit or loss (either in other comprehensive income or directly in equity, respectively). Deferred tax arising from a business combination is adjusted against goodwill on acquisition.

2.11 Currency translation

(a) Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements are presented in Singapore Dollars, which is the functional currency of the Company.

(b) Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency exchange differences from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the end of the reporting period are recognised in profit or loss. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised in other comprehensive income. For such non-monetary items, any exchange component of that gain or loss is also recognised in other comprehensive income. For equity investments measured at fair value through other comprehensive income ("FVTOCI"), exchange differences are recognised in other comprehensive income in the fair value reserve. In the consolidated financial statements, currency translation differences arising from net investment in foreign operations are recognised in other comprehensive income and accumulated in the currency translation reserve.

When a foreign operation is disposed of, the proportionate share of the accumulated currency translation differences is reclassified to profit or loss, as part of the gain or loss on disposal.

(c) Translation of Group entities' financial statements

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) Assets and liabilities are translated at the closing exchange rates at the end of the reporting period;

(ii) Income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions); and

(iii) All resulting currency translation differences are recognised in other comprehensive income and accumulated in the currency translation reserve. These currency translation differences are classified to profit or loss on disposal or partial disposal of the entity giving rise to such reserve.

Goodwill and fair value adjustments arising on acquisition of foreign operations are treated as assets and liabilities of the foreign operations and translated at the closing rates at the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.12 Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash at bank and on hand, deposits with financial institutions which are subject to an insignificant risk of change in value.

2.13 Financial assets

Financial assets are recognised on the statement of financial position when the Group becomes a party to the contractual provisions of the instruments. All financial assets are recognised and de-recognised on a trade date basis where the purchase or sale of financial assets is under a contract whose terms require delivery of assets within the time frame established by the market concerned.

Financial assets are initially measured at fair value, except for trade receivables that do not have a significant financing component which are measured at transaction price. Transaction costs that are directly attributable to the acquisition of financial assets (other than financial assets at fair value through profit or loss) are added to or deducted from the fair value of the financial assets, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets at fair value through profit or loss are recognised immediately in profit or loss.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

(i) Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are subsequently measured at fair value through profit or loss (“FVTPL”).

Despite the aforegoing, the Group may make the following irrevocable election/designation at initial recognition of a financial asset:

- the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met; and
- the Group may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.13 Financial assets (continued)

(i) *Classification of financial assets* (continued)

Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial instruments other than purchased or originated credit-impaired financial assets, the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. On the other hand, the gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at FVTOCI.

Interest income is recognised in profit or loss.

Equity instruments designated as at FVTOCI

On initial recognition, the Group may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI unless the equity investment is held for trading or if it is contingent consideration recognised by an acquirer in a business combination to which SFRS(I) 3 *Business Combinations* applies.

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the fair value reserve. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, instead, they will be transferred to retained earnings.

The Group has designated all investments in equity instruments that are not held for trading as at FVTOCI on initial application of SFRS(I) 9 *Financial Instruments* (see Note 15).

Dividends on these investments in equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the "interest income and investment income (net)" line item in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.13 Financial assets (continued)

(ii) Impairment of financial assets

The Group recognises a loss allowance for expected credit losses ("ECL") on investments in debt instruments that are measured at amortised cost or at FVTOCI as well as on loan commitments and financial guarantee contracts. No impairment loss is recognised for investments in equity instruments. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognises lifetime ECL for trade receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor; and
- breach of settlement contract or default in contractual obligations.

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECLs.

For loan commitments and financial guarantee contracts, the date that the Group becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing the financial instrument for impairment. In assessing whether there has been a significant increase in the credit risk since initial recognition of a loan commitment, the Group considers changes in the risk of a default occurring on the loan to which a loan commitment relates; for financial guarantee contracts, the Group considers the changes in the risk that the specified debtor will default on the contract.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.13 Financial assets (continued)

(ii) Impairment of financial assets (continued)

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred.

Measurement and recognition of expected credit losses

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for loan commitments and financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Group's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

For financial assets, the ECL is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

2.14 Inventories

Inventories are carried at the lower of cost and net realisable value. Cost is determined using the weighted average method for the retail goods at post offices. The cost of trading goods comprises all cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.15 Assets classified as held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification. Immediately before classification as held for sale or distribution, the assets, or components of a disposal group, are remeasured in accordance with the Group's accounting policies. Thereafter the assets, or disposal group, classified as held as sale are generally measured at the lower of their carrying amount and fair value less costs to sell.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in its former subsidiary after the sale.

When the Group is committed to a sale plan involving disposal of an investment in an associate or, a portion of an investment in an associate, the investment, or the portion of the investment in the associate, that will be disposed of is classified as held for sale when the criteria described above are met. The Group then ceases to apply the equity method in relation to the portion that is classified as held for sale. Any retained portion of an investment in an associate that has not been classified as held for sale continues to be accounted for using the equity method.

2.16 Investments in subsidiaries, associated companies and joint ventures

Investments in subsidiaries, associated companies and joint ventures are carried at cost less accumulated impairment losses in the Company's statement of financial position. On disposal of such investments, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

2.17 Investment property

Investment properties include those portions of commercial buildings that are held for long-term rental yields and/or for capital appreciation. Investment properties include properties that are being constructed or developed for future use as investment properties.

Investment properties are initially recognised at cost and subsequently carried at fair value. Changes in fair values are recognised in the income statement for the period in which they arise.

If an investment property becomes owner-occupied, it is reclassified as property, plant and equipment and its fair value at the date of reclassification becomes its cost for accounting purposes.

On disposal of an investment property, the difference between the disposal proceeds and the carrying amounts is recognised in the income statement in the period in which the property is derecognised.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.18 Property, plant and equipment

(a) *Measurement*

All property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. The projected cost of dismantlement, removal or restoration is also recognised as part of the cost of property, plant and equipment if the obligation for the dismantlement, removal or restoration is incurred as a consequence of acquiring the asset.

(b) *Depreciation*

Depreciation on property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:

	Useful lives
Leasehold land	30 to 99 years
Buildings	5 to 50 years
Postal equipment	3 to 20 years
Plant and machinery	3 to 20 years
Motor vehicles	5 to 15 years

Capital work-in-progress, representing costs of property, plant and equipment which have not been commissioned for use, is not depreciated.

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at the end of each reporting period. The effects of any revision are recognised in profit or loss when the changes arise.

(c) *Subsequent expenditure*

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance expense is recognised in profit or loss when incurred.

(d) *Disposal*

On disposal of an item of property, plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.18 Property, plant and equipment (continued)

(e) Transfer

A transfer from property, plant and equipment to investment properties is fair valued at the date of transfer and the difference between fair value and the previous carrying amount is accounted for as an asset revaluation surplus or deficit in equity. Increases in carrying amounts arising from revaluation, including currency translation differences, are recognised in other comprehensive income, unless there was an impairment loss recognised for the same property in prior years and a portion of the increase is recognised in profit or loss to the extent of that impairment loss. Decreases are recognised in profit or loss for any decrease in excess of the amount included in the revaluation surplus for that property.

Please refer to Note 2.17 for the accounting policy on the transfer from investment properties to property, plant and equipment.

2.19 Intangible assets

(a) Goodwill on acquisitions

Goodwill on acquisitions of subsidiaries and businesses represents the excess of (i) the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over (ii) the fair value of the net identifiable assets acquired.

Goodwill on subsidiaries is recognised separately as intangible assets and carried at cost less accumulated impairment losses.

Goodwill on associated companies and joint ventures represents the excess of the cost of acquisition over the Group's share of the fair values of the identifiable net assets acquired and is included in the carrying amount of the investments.

Gains and losses on the disposal of subsidiaries, associated companies and joint ventures include the carrying amount of goodwill relating to the entity sold.

(b) Customer relationships

Customer relationships acquired in business combination are recognised at fair value at the acquisition date. The customer relationships have finite useful lives and are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is calculated using the straight-line method over 6 to 7 years, which is the expected lives of the customer relationships.

(c) Acquired software licence

Acquired software licence is initially capitalised at cost and subsequently carried at cost less accumulated amortisation and accumulated impairment losses. These costs are amortised to profit or loss using the straight-line method over the licence term or the estimated useful lives of 1 to 5 years.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.19 Intangible assets (continued)

(d) Trademarked brands

Trademarked brands acquired as part of business combinations are recognised at their fair values at the acquisition date.

The trademarked brands with finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is calculated using the straight-line method over 5 years.

The trademarked brands with indefinite useful lives are not amortised and are subsequently tested for impairment annually. In connection with the annual impairment assessment of the trademarked brands, the critical accounting judgement in respect of the indefinite useful lives assumption will also be reviewed.

2.20 Impairment of non-financial assets

(a) Goodwill

Goodwill recognised separately as an intangible asset is tested for impairment annually and whenever there is indication that the goodwill may be impaired.

For the purpose of impairment testing of goodwill, goodwill is allocated to each of the Group's cash-generating-units or group of cash-generating-units ("CGU") expected to benefit from synergies arising from the business combination.

An impairment loss is recognised when the carrying amount of a CGU, including the goodwill, exceeds the recoverable amount of the CGU. The recoverable amount of a CGU is the higher of the CGU's fair value less cost to sell and value-in-use.

The total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each asset in the CGU.

An impairment loss on goodwill is recognised as an expense and is not reversed in a subsequent period.

(b) Trademarked brand with indefinite useful life

Trademarked brand with indefinite useful life is tested for impairment annually and whenever there is indication that the trademarked brand may be impaired.

An impairment loss is recognised in profit or loss when the carrying amount of the trademarked brand exceeds the recoverable amount of the acquired brand. The recoverable amount of the trademarked brand is the higher of a trademarked brand's fair value less costs to sell and value-in-use.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.20 Impairment of non-financial assets (continued)

(c) *Other intangible assets (excluding goodwill and trademarked brand with indefinite useful life)*
Property, plant and equipment
Right-of-use assets
Investments in subsidiaries, associated companies and joint ventures

Other intangible assets, property, plant and equipment, right-of-use assets and investments in subsidiaries, associated companies and joint ventures are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the CGU to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss.

An impairment loss for an asset other than goodwill is reversed only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

A reversal of impairment loss for an asset other than goodwill is recognised in profit or loss.

2.21 Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.22 Derivative financial instruments

A derivative financial instrument is initially recognised at its fair value on the date the contract is entered into and is subsequently carried at its fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

Fair value changes on derivatives that are not designated or do not qualify for hedge accounting are recognised in profit or loss when the changes arise.

The Group documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objective and strategies for undertaking various hedge transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, on whether the derivatives designated as hedging instruments are highly effective in offsetting changes in fair values or cash flows of hedged items.

The carrying amount of a derivative is presented as a non-current asset or liability if the remaining expected life of the derivative is more than 12 months, and as a current asset or liability if the remaining expected life of the derivative is less than 12 months.

2.23 Hedge accounting

The Group designates certain derivatives as hedging instruments in respect of market risk in fair value hedges.

At the inception of the hedge relationship, the Group documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is effective in offsetting changes in fair values of the hedged item attributable to the hedged risk, which is when the hedging relationships meet all of the following hedge effectiveness requirements:

- there is an economic relationship between the hedged item and the hedging instrument;
- the effect of credit risk does not dominate the value changes that result from that economic relationship; and
- the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the entity actually uses to hedge that quantity of hedged item.

If a hedging relationship ceases to meet the hedge effectiveness requirement relating to the hedge ratio but the risk management objective for that designated hedging relationship remains the same, the Group adjusts the hedge ratio of the hedging relationship (i.e. rebalances the hedge) so that it meets the qualifying criteria again.

Note 17 sets out details of the fair value of the derivative instrument used for hedging purposes.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.23 Hedge accounting (continued)

Fair value hedges

The fair value change on qualifying hedging instruments is recognised in profit or loss except when the hedging instrument hedges an equity instrument designated at FVTOCI in which case it is recognised in other comprehensive income.

The carrying amount of a hedged item not already measured at fair value is adjusted for the fair value change attributable to the hedged risk with a corresponding entry in profit or loss. For debt instruments measured at FVTOCI, the carrying amount is not adjusted as it is already at fair value, but the hedging gain or loss is recognised in profit or loss instead of other comprehensive income. When the hedged item is an equity instrument designated at FVTOCI, the hedging gain or loss remains in other comprehensive income to match that of the hedging instrument.

Where hedging gains or losses are recognised in profit or loss, they are recognised in the same line as the hedged item.

The Group discontinues hedge accounting only when the hedging relationship (or a part thereof) ceases to meet the qualifying criteria (after rebalancing, if applicable). This includes instances when the hedging instrument expires or is sold, terminated or exercised. The discontinuation is accounted for prospectively. The fair value adjustment to the carrying amount of the hedged item arising from the hedged risk is amortised to profit or loss from that date.

2.24 Borrowings

Borrowings are initially recognised at fair value (net of transaction costs) and subsequently carried at amortised cost, except for the borrowings that are designated as fair value hedges. The gain or loss on the borrowings attributable to the hedged risk shall adjust the carrying amount of the borrowings and be recognised in profit or loss. The adjustment of the fair value will be reversed when the hedging relationship is discontinued or lapsed.

Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

Borrowings which are due to be settled within twelve months after the end of the reporting period are included in current borrowings in the statement of financial position. Other borrowings with an unconditional right to defer settlement for at least twelve months after the end of the reporting period are included in non–current borrowings in the statement of financial position.

2.25 Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by a group entity are initially measured at their fair values and, if not designated as FVTPL and do not arise from a transfer of a financial asset, are subsequently measured at the higher of:

- the amount of the loss allowance determined in accordance with SFRS(I) 9; and
- the amount initially recognised less cumulative amortisation.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.26 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

2.27 Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

2.28 Share capital and treasury shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

When any entity within the Group purchases the Company's ordinary shares ("treasury shares"), the carrying amount which includes the consideration paid and any directly attributable transaction cost is presented as a component within equity attributable to the Company's equity holders, until they are cancelled, sold or reissued.

When treasury shares are subsequently cancelled, the cost of treasury shares are deducted against the share capital account if the shares are purchased out of capital of the Company, or against the retained profits of the Company if the shares are purchased out of earnings of the Company.

When treasury shares are subsequently sold or reissued pursuant to the employee share option scheme, the cost of treasury shares is reversed from the treasury share account and the realised gain or loss on sale or reissue, net of any directly attributable incremental transaction costs and related income tax, is recognised in the capital reserve.

2.29 Perpetual securities

The perpetual securities do not have a maturity date and the Group is able to elect to defer making a distribution, subject to the terms and conditions of the securities issue. Accordingly, the Group is not considered to have a contractual obligation to make principal repayments or distributions in respect of its perpetual securities issued and the perpetual securities are presented within equity. Distributions are treated as dividends which will be directly debited from equity. Incremental costs directly attributable to the issue of the perpetual securities are deducted against the proceeds from the issue.

2.30 Dividends to Company's shareholders

Dividends to Company's shareholders are recognised when the dividends are approved for payments.

2.31 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Group Chief Executive Officer and Group Chief Financial Officer who are responsible for allocating resources and assessing performance of operating segments.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

3. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

(a) *Estimated impairment of goodwill and other intangible assets*

Goodwill and trademarked brands with indefinite useful lives are tested for impairment annually and whenever there is indication that goodwill and trademarked brands may be impaired. The recoverable amount of goodwill and trademarked brands, and where applicable, a CGU, is determined based on the higher of fair value less costs to sell and value-in-use calculations prepared on the basis of management's assumptions and estimates.

When value-in-use calculations are undertaken, the Group uses discounted cash flow projections based on approved financial budgets covering a five-year period. Significant judgements are used to estimate the terminal growth rates and discount rates applied in computing the recoverable amounts of the different CGUs. In making these estimates, management has relied on past performance, its expectations of the future developments of the various businesses and market (including the impact arising from geopolitical tensions and rising interest rates) and publicly available industry and economic data. Details of these key assumptions applied in the impairment assessment of goodwill and trademarked brands are provided in Note 26.

No impairment charge is recognised on its goodwill and other intangible assets during the financial years ended 31 March 2023 and 2022.

Other intangible assets are tested for impairment whenever there is any objective evidence of indication that these assets may be impaired.

All impairment calculations demand a high degree of estimation, which include assessments of the expected cash flows arising from such assets and the selection of key assumptions. Changes to these estimates may significantly impact the impairment charges recognised.

The carrying value of goodwill and other intangible assets is disclosed in Note 26.

(b) *Acquisition of additional interests in Freight Management Holdings Pty Ltd*

During the year, the Group acquired a further 37% equity interest in Freight Management Holdings Pty Ltd ("FMH"). Consequently, the Group's shareholding in FMH increased to 88% (2022: 51%).

The aggregate consideration for this acquisition approximates S$174.8 million, subject to adjustments as agreed in the share sale and purchase agreement. Such consideration includes a contingent consideration which is dependent, amongst others, the Earnings before Interest, Taxes, Depreciation and Amortisation ("EBITDA") of FMH for the period from 1 July 2022 to 30 June 2023 and involves management estimate and judgement.

Subject to the terms of the share sale and purchase agreement, the non-controlling shareholders are granted put options which are exercisable from 1 July 2023. Concurrently, the Group is granted call options which are exercisable at the same consideration and periods.

Significant management judgment is required in estimating the fair value of the remaining 12% gross liability at 31 March 2023 and the underlying assumptions to be applied in determining the gross liability at the end of the reporting period.

The carrying value of the put option redemption liability is disclosed in Note 27.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

3. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS (continued)

(c) Valuation of investment properties

As at 31 March 2023, the Group's investment properties of S$965.8 million (2022: S$956.6 million) (Note 23) are stated at their estimated fair values determined by independent professional valuers. These estimated fair values may differ significantly from the prices at which these properties can be sold due to the actual negotiations between willing buyers and sellers as well as changes in assumptions and conditions arising from ongoing development of macroeconomic uncertainties and other unforeseen events. Consequently, the actual results and the realisation of these properties could differ significantly from the estimates disclosed in these financial statements.

(d) Investment in Shenzhen 4PX Information and Technology Co., Limited ("4PX")

(i) Valuation of 4PX

The Group carries an investment in Shenzhen 4PX Information and Technology Co., Limited ("4PX") measured at fair value and classified as an equity investment measured at FVTOCI (Note 15).

When the fair value of such investment cannot be determined from active markets, valuation techniques including trading multiples of comparable companies with entity-specific adjustments made are used. The valuation of 4PX is determined based on Enterprise Value / Revenue multiples of selected comparable companies at the end of the reporting period. The inputs to the valuation model are derived from market observable data where possible, including but not limited to financial data of selected public companies in logistics services, freight management, supply chain management and e-commerce, but where this is not feasible, a degree of judgement is required to establish fair value. Details of the valuation techniques and inputs used are disclosed in Note 37(f).

As at 31 March 2023, the carrying value of the investment in 4PX measured at FVTOCI was S$ 41.9 million (2022: S$90.4 million).

(ii) Fair value hedge on option right

During the current financial year, certain revisions were made to the shareholder's agreement entered into by various shareholders of 4PX and the Group. As a result, the Group has a right to a put option ("equity option") to put its equity interest in 4PX to an external shareholder of 4PX at a fixed exercise price. Upon fulfilment of certain conditions by this shareholder, the Group can exercise the put option granted. This external shareholder also has a corresponding right to call and acquire the Group's equity interest in 4PX at the same fixed exercise price. Based on discussions with various parties, management believes that the conditions will be fulfilled.

The Group has applied fair value hedge accounting to designate the equity option as a hedging instrument to hedge the risk of fair value changes associated with its investment in 4PX, which is recorded in 'financial assets designated at FVTOCI' (Note 15). As the hedged item is an equity investment designated at FVTOCI, the hedging gain/loss remains in other comprehensive income to match that of the hedging instrument. In determining the fair value of the equity option, management has considered the valuation of 4PX as mentioned above in 3d(i). Details on the valuation technique and inputs used are further disclosed in Note 37(f).

For the financial year ended 31 March 2023, the changes in fair value of the hedging instrument recorded in other comprehensive income amounted to S$56.9 million (Note 17).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

3. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS (continued)

(e) Estimated impairment of other non-financial assets

Property, plant and equipment (Note 24), right-of-use assets (Note 25) and investments in subsidiaries (Note 22), associated companies and joint ventures (Note 21) are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired. The recoverable amount of an asset, and where applicable, a CGU, is determined based on the higher of fair value less costs to sell and value-in-use calculation prepared on the basis of management's assumptions and estimates.

All impairment calculations demand a high degree of estimation, which include assessments of the expected cash flows arising from such assets and the selection of key assumptions. Changes to these estimates may significantly impact the impairment charges recognised.

The Group recognised impairment charges on assets classified as held for sale, investment in associated companies and property, plant and equipment amounting to S$Nil (2022: S$5.5 million), S$Nil million (2022: S$2.7 million) and S$1.4 million (2022: S$4.4 million) respectively during the financial year. Details are provided in Notes 19, 21 and 24.

In the preceding financial year, the Company recognised impairment charges on investments in subsidiaries of S$6,624,000 (Note 22).

(f) Calculation of loss allowance for trade and other receivables

When measuring ECL, the Group uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

Apart from the estimates involved in determining likelihood of default over a given time horizon to determine ECL, when there are events indicating that trade and other receivables are credit impaired, management has to estimate the loss allowance required.

Reversal of impairment loss on trade and other receivables recognised in profit or loss amounted to S$0.1 million (2022: impairment charge of S$2.2 million) for the financial year ended 31 March 2023.

The carrying values of trade and other receivables are disclosed in Notes 16 and 20.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

4. REVENUE

Revenue from external customers is derived from the provision of mail, logistics solution, agency and financial services and front-end ecommerce solutions.

	Group	
	2023	2022
	S$'000	S$'000
Post and Parcel	**505,546**	604,784
Logistics	**1,313,027**	988,450
Property	**53,686**	72,345
	1,872,259	1,665,579

A disaggregation of the Group's revenue for the year is as follows:

	Group					
	2023			2022		
	Revenue from services rendered S$'000	**Sale of products S$'000**	**Total S$'000**	Revenue from services rendered S$'000	Sale of products S$'000	Total S$'000
Post and Parcel	**504,282**	**1,264**	**505,546**	602,498	2,286	604,784
Logistics	**1,313,027**	**–**	**1,313,027**	988,450	–	988,450
Property	**53,686**	**–**	**53,686**	72,345	–	72,345
	1,870,995	**1,264**	**1,872,259**	1,663,293	2,286	1,665,579
Timing of revenue recognition in respect of revenue from contracts with customers [1]						
At a point in time	**9,328**	**1,264**	**10,592**	5,097	2,286	7,383
Over time	**1,822,215**	**–**	**1,822,215**	1,616,234	–	1,616,234
	1,831,543	**1,264**	**1,823,807**	1,621,331	2,286	1,623,617

[1] These disclosures under SFRS(I) 15 are not applicable to revenue from lease contracts amounting to S$39,452,000 (2022: S$41,962,000).

Further revenue information for each reportable segment under SFRS(I) 8 *Operating Segments* is disclosed in Note 39.

The Group applies the practical expedient in paragraph 121 of SFRS(I) 15 and does not disclose information about its remaining performance obligations if:

- the performance obligation is part of a contract that has an original expected duration of one year or less; or
- the Group has a right to invoice a customer in an amount that corresponds directly with its performance to date, then it recognises revenue in that amount.

Transaction price allocated to performance obligations that are unsatisfied (or partially unsatisfied) as at the end of the reporting period relates to 'Advances received for post assurance collaboration'. Refer to Note 29 for further details.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

5. LABOUR AND RELATED EXPENSES

	Group	
	2023	2022
	S$'000	S$'000
Wages and salaries	**242,191**	204,492
Employer's contribution to defined contribution plans including Central Provident Fund	**32,342**	27,150
Share-based credit (Note 32(b)(i))	**(440)**	(4,535)
Other benefits	**8,979**	9,995
Long term incentive plan	**2,013**	–
Temporary and contract staff cost	**68,239**	74,798
Government grant	**(2,581)**	(1,984)
	350,743	309,916

6. VOLUME-RELATED EXPENSES

	Group	
	2023	2022
	S$'000	S$'000
Traffic expenses	**1,012,497**	825,051
Outsourcing services and delivery expenses	**201,545**	225,972
	1,214,042	1,051,023

7. ADMINISTRATIVE AND OTHER EXPENSES

	Group	
	2023	2022
	S$'000	S$'000
Included in administrative and other expenses are the following:		
Professional services	**8,158**	10,642
Repair and maintenance expenses	**26,502**	26,307
Rental expenses	**7,256**	6,114
Supplies and services	**39,538**	30,236

8. DEPRECIATION AND AMORTISATION

	Group	
	2023	2022
	S$'000	S$'000
Depreciation – property, plant and equipment (Note 24)	**40,970**	40,163
Depreciation – right-of-use assets (Note 25)	**33,959**	31,113
Amortisation (Note 26)	**7,641**	3,148
	82,570	74,424

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

9. EXCEPTIONAL ITEMS

	Group	
	2023	2022
	S$'000	S$'000
Disposals:		
– Gain on change in ownership interest from an associated company to a subsidiary	**–**	32,427
– Loss on disposal of property, plant and equipment	**(227)**	(574)
– Gain on disposal of an associated company	**99**	–
– Net gain / (loss) on disposal / liquidation of subsidiaries [(1)]	**448**	(6,317)
Acquisitions:		
– Gain on contingent consideration	**1,284**	–
Fair value gain / (loss):		
– Investment properties (Note 23)	**18,565**	1,279
– Derivative instruments for hedging	**(282)**	–
– Put option redemption liability [(2)]	**(21,719)**	(1,945)
Reversal of impairment charges / (Impairment charges) [(3)]		
– Property, plant and equipment	**(1,441)**	(4,374)
– Associated company	**–**	(2,700)
– Disposal group classified as held for sale [(4)]	**–**	(5,469)
– Loans to associated companies	**525**	(1,644)
M&A related expenses	**(3,399)**	(8,926)
(Restructuring of operations) / Reversal of provision for restructuring	**(1,558)**	101
	(7,705)	1,858

(1) Before considering the effect of transfer of revaluation gain on property, plant and equipment and other capital reserve of S$Nil (2022: S$6,017,000) (Note 32(iv) and (v)) directly to retained earnings.

(2) On 31 March 2023, the Group completed its acquisition of additional 37% equity interest in FMH through exercising of a put option written with the non-controlling shareholder. The fair value loss of put option redemption liability of S$22.9 million included as part of the S$21.7 million loss above arises from fair value movement of this liability from 1 April 2022 to 31 March 2023..

(3) Total impairment charges amounted to S$916,000 (2022: S$14,187,000).

(4) Before considering the effect of the reversal of tax provision of S$5,200,000 for the preceding financial year ended 31 March 2022. (Note 12).

10. INTEREST INCOME AND INVESTMENT INCOME (NET)

	Group	
	2023	2022
	S$'000	S$'000
Interest income		
– Bank deposits	**7,378**	1,113
– Bonds at amortised cost	**77**	436
– Others	**45**	211
	7,500	1,760
Currency exchange (losses) / gains – net	**(5,352)**	1,598
Others	**–**	8
	2,148	3,366

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

11. FINANCE EXPENSES

	Group 2023 S$'000	2022 S$'000
Interest expense:		
– Fixed rate notes	**9,555**	6,352
– Bank borrowings	**4,740**	2,036
– Interest on lease liabilities	**4,031**	4,043
– Significant financing component from contracts with customers	**717**	996
– Other borrowing cost	**580**	1,352
	19,623	14,779

12. INCOME TAX EXPENSE

	Group 2023 S$'000	2022 S$'000
Tax expense attributable to profit is made up of:		
– Current income tax	**32,768**	24,486
– Deferred income tax (Note 30)	**(3,048)**	462
	29,720	24,948
(Over) / Under provision in preceding financial years:		
– Current income tax	**(1,612)**	(5,325)
– Deferred income tax (Note 30)	**1,141**	–
	29,249	19,623

The tax expense on the Group's profit before tax differs from the theoretical amount that would arise using the Singapore standard rate of income tax as explained below:

	Group 2023 S$'000	2022 S$'000
Profit before tax	**68,009**	107,366
Tax calculated at a tax rate of 17% (2022: 17%)	**11,562**	18,252
Effects of:		
– Tax effect of share of results of associated companies and joint ventures	**(4)**	(824)
– Different tax rates in other countries	**7,897**	10,451
– Withholding tax deducted at source	**564**	642
– Singapore statutory stepped income exemption	**(108)**	(160)
– Tax incentive	**(461)**	(170)
– Income not subject to tax	**(3,043)**	(12,012)
– Expenses not deductible for tax purposes	**10,106**	7,044
– Utilisation of tax losses and capital allowances	**(402)**	(743)
– Deferred income tax assets not recognised	**3,609**	2,468
– Overprovision in preceding financial years	**(471)**	(5,325)
Tax charge	**29,249**	19,623

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For the financial year ended 31 March 2023

13. EARNINGS PER SHARE

(a) *Basic earnings per share*

Basic earnings per share is calculated by dividing the net profit attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding, excluding treasury shares, during the financial year.

	Group	
	2023	2022
Net profit attributable to equity holders of the Company (S$'000)	**24,679**	83,112
Less: Distribution to perpetual securities holders of the Company (S$'000)	**(10,726)**	(13,652)
Net profit attributable to ordinary shareholders of the Company (S$'000)	**13,953**	69,460
Weighted average number of ordinary shares outstanding for basic earnings per share ('000)	**2,249,700**	2,249,577
Basic earnings per share (cents per share)		
– Excluding distribution to perpetual securities holders	**0.62**	3.09
– Including distribution to perpetual securities holders	**1.10**	3.69

(b) *Diluted earnings per share*

For the purpose of calculating diluted earnings per share, profit attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding, excluding treasury shares, are adjusted for the effects of all dilutive potential ordinary shares. The Company's dilutive potential ordinary shares are in the form of share options.

For share options, the weighted average number of shares on issue has been adjusted as if all dilutive share options were exercised. The number of shares that could have been issued upon the exercise of all dilutive share options less the number of shares that could have been issued at fair value (determined as the Company's average share price for the financial year) for the same total proceeds is added to the denominator as the number of shares issued for no consideration. No adjustment is made to the net profit.

There is no dilution of earnings per share for the financial years ended 31 March 2023 and 2022.

14. CASH AND CASH EQUIVALENTS

	Group		Company	
	2023	2022	**2023**	2022
	S$'000	S$'000	**S$'000**	S$'000
Cash at bank and on hand	**265,851**	176,101	**146,364**	97,945
Deposits with financial institutions	**229,845**	104,337	**228,707**	102,653
	495,696	280,438	**375,071**	200,598

Deposits with financial institutions earn interest ranging from 3.80% to 4.21% (2022: 0.13% to 1.07%) per annum. Tenure for these deposits range from 30 to 92 days (2022: 15 to 92 days).

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For the financial year ended 31 March 2023

15. FINANCIAL ASSETS

	Group		Company	
	2023	2022	**2023**	2022
	S$'000	S$'000	**S$'000**	S$'000
<u>Current</u>				
Financial assets at amortised cost				
– Bonds – quoted in Singapore	**–**	8,006	**–**	8,006
	–	8,006	**–**	8,006
<u>Non-current</u>				
Financial assets designated as FVTOCI				
– Equity investments – unquoted	**42,076**	90,631	**–**	–
	42,076	90,631	**–**	–

The Group carries an investment in Shenzhen 4PX Information Technology Co., Limited ("4PX") classified as an equity investment designated at FVTOCI amounting to S$41.9 million (2022: S$90.4 million) for which fair value hedge accounting (Note 17) has been applied during the current financial year. During the full year ended 31 March 2023, the fair value loss arising from the investment is S$48.5 million (2022: S$10.4 million).

As at 31 March 2022, the debt securities were corporate bonds at fixed rates between 3.2% to 3.7% per annum and due between 3 June 2022 and 29 August 2022.

The fair values of the financial assets at the end of the reporting period are as follows:

	Group		Company	
	2023	2022	**2023**	2022
	S$'000	S$'000	**S$'000**	S$'000
<u>Current</u>				
Financial assets at amortised cost				
– Bonds – quoted in Singapore	**–**	8,170	**–**	8,170
	–	8,170	**–**	8,170
<u>Non-current</u>				
Financial assets designated as FVTOCI				
– Equity investments – unquoted	**42,076**	90,631	**–**	–
	42,076	90,631	**–**	–

The fair values of quoted securities are based on published price quotations at the end of the reporting period.

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For the financial year ended 31 March 2023

16. TRADE AND OTHER RECEIVABLES – CURRENT

	Group		Company	
	2023	2022	**2023**	2022
	S$'000	S$'000	**S$'000**	S$'000
Trade receivables				
– Subsidiaries	**–**	–	**30,856**	14,802
– Companies related by a substantial shareholder	**652**	1,406	**652**	1,406
– Non-related parties	**226,225**	227,148	**80,917**	82,234
	226,877	228,554	**112,425**	98,442
Less: Allowance for impairment of receivables – non-related parties	**(2,667)**	(5,282)	**(1,207)**	(4,436)
Trade receivables – net	**224,210**	223,272	**111,218**	94,006
Non-trade receivables from subsidiaries	**–**	–	**2,299**	4,845
Loans to associated companies	**–**	5,633	**–**	–
Less: Allowance for impairment of loan to associated companies	**–**	(2,390)	**–**	–
Less: Asset held for sale (Note 19)	**–**	(2,928)	**–**	–
	–	315	**2,299**	4,845
Staff loans (Note 20(a))	**2**	8	**2**	8
Interest receivable	**957**	71	**957**	66
Grant receivables	**–**	356	**–**	356
Other receivables	**4,662**	10,038	**2,656**	2,495
	229,831	234,060	**117,132**	101,776

As at 1 April 2021, the Group's and Company's trade receivables arising from contracts with customers amounted to S$164.9 million (net of loss allowance of S$3.2 million) and S$108.1 million (net of loss allowance of S$2.6 million) respectively.

Non-trade receivables from subsidiaries are unsecured, interest-free and repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

17. DERIVATIVE FINANCIAL INSTRUMENTS

	Contract notional amount 2023 S$'000	**Fair value assets / (liabilities) 2023 S$'000**	Contract notional amount 2022 S$'000	Fair value (liabilities) 2022 S$'000
Group				
Hedge instruments relating to fair value hedge				
Equity option	**–**	**56,879**	–	–
Other non-hedging derivatives				
Interest rate swaps	**155,733**	**(281)**	–	–
Currency forwards	**138,262**	**(760)**	146,309	(161)
Total derivative financial instruments	**293,995**	**55,838**	146,309	(161)

	Contract notional amount 2023 S$'000	**Fair value (liabilities) 2023 S$'000**	Contract notional amount 2022 S$'000	Fair value (liabilities) 2022 S$'000
Company				
Other non-hedging derivatives				
Currency forwards	**138,262**	**(760)**	146,309	(161)
Total derivative financial instruments	**138,262**	**(760)**	146,309	(161)

Currency forwards

Currency forwards are transacted to hedge highly probable forecast transactions denominated in foreign currency expected to occur at various dates within twelve months from the end of the reporting period. The currency forwards have maturity dates that coincide within the expected occurrence of these transactions. Changes in fair value of the currency forwards not designated as hedging are recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

17. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

Equity option

The Group has equity option over its investment in 4PX classified as hedging instruments relating to fair value hedge amounting to S$56.9 million which hedges the fair value changes arising from the financial assets designated at FVTOCI (Note 15). During the financial year ended 31 March 2023, the fair value gain arising from the hedging instrument is S$56.9 million (2022: S$Nil).

Under the revised shareholders' agreement contract, the Group has the right to sell its existing interest in 4PX ("put option") and the obligation to sell the same interest upon exercise of an option by 4PX's existing shareholder ("call option") based on an agreed exercise price. The options have been granted to the Group but the ability to exercise the options are contingent upon occurrence of future events. The contract enables the Group to mitigate the risk of fair value change of its investment in 4PX.

The fair value of put and call options at the reporting date is determined by discounting the future cash flows and offset against the fair value of 4PX at the reporting date and the probability of occurrence of the contingent event. The interest rate is based on the risk free rate at the end of the reporting period.

As the critical terms of the option contracts and their corresponding hedged items are the same, the Group performs a qualitative assessment of effectiveness and it is expected that the value of the option contracts and the value of 4PX will systematically change in opposite direction in response to movements in the underlying fair value of the company.

The main source of hedge ineffectiveness in this hedge relationship is the effect of the counterparty and the Group's own credit risk on the fair value of the put option, which is not reflected in the fair value of the hedged item attributable to the change in fair value. No other sources of ineffectiveness emerged from these hedging relationships.

Interest rate swaps

Under interest rate swap contracts, the Group agrees to exchange the difference between fixed and floating rate interest amounts calculated on agreed notional principal amounts. Such contracts enable the Group to mitigate the risk of changing interest rates on the cash flow exposures on the issued variable rate debt. The fair value of interest rate swaps at the reporting date is determined by discounting the future cash flows using the curves at the reporting date and the credit risk inherent in the contract. The average interest rate is based on the outstanding balances at the end of the reporting period.

Interest rate swap contract assets and liabilities are included in the line 'Derivative financial instruments' (either as assets or as liabilities) within the consolidated statement of financial position.

The interest rate swaps settle on a quarterly basis. The floating rate on the interest rate swaps is based on the AUD Bank Bill Swap Rate. The Group will settle the difference between the fixed and floating interest rate on a net basis.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

17. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

Interest rate swaps (continued)

The fair values of derivative financial instruments are shown on the statement of financial position as follows:

	Group		Company	
	2023	2022	**2023**	2022
	S$'000	S$'000	**S$'000**	S$'000
Current assets				
Other non-hedging derivatives				
Currency forwards	**372**	391	**372**	391
Non-current asset				
Hedge instrument relating to fair value hedge				
Equity option	**56,879**	–	**–**	–
	57,251	391	**372**	391
Current liabilities				
Other non-hedging derivatives				
Interest rate swap	**(281)**	–	**–**	–
Currency forwards	**(1,132)**	(552)	**(1,132)**	(552)
	(1,413)	(552)	**(1,132)**	(552)

The following table details the option contracts outstanding at the end of the reporting period, as well as information regarding their related hedged items. Option assets and liabilities are presented in the line 'Derivative financial instruments' (either as assets or as liabilities) within the consolidated statement of financial position.

	Fair value gains on hedging instrument 2023 S$'000	**Carrying amount of hedging Instrument 2023 S$'000**	Hedged Item	**Fair value losses on hedged item 2023 S$'000**	**Carrying amount of hedged item 2023 S$'000**
Group					
Hedge instruments relating to fair value hedge					
Equity option	56,879	56,879	*Equity investments at FVTOCI*	(48,532)	41,865
Total	56,879	56,879		(48,532)	41,865

18. OTHER ASSETS

	Group		Company	
	2023	2022	**2023**	2022
	S$'000	S$'000	**S$'000**	S$'000
Current				
Deposits	**4,889**	4,431	**1,637**	1,689
Prepayments	**20,505**	30,904	**6,214**	7,220
	25,394	35,335	**7,851**	8,909
Non-current				
Deposits	**5,832**	7,076	**–**	–
	5,832	7,076	**–**	–

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

19. ASSETS CLASSIFIED AS HELD FOR SALE AND LIABILITIES DIRECTLY ASSOCIATED WITH ASSETS CLASSIFIED AS HELD FOR SALE

2023

As at 31 March 2023, the Group and Company have a property which land has been gazetted for compulsory acquisition by the Singapore government. The major classes of assets comprising the "non-current assets held for sale" were as follows:

	Group and Company **2023** **S$'000**
Assets classified as held for sale	
Investment property (Note 23)	**10,914**
Property, plant and equipment (Note 24)	**786**
	11,700

The assets classified as held for sale were included in Property segment for the purpose of segmental reporting.

2022

As at 31 March 2022, the Group had entered into various sales and purchase agreements to divest a foreign subsidiary and an associated company. Accordingly, the Group's assets classified as held for sale and liabilities directly associated with assets classified as held for sale comprised the assets and liabilities of the foreign subsidiary and associated company.

The divestment of the foreign subsidiary and the associated company was completed during the current financial year.

	Group 2022 S$'000
Assets classified as held for sale	
Cash and cash equivalents	1,230
Trade and other receivables	2,928
Investment in an associated company	1,341
	5,499
Liabilities directly associated with assets classified as held for sale	
Trade and other payables	1,226
Current income tax liabilities	856
	2,082

The assets and liabilities classified as held for sale were included in the Logistics segment for the purpose of segmental reporting.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

20. TRADE AND OTHER RECEIVABLES – NON-CURRENT

	Group		Company	
	2023	2022	**2023**	2022
	S$'000	S$'000	**S$'000**	S$'000
Loans to subsidiaries	**–**	–	**264,469**	259,265
Less: Allowance for impairment	**–**	–	**(46,366)**	(46,480)
	–	–	**218,103**	212,785
Claimant Loan	**4,810**	4,810	**–**	–
Staff loans (Note 20(a))	**135**	135	**135**	135
	4,945	4,945	**218,238**	212,920

Loans to subsidiaries of S$11,641,000 (2022: S$11,999,000) are non-trade related, unsecured, interest bearing at Singapore interbank offered rate (SIBOR) plus 1.2% per annum and are not expected to be repayable within the next twelve months. The carrying amount of these loans approximate their fair value.

Loan to a subsidiary of S$41,924,000 (2022: $35,902,000) is non-trade related, unsecured, interest bearing at bank bill swap bid rate (BBSY) plus 1.38% per annum and will be repaid in full on 29 March 2026. The carrying amount of the loan approximates its fair value.

Loan to a subsidiary of S$Nil (2022: S$1,749,000) is non-trade related, unsecured, interest bearing at 1.94% to 2.96% per annum. The carrying amount of the loan approximates its fair value. In 2022, the settlement of the loan was not foreseen within the next twelve months. The loan was repaid during the current financial year.

Loans to subsidiaries of S$164,538,000 (2022: S$163,135,000) are non-trade related, unsecured, interest bearing at 2.52% to 4.65% per annum and not expected to be repayable in the next twelve months. The fair value of the loans is S$160,561,000 (2022: S$157,631,000). The fair value of the loans is computed based on cash flows discounted at the difference between market and existing borrowing rates of 2.992% to 3.777% (2022: 1.501% to 2.088%). The fair value is within Level 2 of the fair value hierarchy.

The Claimant Loan is unsecured, interest bearing at 1.7% to 5.2% per annum (2022: 1.1% to 1.5% per annum). The carrying amount of the loan approximates its fair value. Management is of the view that the loan is recoverable and the settlement of the loan is not foreseeable within the next twelve months.

20(a). STAFF LOANS

	Group and Company	
	2023	2022
	S$'000	S$'000
Not later than one year (Note 16)	**2**	8
Later than one year (Note 20)	**135**	135
– Between one and five years	**1**	1
– Later than five years	**134**	134
	137	143

As at the end of the reporting period, no loan was made to the key management personnel of the Group.

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For the financial year ended 31 March 2023

21. INVESTMENTS IN ASSOCIATED COMPANIES AND JOINT VENTURES

	Group		Company	
	2023	2022	**2023**	2022
	S$'000	S$'000	**S$'000**	S$'000
Investments in associated companies (Note (a))	**31,939**	34,072	**21,891**	21,891
Investment in joint ventures (Note (b))	**10**	–	**–**	–
	31,949	34,072	**21,891**	21,891

(a) *Associated companies*

	Group		Company	
	2023	2022	**2023**	2022
	S$'000	S$'000	**S$'000**	S$'000
Equity investment at cost			**21,891**	21,891
Beginning of financial year	**34,072**	97,469		
Reclassification to assets held for sale (Note 19)	**–**	(1,341)		
Deemed disposal of an associated company	**–**	(59,983)		
Impairment of associated companies (Note (i), 9)	**–**	(2,700)		
Share of profit	**23**	4,847		
Dividends received	**–**	(1,796)		
Currency translation differences	**(2,156)**	(2,424)		
End of financial year	**31,939**	34,072		

(i) During the preceding financial year ended 31 March 2022 the Group recognised impairment losses of S$2,700,000 against the carrying amount of its investments in associated companies, being the difference between the carrying amount of the Group's investments and their recoverable amounts. The recoverable amounts are determined based on value-in-use or quoted market price of the associated companies.

The Group's investments in associated companies include investments in listed associated companies with a carrying value of S$27,845,000 (2022: S$30,627,000), for which the published price quotations are S$49,755,000 (2022: S$57,713,000) at the end of the reporting period, and classified within Level 1 of the fair value hierarchy.

There are no contingent liabilities relating to the Group's interest in the associated companies.

Details of associated companies are disclosed in Note 44.

(b) *Joint ventures*

Details of joint ventures are disclosed in Note 44.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

22. INVESTMENTS IN SUBSIDIARIES

	Company	
	2023	2022
	S$'000	S$'000
Equity investments at cost		
Beginning of financial year	**379,367**	371,455
Additional capital injection into a subsidiary	**–**	45,540
Investment written off	**(268)**	(37,628)
	379,099	379,367
Less: Allowance for impairment	**(17,786)**	(18,054)
End of financial year	**361,313**	361,313

Details of the subsidiaries are included in Note 44. The proportion of ownership interest held by the Group does not differ from the proportion of voting rights held by the Group.

During the financial year ended 31 March 2023, the Company has written off allowance for impairment amounting to S$268,000 (2022: S$37,628,000) against the cost of investment in a subsidiary.

Impairment of S$6,624,000 primarily from a subsidiary which is the holding company of General Storage Company Pte Ltd (Note 41) and various property holding companies, was recognised during the financial year ended 31 March 2022. No further impairment was recognised during the financial year ended 31 March 2023.

Carrying value of non-controlling interests

	2023	2022
	S$'000	S$'000
Quantium Solutions International Pte Ltd ("QSI")	**36,792**	38,276
Freight Management Holdings Pty Ltd ("FMH")	**8,744**	31,097
Other subsidiaries with immaterial non-controlling interests	**5,893**	6,707
	51,429	76,080
Less: Put option liability to acquire non-controlling interests	**(58,819)**	(241,385)
Total	**(7,390)**	(165,305)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

22. INVESTMENTS IN SUBSIDIARIES (continued)

Summarised financial information of subsidiaries with material non-controlling interests

Set out below is the summarised financial information for a subsidiary that has a non-controlling interest that is material to the Group. These are presented before inter-company eliminations.

Summarised statement of financial position

	QSI	
	2023	2022
	S$'000	S$'000
Current		
Assets	**46,088**	43,132
Liabilities	**(42,027)**	(30,939)
Total current net assets	**4,061**	12,193
Non-current		
Assets	**106,676**	103,355
Liabilities	**(2,525)**	(2,971)
Total non-current net assets	**104,151**	100,384
Net assets	**108,212**	112,577

Summarised income statement

	QSI	
	2023	2022
	S$'000	S$'000
Revenue	**89,075**	102,360
Loss before income tax	**(17,941)**	(7,908)
Income tax expense	**(234)**	(546)
Post-tax loss	**(18,175)**	(8,454)
Other comprehensive income / (loss)	**13,810**	(5,132)
Total comprehensive loss	**(4,365)**	(13,586)
Total comprehensive loss allocated to non-controlling interests	**(1,484)**	(4,620)

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For the financial year ended 31 March 2023

22. INVESTMENTS IN SUBSIDIARIES (continued)

Summarised financial information of subsidiaries with material non-controlling interests (continued)

Summarised cash flows

	QSI	
	2023	2022
	S$'000	S$'000
Cash flows from operating activities		
Cash generated from operations	**7,562**	2,757
Income tax paid	**(453)**	(321)
Net cash provided by operating activities	**7,109**	2,436
Net cash used in investing activities	**(67)**	(2,334)
Net cash used in financing activities	**(5,891)**	(2,806)
Net increase / (decrease) in cash and cash equivalents	**1,151**	(2,704)
Cash and cash equivalents at beginning of year	**14,567**	17,271
Cash and cash equivalents at end of year	**15,718**	14,567

Summarised statement of financial position

	FMH	
	2023	2022
	S$'000	S$'000
Current		
Assets	**95,964**	88,955
Liabilities	**(83,967)**	(119,762)
Total current net assets / (liabilities)	**11,997**	(30,807)
Non-current		
Assets	**132,036**	125,212
Liabilities	**(71,163)**	(30,942)
Total non-current net assets	**60,873**	94,270
Net assets	**72,870**	63,463

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For the financial year ended 31 March 2023

22. INVESTMENTS IN SUBSIDIARIES (continued)

Summarised financial information of subsidiaries with material non-controlling interests (continued)

Summarised income statement

	FMH	
	2023	2022
	S$'000	S$'000
Revenue	**595,301**	178,662
Profit before income tax	**46,613**	11,523
Income tax expense	**(13,158)**	(4,158)
Post-tax profit	**33,455**	7,365
Other comprehensive (loss) / income	**(2,603)**	1,680
Total comprehensive income	**30,852**	9,045
Total comprehensive income allocated to non-controlling interests	**15,117**	4,432
Dividend paid to non-controlling interests	**6,577**	–

Summarised cash flows

	FMH	
	2023	2022
	S$'000	S$'000
Cash flows from operating activities		
Cash generated from operations	**38,485**	13,512
Income tax paid	**(15,237)**	(6,304)
Net cash provided by operating activities	**23,248**	7,208
Net cash used in investing activities	**(8,859)**	(7,846)
Net cash provided by financing activities	**6,213**	745
Net increase in cash and cash equivalents	**20,602**	107
Cash and cash equivalents at beginning of year	**107**	–
Cash and cash equivalents at end of year	**20,709**	107

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23. INVESTMENT PROPERTIES

	Group		Company	
	2023	2022	**2023**	2022
	S$'000	S$'000	**S$'000**	S$'000
Beginning of financial year	**956,610**	1,010,804	**945,274**	956,362
Additions	**–**	70	**–**	70
Reclassification from / (to) property, plant and equipment (net) (Note 24)	**1,353**	(3,172)	**52**	(12,417)
Reclassification from right-of-use (Note 25)	**157**	950	**–**	–
Reclassification to held for sale (Note 19)	**(10,914)**	–	**(10,914)**	–
Loss of control of a subsidiary (Note 41)	**–**	(53,321)	**–**	–
Fair value gain recognised in profit or loss (Note 9)	**18,565**	1,279	**18,621**	1,259
End of financial year	**965,771**	956,610	**953,033**	945,274

As at 31 March 2023, the right-of-use asset presented as investment properties has carrying amount of S$2.4 million (2022: S$2.3 million).

The following amounts are recognised in profit or loss:

	Group		Company	
	2023	2022	**2023**	2022
	S$'000	S$'000	**S$'000**	S$'000
Rental and property-related income	**59,440**	61,139	**58,314**	55,964
Direct operating expenses arising from:				
– Investment properties that generated income	**(15,184)**	(15,416)	**(14,201)**	(13,409)

Investment properties are leased to non-related parties under operating leases (Note 36(c)).

At the end of the reporting period, the details of the Group's investment properties are as follows:

Location	Description / existing use	Tenure
10 Eunos Road 8, Singapore Post Centre	Building for commercial and retail.	Leasehold of 99 years expiring on 30 August 2081
110 Alexandra Road [1]	Building for commercial and retail.	Leasehold of 99 years expiring on 31 March 2091
10 Choa Chu Kang Road	Building for commercial and retail.	Leasehold of 99 years expiring on 31 March 2091
373 Tanjong Katong Road	Building for commercial and retail.	Leasehold of 99 years expiring on 31 March 2091

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

23. INVESTMENT PROPERTIES (continued)

Location	Description / existing use	Tenure
1 Killiney Road	Building for commercial and retail.	Leasehold of 99 years expiring on 31 March 2091
396 Pasir Panjang Road	Building for commercial and retail.	Leasehold of 99 years expiring on 31 March 2091
10 Palm Avenue	Building for commercial and retail.	Leasehold of 99 years expiring on 31 March 2091
350 Bedok Road	Building for commercial and retail.	Leasehold of 99 years expiring on 31 March 2091
56 Tanglin Road	Building for commercial and retail.	Leasehold of 99 years expiring on 31 March 2091
755 Upper Serangoon Road	Building for commercial and retail.	Leasehold of 99 years expiring on 31 March 2091
5 Mandai Road	Building for commercial and retail.	Leasehold of 99 years expiring on 31 March 2091
21 Ghim Moh Road	Building for commercial and retail.	Leasehold of 82 years expiring on 1 April 2076
447 Geylang Road	Building for commercial and retail.	Leasehold of 99 years expiring on 31 March 2091
1 Lim Ah Pin Road	Building for commercial and retail	Leasehold of 99 years expiring on 31 March 2091
70 Macpherson Road	Building for commercial and retail	Leasehold of 99 years expiring on 31 March 2091
54 Serangoon Garden Way	Building for commercial and retail.	Leasehold of 99 years expiring on 31 March 2091
3B Toh Guan Road East	Building for warehousing.	Leasehold of 30 + 30 years expiring on 31 August 2049
29 Tampines Street 92	Building for warehousing.	Leasehold of 30 + 30 years expiring on 1 January 2052

(1) Reclassified to held for sale (Note 19) as at 31 March 2023.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

23. INVESTMENT PROPERTIES (continued)

	Fair value measurements using		
	Quoted prices in active markets for identical assets (Level 1) S$'000	Significant other observable inputs (Level 2) S$'000	Significant unobservable inputs (Level 3) S$'000
2023			
– Commercial and retail / warehousing			
– Singapore	**–**	**2,484**	**963,287**
2022			
– Commercial and retail / warehousing			
– Singapore	–	2,484	954,126

Valuation techniques used to derive Level 2 fair values

Level 2 fair values of the Group's properties have been derived using the sales comparison approach. Sales proceeds of comparable properties in close proximity are adjusted for differences in key attributes such as property size and timing of sale. The most significant input in this valuation approach is the selling price per square metre.

Valuation techniques used to derive Level 3 fair values

Level 3 fair values have been generally derived using capitalisation/income approach, discounted cash flow approach, sales comparison approach and cost approach.

In the capitalisation/income approach, the net income of the property is capitalised for the balance term of the lease tenure at a yield rate which is appropriate for the type of use, tenure and reflective of the quality of the investment. The revenue is adjusted for outgoings such as property tax and also vacancies to arrive at net income.

The discounted cash flow approach involved the estimation and projection of the net rent over a period and discounting the future income stream to arrive at a present value. Net rent is the balance sum after deducting property tax, cost of repairs and maintenance and a reasonable percentage for vacancy from the gross rent.

The cost approach involves the summation of the land and building values. The land value is determined by comparison with similar lands that had been sold recently and those that are currently for sale, with appropriate adjustments made to reflect improvements and other dissimilarities. The building value is determined by estimating the cost of constructing similar properties and deducting depreciation.

There were no transfers in or out of fair value hierarchy levels for the financial years ended 31 March 2023 and 2022.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

23. INVESTMENT PROPERTIES (continued)

Valuation techniques and inputs used in Level 3 fair value measurements

The following table presents the valuation techniques and key inputs that were used to determine the fair value of investment properties categorised under Level 3:

Description	Fair value (S$'000) 2023	Valuation techniques	Unobservable inputs	Range of unobservable inputs 2023	Relationship of unobservable inputs to fair value
Group					
Building for commercial and retail (Singapore Post Centre)	**850,170** (2022: 831,754)	Capitalisation / income approach	Capitalisation rate	**3.75-6.00%** (2022: 3.75-6.00%)	The higher the capitalisation rate, the lower the valuation
		Discounted cash flow approach	Discount rate	**7.00-7.50%** (2022: 7.00-7.50%)	The higher the discount rate, the lower the valuation
Building for commercial and retail (13 (2022: 14) SLA Properties)	**94,544** (2022: 105,279)	Capitalisation / income approach	Capitalisation rate	**4.25-4.75%** (2022: 4.25-4.75%)	The higher the capitalisation rate, the lower the valuation
		Discounted cash flow approach	Discount rate	**7.25-7.50%** (2022: 7.25-7.50%)	The higher the discount rate, the lower the valuation
Warehousing – Singapore	**18,573** (2022: 17,093)	Capitalisation / income approach	Capitalisation rate	**6.25-6.50%** (2022: 6.25-6.50%)	The higher the capitalisation rate, the lower the valuation
		Discounted cash flow approach	Discount rate	**7.50-7.75%** (2022: 7.50-7.75%)	The higher the discount rate, the lower the valuation
	963,287				

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

23. INVESTMENT PROPERTIES (continued)

Valuation techniques and inputs used in Level 3 fair value measurements (continued)

Description	Fair value (S$'000) 2023	Valuation techniques	Unobservable inputs	Range of unobservable inputs 2023	Relationship of unobservable inputs to fair value
Company					
Building for commercial and retail (Singapore Post Centre)	**856,005** (2022: 837,511)	Capitalisation / income approach	Capitalisation rate	**3.75-6.00%** (2022: 3.75-6.00%)	The higher the capitalisation rate, the lower the valuation
		Discounted cash flow approach	Discount rate	**7.00-7.50%** (2022: 7.00-7.50%)	The higher the discount rate, the lower the valuation
Building for commercial and retail (13 (2022: 14) SLA Properties)	**94,544** (2022: 105,279)	Capitalisation / income approach	Capitalisation rate	**4.25-4.75%** (2022: 4.25-4.75%)	The higher the capitalisation rate, the lower the valuation
		Discounted cash flow approach	Discount rate	**7.25-7.50%** (2022: 7.25-7.50%)	The higher the discount rate, the lower the valuation
	950,549				

The Group engages external, independent and qualified valuers to determine the fair value of the Group's properties at the end of every financial year based on the properties' highest and best use. As at 31 March 2023 and 2022, the fair values of the Group's investment properties have been determined by Colliers International Consultancy & Valuation (Singapore) Pte. Ltd.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

24. PROPERTY, PLANT AND EQUIPMENT

	Leasehold land S$'000	Buildings S$'000	Postal equipment S$'000	Plant and machinery S$'000	Motor vehicles S$'000	Capital work-in-progress S$'000	Total S$'000
Group							
2023							
Cost							
Beginning of financial year	**82,011**	**377,065**	**48,112**	**192,248**	**50,205**	**8,381**	**758,022**
Additions	**–**	**–**	**–**	**11,365**	**7,550**	**5,096**	**24,011**
Reclassification to asset held for sale (Note 19)	**(540)**	**(454)**	**–**	**–**	**–**	**–**	**(994)**
Reclassifications from / (to) investment properties							
– At fair value (Note 23)	**745**	**(2,098)**	**–**	**–**	**–**	**–**	**(1,353)**
– Transfer from valuation reserve (Note 32(v))	**–**	**298**	**–**	**–**	**–**	**–**	**298**
Write off	**–**	**–**	**–**	**(2,224)**	**–**	**(2,574)** [(1)]	**(4,798)**
Disposals	**–**	**–**	**(114)**	**(13,328)**	**(2,455)**	**–**	**(15,897)**
Acquisition of subsidiaries (Note 40)	**–**	**–**	**–**	**984**	**2,362**	**366**	**3,712**
Transfers	**–**	**788**	**48**	**3,669**	**–**	**(4,505)**	**–**
Currency translation differences	**–**	**–**	**–**	**(8,982)**	**(7,003)**	**(8)**	**(15,993)**
End of financial year	**82,216**	**375,599**	**48,046**	**183,732**	**50,659**	**6,756**	**747,008**
Accumulated depreciation and accumulated impairment losses							
Beginning of financial year	**27,972**	**149,851**	**28,536**	**118,526**	**20,683**	**–**	**345,568**
Depreciation charge	**1,635**	**8,198**	**4,583**	**20,145**	**6,409**	**–**	**40,970**
Write off	**–**	**–**	**–**	**(2,195)**	**–**	**–**	**(2,195)**
Disposals	**–**	**–**	**(81)**	**(12,648)**	**(2,220)**	**–**	**(14,949)**
Reclassification to asset held for sale (Note 19)	**(134)**	**(74)**	**–**	**–**	**–**	**–**	**(208)**
Impairment	**–**	**–**	**–**	**–**	**–**	**425**	**425**
Currency translation differences	**–**	**–**	**–**	**(4,806)**	**(4,725)**	**–**	**(9,531)**
End of financial year	**29,473**	**157,975**	**33,038**	**119,022**	**20,147**	**425**	**360,080**
Net book value							
End of financial year	**52,743**	**217,624**	**15,008**	**64,710**	**30,512**	**6,331**	**386,928**

[(1)] The balance comprises S$1.0 million and S$1.6 million which are presented as part of 'impairment charge of property, plant and equipment' and 'restructuring of operations' respectively in Note 9 to the Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

24. PROPERTY, PLANT AND EQUIPMENT (continued)

	Leasehold land S$'000	Buildings S$'000	Postal equipment S$'000	Plant and machinery S$'000	Motor vehicles S$'000	Capital work-in-progress S$'000	Total S$'000
Group							
2022							
Cost							
Beginning of financial year	79,890	368,890	46,712	189,561	30,447	11,252	726,752
Additions	–	–	36	8,616	5,602	8,199	22,453
Reclassifications (to) / from investment properties							
– At fair value (Note 23)	(2,646)	5,818	–	–	–	–	3,172
– Transfer from valuation reserve (Note 32(v))	4,767	1,649	–	–	–	–	6,416
Disposals	–	(401)	–	(7,336)	(2,242)	–	(9,979)
Acquisition of subsidiaries (Note 40)	–	–	–	16,309	16,088	–	32,397
Loss of control of subsidiary (Note 41)	–	–	–	(22,782)	–	(252)	(23,034)
Transfers	–	1,109	1,364	8,351	(6)	(10,818)	–
Currency translation differences	–	–	–	(471)	316	–	(155)
End of financial year	82,011	377,065	48,112	192,248	50,205	8,381	758,022
Accumulated depreciation and accumulated impairment losses							
Beginning of financial year	26,336	142,536	23,786	110,735	17,911	–	321,304
Depreciation charge	1,636	8,118	4,750	20,689	4,970	–	40,163
Disposals	–	(84)	–	(6,710)	(2,163)	–	(8,957)
Loss of control of subsidiary (Note 41)	–	–	–	(10,665)	–	–	(10,665)
Impairment	–	(719)	–	5,093	–	–	4,374
Currency translation differences	–	–	–	(616)	(35)	–	(651)
End of financial year	27,972	149,851	28,536	118,526	20,683	–	345,568
Net book value							
End of financial year	54,039	227,214	19,576	73,722	29,522	8,381	412,454

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

24. PROPERTY, PLANT AND EQUIPMENT (continued)

	Leasehold land S$'000	Buildings S$'000	Postal equipment S$'000	Plant and machinery S$'000	Motor vehicles S$'000	Capital work-in-progress S$'000	Total S$'000
Company							
2023							
Cost							
Beginning of financial year	61,929	227,461	64,648	156,949	25,463	1,382	537,832
Additions	–	–	–	742	3,580	4,428	8,750
Reclassifications from / (to) investment properties							
– At fair value (Note 23)	745	(797)	–	–	–	–	(52)
Reclassification to asset held for sale (Note 19)	(540)	(454)	–	–	–	–	(994)
Disposals	–	–	(114)	(11,279)	(1,687)	–	(13,080)
Transfers	–	381	48	3,669	–	(4,098)	–
End of financial year	62,134	226,591	64,582	150,081	27,356	1,712	532,456
Accumulated depreciation and accumulated impairment losses							
Beginning of financial year	21,825	100,578	28,536	123,430	17,645	–	292,014
Reclassification to asset held for sale (Note 19)	(134)	(74)	–	–	–	–	(208)
Depreciation charge	803	3,586	4,583	11,448	2,723	–	23,143
Disposals	–	–	(81)	(11,039)	(1,539)	–	(12,659)
Impairment	–	–	–	–	–	425	425
End of financial year	22,494	104,090	33,038	123,839	18,829	425	302,715
Net book value							
End of financial year	39,640	122,501	31,544	26,242	8,527	1,287	229,741

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

24. PROPERTY, PLANT AND EQUIPMENT (continued)

	Leasehold land S$'000	Buildings S$'000	Postal equipment S$'000	Plant and machinery S$'000	Motor vehicles S$'000	Capital work-in-progress S$'000	Total S$'000
Company							
2022							
Cost							
Beginning of financial year	59,250	211,992	63,248	151,168	26,807	6,390	518,855
Additions	–	–	36	179	739	5,377	6,331
Reclassifications (to) / from investment properties							
– At fair value (Note 23)	(2,088)	14,505	–	–	–	–	12,417
– Transfer from valuation reserve (Note 32(v))	4,767	285	–	–	–	–	5,052
Disposals	–	–	–	(2,746)	(2,077)	–	(4,823)
Transfers	–	679	1,364	8,348	(6)	(10,385)	–
End of financial year	61,929	227,461	64,648	156,949	25,463	1,382	537,832
Accumulated depreciation and accumulated impairment losses							
Beginning of financial year	21,020	97,720	23,786	107,455	16,921	–	266,902
Depreciation charge	805	3,577	4,750	13,230	2,782	–	25,144
Disposals	–	–	–	(2,348)	(2,058)	–	(4,406)
Impairment	–	(719)	–	5,093	–	–	4,374
End of financial year	21,825	100,578	28,536	123,430	17,645	–	292,014
Net book value							
End of financial year	40,104	126,883	36,112	33,519	7,818	1,382	245,818

The Group has recognised impairment loss in the current financial year amounting to S$1,441,000 (2022: S$4,374,000) mainly attributable to systems and platform costs that are no longer in use

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

25. RIGHT-OF-USE ASSETS

	Properties S$'000	Motor vehicles S$'000	Equipment S$'000	Total S$'000
Group				
2023				
Cost				
Beginning of financial year	**112,032**	**2,490**	**1,604**	**116,126**
Additions	**38,070**	**784**	**224**	**39,078**
Reclassifications to investment properties				
– At fair value (Note 23)	**(157)**	**–**	**–**	**(157)**
Disposals	**(4,673)**	**(884)**	**(353)**	**(5,910)**
Currency translation differences	**(14,930)**	**(239)**	**(112)**	**(15,281)**
End of financial year	**130,342**	**2,151**	**1,363**	**133,856**
Accumulated depreciation				
Beginning of financial year	**41,999**	**1,600**	**1,261**	**44,860**
Depreciation charge	**32,695**	**856**	**408**	**33,959**
Disposals	**(4,655)**	**(883)**	**(347)**	**(5,885)**
Currency translation differences	**(10,549)**	**(86)**	**(8)**	**(10,643)**
End of financial year	**59,490**	**1,487**	**1,314**	**62,291**
Net book value				
End of financial year	**70,852**	**664**	**49**	**71,565**
2022				
Cost				
Beginning of financial year	139,854	3,193	2,281	145,328
Additions	29,543	365	345	30,253
Reclassifications to investment properties				
– At fair value (Note 23)	(950)	–	–	(950)
– Transfer to valuation reserve (Note 32(v))	(4)	–	–	(4)
Disposals	(31,467)	(1,021)	(932)	(33,420)
Acquisition of subsidiaries (Note 40)	24,640	–	–	24,640
Loss of control of subsidiary (Note 41)	(49,271)	–	(26)	(49,297)
Currency translation differences	(313)	(47)	(64)	(424)
End of financial year	112,032	2,490	1,604	116,126
Accumulated depreciation				
Beginning of financial year	72,224	1,682	1,259	75,165
Depreciation charge	29,409	970	734	31,113
Disposals	(30,475)	(993)	(695)	(32,163)
Loss of control of subsidiary (Note 41)	(28,363)	–	(12)	(28,375)
Currency translation differences	(796)	(59)	(25)	(880)
End of financial year	41,999	1,600	1,261	44,860
Net book value				
End of financial year	70,033	890	343	71,266

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

25. RIGHT-OF-USE ASSETS (continued)

	Properties S$'000	Motor vehicles S$'000	Equipment S$'000	Total S$'000
Company				
2023				
Cost				
Beginning of financial year	**30,877**	**1,544**	**363**	**32,784**
Additions	**29,879**	**–**	**28**	**29,907**
Disposals	**(2,513)**	**(718)**	**(47)**	**(3,278)**
End of financial year	**58,243**	**826**	**344**	**59,413**
Accumulated depreciation				
Beginning of financial year	**11,937**	**1,076**	**124**	**13,137**
Depreciation charge	**10,776**	**357**	**162**	**11,295**
Disposals	**(2,513)**	**(718)**	**(47)**	**(3,278)**
End of financial year	**20,200**	**715**	**239**	**21,154**
Net book value				
End of financial year	**38,043**	**111**	**105**	**38,259**
2022				
Cost				
Beginning of financial year	41,242	2,134	376	43,752
Additions	12,663	238	345	13,246
Disposals	(23,028)	(828)	(358)	(24,214)
End of financial year	30,877	1,544	363	32,784
Accumulated depreciation				
Beginning of financial year	20,436	1,207	293	21,936
Depreciation charge	14,510	697	188	15,395
Disposals	(23,009)	(828)	(357)	(24,194)
End of financial year	11,937	1,076	124	13,137
Net book value				
End of financial year	18,940	468	239	19,647

The Group and Company leases several properties, motor vehicles and equipment.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

25. RIGHT-OF-USE ASSETS (continued)

In addition, certain right-of-use assets are secured by the Group and Company with no future payments required and are presented within property, plant and equipment (Note 24). The carrying amounts of such assets are as follows:

	Group		Company	
	Carrying amount S$'000	Depreciation during the year S$'000	Carrying amount S$'000	Depreciation during the year S$'000
2023				
Leasehold land	**52,744**	**1,635**	**39,641**	**803**
Plant and machinery	**4,005**	**193**	**89**	**12**
Total	**56,749**	**1,828**	**39,730**	**815**
2022				
Leasehold land	54,039	1,636	40,104	805
Plant and machinery	4,197	193	101	12
Total	58,236	1,829	40,205	817

There is no addition to the above right-of-use assets for the years ended 31 March 2023 and 2022.

26. INTANGIBLE ASSETS

	Group	
	2023 S$'000	2022 S$'000
Composition:		
Goodwill on acquisitions (Note (a))	**415,659**	430,120
Customer relationships (Note (b))	**21,258**	28,357
Acquired software licences (Note (c))	**15,309**	15,028
Trademarked brands (Note (d))	**48,732**	55,936
	500,958	529,441

(a) *Goodwill on acquisitions*

	Group	
	2023 S$'000	2022 S$'000
Cost		
Beginning of financial year	**450,720**	291,503
Acquisition of subsidiaries (Note 40)	**16,287**	184,202
Loss of control of subsidiary (Note 41)	**–**	(28,336)
Currency translation differences	**(30,748)**	3,351
End of financial year	**436,259**	450,720
Accumulated impairment		
Beginning and end of financial year	**(20,600)**	(20,600)
Net book value	**415,659**	430,120

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

26. INTANGIBLE ASSETS (continued)

(a) Goodwill on acquisitions (continued)

Impairment tests for goodwill

During the year, goodwill arising from acquisition of subsidiaries is allocated to the Group's five (2022: four) cash-generating units or groups of cash-generating units as follows:

	Group	
	2023	2022
	S$'000	S$'000
Quantium Solutions International group	**77,858**	77,858
Parcel Santa Pte Ltd	**3,268**	–
Famous Holdings group	**86,482**	88,305
Couriers Please Holdings group	**65,452**	74,595
Freight Management Holdings group	**182,599**	189,362
	415,659	430,120

The recoverable amounts of the CGUs are determined based on value-in-use calculations using cash flow projections based on financial budgets covering a five-year period (2022: five-year period). Cash flows beyond the five-year period were extrapolated using the estimated growth rates stated below.

Key assumptions used for value-in-use calculations for goodwill include:

	Quantium Solutions International Group	Freight Management Holdings Group	Famous Holdings Group	Couriers Please Holdings Group	Parcel Santa Pte Ltd
2023					
Terminal growth rate	**2.4%**	**2.3%**	**1.4%**	**2.3%**	**2.5%**
Discount rate	**10.6%**	**9.6%**	**10.2%**	**9.4%**	**9.8%**
2022					
Terminal growth rate	2.3%	2.6%	1.4%	2.6%	–
Discount rate	7.9%	6.0%	7.7%	7.1%	–

For the impairment test carried out as at 31 March 2023 for Freight Management Holdings Group which comprised 44% of the goodwill recognised on the statement of financial position, a further decrease in the terminal growth rate to 0.6% or an increase in the discount rate by 0.9% would result in the Group's recoverable amount being equal to its carrying amount (comprising goodwill and other intangible assets including trademarked brand with indefinite useful life (Note 26(d)).

For the remaining CGUs, management believes that any reasonably possible change in the key assumptions on which the recoverable amounts of the CGUs were based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the related group of CGUs as at 31 March 2023.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

26. INTANGIBLE ASSETS (continued)

(b) *Customer relationships*

	Group	
	2023	2022
	S$'000	S$'000
Cost		
Beginning of financial year	**29,892**	–
Acquisition of subsidiaries (Note 40)	**981**	29,106
Currency translation differences	**(3,222)**	786
End of financial year	**27,651**	29,892
Accumulated amortisation and impairment		
Beginning of financial year	**(1,535)**	–
Amortisation charge	**(4,858)**	(1,535)
End of financial year	**(6,393)**	(1,535)
Net book value	**21,258**	28,357

(c) *Acquired software licences*

	Group	
	2023	2022
	S$'000	S$'000
Cost		
Beginning of financial year	**16,191**	51
Acquisition of subsidiaries (Note 40)	**193**	13,419
Additions	**4,441**	2,404
Write-off	**–**	(51)
Currency translation differences	**(2,026)**	368
End of financial year	**18,799**	16,191
Accumulated amortisation and impairment		
Beginning of financial year	**(1,163)**	(51)
Write-off	**–**	51
Amortisation charge	**(2,327)**	(1,163)
End of financial year	**(3,490)**	(1,163)
Net book value	**15,309**	15,028

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

26. INTANGIBLE ASSETS (continued)

(d) Trademarked brands

	Group	
	2023	2022
	S$'000	S$'000
Cost		
Beginning of financial year	**56,082**	40,964
Acquisition of subsidiaries (Note 40)	**84**	15,095
Currency translation differences	**(6,832)**	23
End of financial year	**49,334**	56,082
Accumulated amortisation and impairment		
Beginning of financial year	**(146)**	–
Amortisation charge	**(456)**	(146)
End of financial year	**(602)**	(146)
Net book value	**48,732**	55,936

Trademarked brands amounting to S$35,596,000 (2022: S$40,568,000) and S$11,568,700 (2022: S$13,185,000) have indefinite useful lives and are included in the Couriers Please Holdings group and Freight Management Holdings group respectively.

Key assumptions used for value-in-use calculations for the trademarked brands with indefinite useful lives are disclosed in Note 26(a).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

27. TRADE AND OTHER PAYABLES

	Group		Company	
	2023	2022	**2023**	2022
	S$'000	S$'000	**S$'000**	S$'000
Current				
Trade payables				
– Subsidiaries	**–**	–	**22,422**	15,384
– Companies related by a substantial shareholder	**268**	363	**210**	352
– Non-related parties	**371,023**	371,006	**289,950**	279,718
	371,291	371,369	**312,582**	295,454
Accrual for other operating expenses	**91,351**	107,545	**57,907**	52,564
Contingent consideration payable (Note (a))	**28,608**	6,272	**–**	–
Provision for restructuring (Note (b))	**379**	379	**–**	–
Provision for reinstatement costs (Note (c))	**1,146**	1,193	**414**	472
Put option redemption liabilities (Note (e))	**66,164**	117,647	**–**	–
Customers' deposits	**5,342**	6,852	**5,342**	6,852
Collections on behalf of third parties	**14,215**	4,796	**14,215**	4,796
Deposits	**16,058**	14,133	**15,291**	13,268
Other creditors	**37,985**	37,314	**10,335**	18,946
	632,539	667,500	**416,086**	392,352
Non-current				
Loans from a subsidiary (Note (d))	**–**	–	**602,683**	353,058
Accrual for operating expenses	**3,892**	4,310	**–**	–
Contingent consideration payable (Note (a))	**–**	1,699	**–**	–
Provision for reinstatement costs (Note (c))	**9,229**	9,265	**1,882**	1,890
Put option redemption liabilities (Note (e))	**6,663**	131,568	**–**	–
Post-employment benefits (Note 35)	**1,832**	1,725	**–**	–
	21,616	148,567	**604,565**	354,948
Total trade and other payables	**654,155**	816,067	**1,020,651**	747,300

(a) *Contingent consideration payable*

As at 31 March 2023, the fair value of contingent consideration payable arising from the acquisition of subsidiaries amounted to S$28,608,000 (2022: S$7,971,000). Refer to Note 40 for further details.

(b) *Provision for restructuring*

Restructuring provision comprises mainly of lease termination penalties and employee termination payments from overseas subsidiaries.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

27. TRADE AND OTHER PAYABLES (continued)

(c) *Provision for reinstatement costs*

A provision is recognised for the present value of costs to be incurred for the restoration of the Group's investment properties and property, plant and equipment.

Movement in this provision is as follows:

	Group		Company	
	2023	2022	**2023**	2022
	S$'000	S$'000	**S$'000**	S$'000
Beginning of financial year	**10,458**	11,514	**2,362**	2,617
Loss of control of subsidiaries	**–**	(2,224)	**–**	–
Acquisition of subsidiaries	**–**	122	**–**	–
(Utilisation) / Additions	**(83)**	1,046	**(66)**	(255)
End of financial year	**10,375**	10,458	**2,296**	2,362

(d) *Loans from a subsidiary*

Loans from a subsidiary comprise:

(i) S$250,000,000 (2022: S$250,000,000) which is non-trade related, unsecured, interest bearing at 2.83% (2022: 2.83%) per annum and repayable by 19 November 2030;

(ii) S$2,683,000 (2022: S$3,058,000) which is non-trade related, unsecured, interest bearing at 3.77% (2022: 2.29%) per annum and repayable by 28 March 2026; and

(iii) S$100,000,000 (2022: S$100,000,000) which is non-trade related, unsecured, interest bearing at 3.53% (2022: 3.53%) per annum and repayable by 29 March 2027.

(iv) S$250,000,000 (2022: S$Nil) which is non-trade related, unsecured, interest bearing at 4.65% per annum and repayable by 6 July 2027.

The fair value of the loans computed based on cash flows discounted at the difference between market and existing borrowing rates of 2.95% to 2.99% (2022: 2.39% to 2.41%) is S$512,756,000 (2022: S$295,449,000). The fair value is within Level 2 of the fair value hierarchy.

(e) *Put option redemption liabilities*

(i) A put option was granted to the non-controlling shareholders of FPS Rotterdam to sell the remaining 15% interest to the Group, which is exercisable at any time after 31 March 2025. The put option redemption liability is recorded at fair value as at 31 March 2023 and 2022. Details of the valuation technique and inputs used are disclosed in Note 37(f).

(ii) A put option was granted to the non-controlling shareholders of Freight Management Holdings Pty Ltd to sell their remaining interest to the Group, which is exercisable from 1 July 2023 (2022: 30 June 2022 to 30 December 2026). The Group and the non-controlling shareholders agreed to certain modifications to the put option during the current financial year. The put option redemption liability is recorded at fair value as at 31 March 2023 and 2022. Details of the valuation technique and inputs used are disclosed in Note 37(f).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

28. LEASE LIABILITIES / BORROWINGS

		Group		Company	
		2023	2022	**2023**	2022
		S$'000	S$'000	**S$'000**	S$'000
(a)	Lease liabilities				
	– Current	**32,152**	29,833	**12,257**	8,288
	– Non-current	**47,575**	53,612	**26,859**	12,115
		79,727	83,445	**39,116**	20,403
(b)	Borrowings [1]				
	– Other borrowings	**624,390**	517,008	**–**	50,000

[1] The analysis of the current and non-current borrowings is as follows:

	Group		Company	
	2023	2022	**2023**	2022
	S$'000	S$'000	**S$'000**	S$'000
Current				
– Borrowings (secured)	**1,370**	27,527	**–**	–
– Borrowings (unsecured)	**–**	50,000	**–**	50,000
	1,370	77,527	**–**	50,000
Non-current				
– Borrowings (secured)	**39,809**	–	**–**	–
– Borrowings (unsecured)	**583,211**	439,481	**–**	–
	623,020	439,481	**–**	–
	624,390	517,008	**–**	50,000

Secured borrowings comprise external bank loans and are secured over trade receivables with carrying amount of S$75.5 million (2022: S$64.8 million), or property, plant and equipment with carrying amount of S$36.2 million (2022: S$36.4 million) at the end of the reporting period.

As at 31 March 2023, the Group's unsecured borrowings consist of S$250 million 10-year Notes, S$100 million 5-year Notes and A$264.4 million (S$235.2 million) 5-year term loan facilities.

As at 31 March 2022, the Group's unsecured borrowings consist of S$250 million 10-year Notes, S$100 million 5-year Notes, A$89.4 million (S$90.6 million) 5-year term loan facility and short-term loan of S$50.0 million.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

28. LEASE LIABILITIES / BORROWINGS (continued)

Fair value of non-current borrowings

	Group 2023 S$'000	Group 2022 S$'000	Company 2023 S$'000	Company 2022 S$'000
Non-current				
– Borrowings (secured)	**39,809**	–	**–**	–
– Borrowings (unsecured)	**551,912**	423,988	**–**	–
	591,721	423,988	**–**	–

The fair value of the Notes above are determined based on the over-the-counter quoted price. The fair value of external bank loans are computed based on cash flows discounted at market borrowing rates. The fair value is classified within Level 2 of the fair value hierarchy.

The exposure of non-current borrowings to interest rate risks is disclosed in Note 37(a)(ii).

Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

			Non-cash changes				
	1 April 2022 S$'000	Financing cash flows [i] S$'000	Acquisition of subsidiaries S$'000	Loss of control of subsidiaries S$'000	Foreign exchange movement S$'000	Other changes [ii] S$'000	31 March 2023 S$'000
Borrowings	**517,008**	**110,936**	**–**	**–**	**(20,512)**	**16,958**	**624,390**
Lease liabilities	**83,445**	**(25,532)**	**–**	**–**	**3,183**	**18,631**	**79,727**
	600,453	**85,404**	**–**	**–**	**(17,329)**	**35,589**	**704,117**

			Non-cash changes				
	1 April 2021 S$'000	Financing cash flows [i] S$'000	Acquisition of subsidiaries S$'000	Loss of control of subsidiaries S$'000	Foreign exchange movement S$'000	Other changes [ii] S$'000	31 March 2022 S$'000
Borrowings	322,312	172,046	17,911	(5,963)	1,073	9,629	517,008
Lease liabilities	83,845	(35,884)	27,650	(26,638)	923	33,549	83,445
	406,157	136,162	45,561	(32,601)	1,996	43,178	600,453

(i) The cash flows consist of interest paid, net amount of proceeds from borrowings and repayments of borrowings in the consolidated statement of cash flows.

(ii) Other changes include interest accruals, as well as additions and disposals of right-of-use assets.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

29. CONTRACT LIABILITIES

	Group		Company	
	2023	2022	**2023**	2022
	S$'000	S$'000	**S$'000**	S$'000
Advances received for post assurance collaboration (Note (a))	**15,394**	23,319	**15,394**	23,319
Advance billings (Note (b))	**21,820**	21,472	**18,324**	15,672
	37,214	44,791	**33,718**	38,991
Analysed as:				
Current	**30,037**	29,397	**26,541**	23,597
Non-current	**7,177**	15,394	**7,177**	15,394
	37,214	44,791	**33,718**	38,991

(a) Arises from definitive agreements with respect to the post assurance collaboration with HSBC Life (Singapore) Pte Ltd ("HSBC Life") (formerly known as AXA Life Insurance Singapore Private Limited) which is recognised in profit or loss over the period of 10 years till 19 January 2025.

(b) Mainly relates to advance billings to customers and unearned revenue from paid postage.

As at 1 April 2021, contract liabilities amounted to S$58.1 million.

The change in contract liabilities during the reporting period is due to recognition of advance billings and advances from HSBC Life to profit or loss.

30. DEFERRED INCOME TAXES

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income taxes relate to the same tax authority. The amounts, determined after appropriate offsetting, are shown on the statements of financial position as follows:

	Group		Company	
	2023	2022	**2023**	2022
	S$'000	S$'000	**S$'000**	S$'000
Deferred income tax assets	**7,361**	8,657	**–**	–
Deferred income tax liabilities	**44,214**	48,816	**22,521**	22,478

Movement in the deferred income tax account is as follows:

	Group		Company	
	2023	2022	**2023**	2022
	S$'000	S$'000	**S$'000**	S$'000
Beginning of financial year	**40,159**	32,617	**22,478**	21,971
Acquisition of subsidiaries (Note 40)	**214**	8,682	**–**	
Loss of control of subsidiary (Note 41)	**–**	(1,879)	**–**	–
Tax (credited) / charged to profit or loss (Note 12)	**(1,907)**	462	**43**	507
Currency translation differences	**(1,613)**	277	**–**	–
End of financial year	**36,853**	40,159	**22,521**	22,478

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

30. DEFERRED INCOME TAXES (continued)

Deferred income tax assets are recognised for tax losses and capital allowances carried forward to the extent that realisation of the related tax benefits through future taxable profits is probable. The Group has unrecognised tax losses and capital allowance of S$139,796,000 (2022: S$133,821,000) at the end of the reporting period which can be carried forward and used to offset against future taxable income subject to meeting certain statutory requirements by those companies with unrecognised tax losses and capital allowances in their respective countries of incorporation. The tax losses and capital allowances have no expiry dates.

Deferred income tax liabilities

The movement in deferred income tax assets and liabilities (prior to offsetting of balances within the same tax jurisdiction) is as follows:

Group

Deferred income tax liabilities

	Accelerated tax depreciation S$'000	Others S$'000	Total S$'000
2023			
Beginning of financial year	**24,056**	**25,173**	**49,229**
Acquisition of subsidiaries (Note 40)	**–**	**214**	**214**
Credited to profit or loss	**(1,195)**	**(1,293)**	**(2,488)**
Currency translation differences	**(28)**	**(2,284)**	**(2,312)**
End of financial year	**22,833**	**21,810**	**44,643**
2022			
Beginning of financial year	25,149	12,152	37,301
Acquisition of subsidiaries (Note 40)	–	13,768	13,768
Loss of control of subsidiary (Note 41)	(789)	(1,090)	(1,879)
(Credited) / charged to profit or loss	(326)	83	(243)
Currency translation differences	22	260	282
End of financial year	24,056	25,173	49,229

Deferred income tax assets

	Provisions S$'000	Tax losses S$'000	Total S$'000
2023			
Beginning of financial year	**(6,580)**	**(2,490)**	**(9,070)**
Charged to profit or loss	**581**	**–**	**581**
Currency translation difference	**180**	**519**	**699**
End of financial year	**(5,819)**	**(1,971)**	**(7,790)**
2022			
Beginning of financial year	(2,088)	(2,596)	(4,684)
Acquisition of subsidiaries (Note 40)	(5,086)	–	(5,086)
Charged to profit or loss	646	59	705
Currency translation difference	(52)	47	(5)
End of financial year	(6,580)	(2,490)	(9,070)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

30. DEFERRED INCOME TAXES (continued)

Company

Deferred income tax liabilities

	Accelerated tax depreciation S$'000	Others S$'000	Total S$'000
2023			
Beginning of financial year	**21,973**	**921**	**22,894**
(Credited) / charged to profit or loss	**(1,181)**	**1,119**	**(62)**
End of financial year	**20,792**	**2,040**	**22,832**
2022			
Beginning of financial year	22,427	(17)	22,410
(Credited) / charged to profit or loss	(454)	938	484
End of financial year	21,973	921	22,894

Deferred income tax assets

	Provisions S$'000
2023	
Beginning of financial year	**(416)**
Charged to profit or loss	**105**
End of financial year	**(311)**
2022	
Beginning of financial year	(439)
Charged to profit or loss	23
End of financial year	(416)

31. SHARE CAPITAL AND TREASURY SHARES

	Number of ordinary shares		Amount	
	Issued share capital '000	Treasury shares '000	Share capital S$'000	Treasury Shares S$'000
Group and Company				
As at 1 April 2021 and 31 March 2022	**2,275,089**	**(25,512)**	**638,762**	**(29,724)**
Issuance of shares	**–**	**162**	**–**	**208**
As at 31 March 2023	**2,275,089**	**(25,350)**	**638,762**	**(29,516)**

All issued ordinary shares are fully paid. There is no par value for these ordinary shares.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

31. SHARE CAPITAL AND TREASURY SHARES (continued)

(a) *Treasury shares*

During the financial years ended 31 March 2023, 162,000 treasury shares (2022: Nil) amounting to S$208,000 were reissued.

(b) *Share options*

The Singapore Post Share Option Scheme was adopted on 21 March 2003, and a new scheme, known as Singapore Post Share Option Scheme 2012 was adopted on 29 June 2012; collectively known as the "Scheme". The Scheme is administered by the Compensation Committee comprising Mr Bob Tan Beng Hai (Chairman), Mr Simon Claude Israel and Mrs Fang Ai Lian during the financial year ended 31 March 2023.

Employees (including executive directors), subject to certain conditions, are eligible to participate in the Scheme. The Scheme provides a means to recruit, retain and give recognition to employees who have contributed to the success and development of the Company and / or the Group.

The principal terms of the Scheme are as follows:

- The exercise price of the granted options is equal to the average of the last dealt prices for the share on the Singapore Exchange Securities Trading Limited ("SGX-ST") for the five (5) consecutive trading days immediately preceding the date of grant of that option.

- The value of the share option is determined using the Trinomial option pricing model (taking into account relevant assumptions).

- Granted options shall be exercisable, in whole or in part, during the exercise period applicable to that option and in accordance with the vesting schedule applicable to that option or other conditions (if any) that may be imposed by the Compensation Committee in relation to that option. Options may be exercised, in whole or in part in respect of 1,000 shares or any multiple thereof, by a participant giving notice in writing, accompanied by a remittance for the aggregate subscription cost in respect of the shares for which that option is exercised. The method of settlement could be in cheque, cashier's order, banker's draft or postal order made out in favour of the Company or such other mode of payment as may be acceptable to the Company. There are no restrictions on the eligibility of the persons to whom the options have been granted to participate in any other share option or share incentive scheme, whether or not implemented by any of the other companies within the Group or any other company. The Group has no legal or constructive obligation to repurchase or settle the options in cash.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

31. SHARE CAPITAL AND TREASURY SHARES (continued)

(b) Share options (continued)

- The vesting schedule for the share options granted to eligible employees (including executive directors) effective from 20 May 2014 are as follows:

Vesting period	Proportion of Total Share Options that are exercisable
Before / On first anniversary of date of grant	0 per cent
After first anniversary and before second anniversary of date of grant	Up to 30.0 per cent of grant
On / After second anniversary and before third anniversary of date of grant	Up to another 30.0 per cent of grant **OR** Up to 60.0 per cent of grant if share options were not exercised after the first vesting year
On / After third anniversary till tenth anniversary of date of grant	Balance **OR** 100.0 per cent of grant if share options were not exercised after the first and second vesting years

- The share options granted to eligible employees (including executive directors) effective 26 June 2006 to 10 March 2014 have a four-year vesting schedule and the details are as follows:

Vesting period	Proportion of Total Share Options that are exercisable
Before / On first anniversary of date of grant	0 per cent
After first anniversary and before second anniversary of date of grant	Up to 25.0 per cent of grant
On / After second anniversary and before third anniversary of date of grant	Up to another 25.0 per cent of grant **OR** Up to 50.0 per cent of grant if share options were not exercised after the first vesting year
On / After third anniversary and before fourth anniversary of date of grant	Up to another 25.0 per cent of grant **OR** Up to 75.0 per cent of grant if share options were not exercised after the first and second vesting years
On / After fourth anniversary till tenth anniversary of date of grant	Balance **OR** 100.0 per cent of grant if share options were not exercised after the first, second and third vesting years

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

31. SHARE CAPITAL AND TREASURY SHARES (continued)

(b) *Share options* (continued)

- On 11 May 2012, 17 January 2014, 7 March 2014 and 1 April 2014, performance share options were granted to key management staff. Vesting of these options is based on the Company's performance against a set of stretched targets on the Group's profit and the Company's target share price performance.

- The total number of shares over which options may be granted under the Scheme on any date, when added to the nominal amount of shares issued and issuable and in respect of all options granted under the Scheme, shall not exceed 5.0 per cent of the issued share capital of the Company on the day preceding that date.

Since the adoption of the Scheme to 31 March 2022, a total of 178,687,936 share options have been granted. Detail of the options are set out in the Directors' Statement for the respective financial years.

During the financial year ended 31 March 2023, no share options were granted. At the end of the financial year, details of the options granted and the number of unissued ordinary shares of the Company under options outstanding are as follows:

			Number of ordinary shares under options outstanding				
Date of Grant	**Exercise Period**	**Exercise Price**	**Balance At 1.4.22 ('000)**	**Granted during financial year ('000)**	**Options exercised ('000)**	**Options forfeited ('000)**	**Balance At 31.3.23 ('000)**
Options Granted Under Singapore Post Share Options Scheme							
For employees (including executive directors)							
11.05.12	19.05.14 to 11.05.22	S$1.030	482	–	–	482	–
10.08.12	11.08.13 to 10.08.22	S$1.070	689	–	–	689	–
17.01.14	18.01.17 to 17.01.24	S$1.350	1,223	–	–	848	375
07.03.14	08.03.17 to 07.03.24	S$1.330	375	–	–	–	375
20.05.14	21.05.15 to 20.05.24	S$1.450	609	–	–	301	308
07.08.14	08.08.15 to 07.08.24	S$1.760	62	–	–	30	32
19.05.15	20.05.16 to 19.05.25	S$1.890	1,875	–	–	678	1,197
20.05.16	21.05.17 to 20.05.26	S$1.570	1,492	–	–	526	966
Total Share Options			6,807	–	–	3,554	3,253

No option has been granted to controlling shareholders of the Company or their associates.

No key management personnel or employee has received options of 5% or more of the total number of shares available under the Scheme during the financial year. No other director or employee of the Company and its subsidiaries (as defined in the SGX-ST Listing Manual) has received options of 5% or more of the total number of shares available to all directors and employees of the Company and its subsidiaries under the Scheme during the financial year.

No option was granted at a discount during the financial year.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

31. SHARE CAPITAL AND TREASURY SHARES (continued)

(b) *Share options* (continued)

Restricted Share Plan

The Singapore Post Restricted Share Plan 2013 (the "Plan") was implemented with the approval of shareholders at the Extraordinary General Meeting held on 28 June 2013. The Plan commenced on 28 June 2013. The duration of the Plan is 10 years commencing from 28 June 2013. Amendments to the Plan to prescribe performance conditions were duly approved by the shareholders at the Company's annual general meeting ("AGM") held on 20 July 2017.

At the Company's AGM held on 21 July 2022, the shareholders approved the following:

(i) extension of the Plan for another 10 years up to 27 June 2033; and

(ii) alteration to the rules of the Plan to take into account amendments to the Listing Manual, as well as to streamline and rationalise certain provisions.

Enhancements to the Plan (the "Enhanced Plan") were subsequently designed to reinforce the delivery of long-term growth and shareholder value to drive an ownership culture and retain staff whose contributions are essential to the well-being of the Group. The Enhanced Plan allow fully paid shares to be granted to non-executive directors of the Group and associated companies.

The release schedule for the shares granted to eligible employees (excluding non-executive directors) prior to financial year 2017/18 is as follows:

Vesting Period	Vesting Date	Percentage of Shares that will be eleased on Vesting Date
From award date to date before first anniversary of award date	First anniversary of award date	30% (rounded to nearest whole share)
From first anniversary of award date to date before second anniversary of award date	On second anniversary of date of award	30% (rounded to nearest whole share)
From second anniversary of award date to date before third anniversary of award date	On third anniversary of date of award	Balance 40%

- 100% of the restricted shares granted to non-executive directors vest after one year from the date of grant.

Since the adoption of the Plan to 31 March 2022, a total of 5,839,118 restricted shares were granted.

During the financial year ended 31 March 2023, no restricted shares were granted under the Plan. There are no outstanding unvested restricted shares as at the start of the financial year.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

31. SHARE CAPITAL AND TREASURY SHARES (continued)

(b) *Share options* (continued)

Enhanced Plan

Following shareholders' approval to the Enhanced Plan at the Company's annual general meeting held on 20 July 2017, participants will receive fully paid SingPost shares provided that prescribed performance targets are met within a prescribed performance period. Shares granted from financial year 2017/18 onwards comprises of two types of awards:

(a) Performance Share Award; and

(b) Restricted Share Award.

The Performance Share Award, granted to senior management, has two long-term performance measures: Return on Equity and Absolute Total Shareholder Returns. For Performance Share Award from financial year 2020/2021 onwards, an additional performance measure, CO2 Reduction from FY18/19, is added. The Restricted Share Award, granted to a broader group of executives and key talents, has one long-term performance measure: Underlying Net Profit. The performance period for both types of awards is three or four years depending on when the performance conditions are met.

The performance conditions incorporate stretched targets aimed at delivering long-term shareholder value. Depending on achievement of the respective performance hurdles, 0% to 200% of the awards may vest.

Performance Share Awards

Since the adoption of the Enhanced Plan to 31 March 2022, a total of 6,020,288 shares have been granted.

During the financial year ended 31 March 2023, 1,244,281 shares were granted. Details of the grants are as follows:

Date of Grant	Balance As At 1.4.22 ('000)	Share Awards Granted ('000)	Share Awards Vested ('000)	Share Awards Cancelled ('000)	Balance As At 31.3.23 ('000)
31.05.19	591	–	–	–	591
01.06.20	455	–	–	–	455
20.01.22	269	–	–	–	269
03.06.22	–	1,244	–	–	1,244
Total	**1,315**	**1,244**	**–**	**–**	**2,559**

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

31. SHARE CAPITAL AND TREASURY SHARES (continued)

(b) *Share options* (continued)

Enhanced Plan (continued)

Restricted Share Awards

Since the adoption of the Enhanced Plan to 31 March 2022, a total of 11,044,023 restricted shares have been granted.

During the financial year ended 31 March 2023, 3,897,113 shares were granted. Details of the grants are as follows:

Date of Grant	Balance As At 1.4.23 ('000)	Share Awards Granted ('000)	Share Awards Vested ('000)	Share Awards Cancelled ('000)	Balance As At 31.3.23 ('000)
31.05.19	1,143	–	–	262	881
01.06.20	1,944	–	–	590	1,354
20.01.22	1,140	–	–	372	768
03.06.22	–	3,897	–	1,330	2,567
Total	**4,227**	**3,897**	**–**	**2,554**	**5,570**

Of the outstanding options (including Performance Share Option Plan but excluding Restricted Share Plan) for 3,253,000 (2022: 6,807,000) shares, 3,253,000 (2022: 6,807,000) options are exercisable as at 31 March 2023. The weighted average share price during the financial year was S$0.59 (2022: S$0.68).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

31. SHARE CAPITAL AND TREASURY SHARES (continued)

(b) *Share options* (continued)

Enhanced Plan (continued)

Restricted Share Awards (continued)

Following are the details of the significant inputs into the valuation model to determine fair value of the share incentive granted during the financial year.

Type of Share Options	**Performance Share Awards (TSR)**	**Performance Share Awards (ROE)**	**Performance Share Awards (CER)**	**Restricted Share Awards (UNP)**
2023				
Total fair value of options granted during financial year	**$154,789**	**$291,659**	**$145,830**	**$2,283,708**
Valuation Model	**Monte Carlo Simulation**	**Monte Carlo Simulation**	**Monte Carlo Simulation**	**Monte Carlo Simulation**
Weighted average share price at the grant dates	**S$0.67**	**S$0.67**	**S$0.67**	**S$0.67**
Expected volatility	**22.0%**	**22.0%**	**22.0%**	**22.0%**
Expected option life	**4 years**	**4 years**	**4 years**	**4 years**
Expected dividend yield	**3.56%**	**3.56%**	**3.56%**	**3.56%**
2022				
Total fair value of options granted during financial year	S$16,041	S$64,488	S$32,244	S$683,050
Valuation Model	Monte Carlo Simulation	Monte Carlo Simulation	Monte Carlo Simulation	Monte Carlo Simulation
Weighted average share price at the grant dates	S$0.65	S$0.65	S$0.65	S$0.65
Expected volatility	21.46%	21.46%	21.46%	21.46%
Expected option life	4 years	4 years	4 years	4 years
Expected dividend yield	2.41%	2.41%	2.41%	2.41%

The volatility assumption is based on the actual volatility of Singapore Post's daily closing share price over the three-year period to the valuation date.

The annual risk free rate is interpolated from the yield on Singapore Government Bonds of appropriate term, as detailed by the Monetary Authority of Singapore.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

31. SHARE CAPITAL AND TREASURY SHARES (continued)

(b) *Share options* (continued)

FMH Long Term Incentive Plan

The FMH Group Long Term Incentive Plan ("FMH LTIP") was implemented by FMH on 10 November 2022.

The objective of the FMH LTIP are to provide an incentive for eligible employees to remain in their employment in the long term and recognise the ongoing ability of eligible employees and their expected efforts and contribution in the long term to the performance and success of the FMH and its subsidiaries (the "FMH Group"). The LTIP provides eligible employees with the opportunity to acquire rights ("Rights") to receive fully paid ordinary shares in the capital of FMH ("FMH Shares").

Offers to participate in the FMH LTIP ("Offers", and each, an "Offer") may only be made by the Plan Committee (as defined below) to a person who is:

(a) a full time or part time employee (including an executive director) of the FMH Group;

(b) a non-executive director of the FMH Group;

(c) a casual employee of the FMH Group (being a person who is, or might reasonably expected to be, engaged to work the number of hours that are the pro-rata equivalent of 40% or more of a comparable full time position with the FMH Group); or a person who has entered into an arrangement with the FMH Group that will result in that person being covered by paragraphs (a) to (c), (each, an "Employee").

An employee whom the Plan Committee (see below) determines is to receive an Offer under the FMH LTIP will be referred to as an "Eligible Employee". An Eligible Employee may nominate a trust or trustee of a trust for which such Eligible Employee is the sole beneficiary ("Nominated Participant") to receive his or her Offer, provided that such nomination must be approved by the board of directors of FMH (the "FMH Board").

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

31. SHARE CAPITAL AND TREASURY SHARES (continued)

(b) *Share options* (continued)

FMH Long Term Incentive Plan (continued)

Following are the details of the significant inputs into the valuation model to determine fair value of the share incentive granted during the financial year.

Type of Share Options	LTI Plan Share Awards
2023	
Total fair value of options granted during financial year	**A$8,164,888**
Valuation Model	**Monte Carlo Simulation**
Weighted average share price at the grant dates	**A$24,171**
Expected volatility	**29.9%**
Expected option life	**3 years**
Expected dividend yield	**2.72%**

The volatility assumption is based on the average volatility of EBITDA and Return on Equity growth from FMH's peer companies during the past ten years.

The annual risk free rate is interpolated from the yield on Australia Government Bonds.

32. OTHER RESERVES

	Group		Company	
	2023	2022	**2023**	2022
	S$'000	S$'000	**S$'000**	S$'000
(a) Composition:				
Share option reserve	**4,301**	6,115	**4,301**	6,115
Fair value reserve	**(27,169)**	4,863	**(4,561)**	(4,561)
Currency translation reserve	**(19,414)**	(8,925)	**–**	–
Other capital reserve	**(118,451)**	34,513	**(104)**	–
Asset valuation reserve	**45,573**	45,275	**35,754**	35,754
Hedging reserve	**37,540**	–	**–**	–
	(77,620)	81,841	**35,390**	37,308

Other reserves are non-distributable.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

32. OTHER RESERVES (continued)

	Group		Company	
	2023	2022	**2023**	2022
	S$'000	S$'000	**S$'000**	S$'000
(b) Movements:				
(i) Share option reserve				
Beginning of financial year	**6,115**	16,134	**6,115**	16,134
Employee share option scheme:				
– Value of employee services	**(1,814)**	(10,019)	**(1,814)**	(10,019)
– Profit and loss (Note 5)	**(440)**	(4,535)	**(440)**	(4,535)
– Retained earnings	**(1,374)**	(5,484)	**(1,374)**	(5,484)
End of financial year	**4,301**	6,115	**4,301**	6,115
(ii) Fair value reserve				
Beginning of financial year	**4,863**	13,668	**(4,561)**	–
Fair value gain / (loss)	**(48,532)**	(10,992)	**–**	(4,561)
Adjusted for non-controlling interests	**16,500**	2,187	**–**	–
End of financial year	**(27,169)**	4,863	**(4,561)**	(4,561)
(iii) Currency translation reserve				
Beginning of financial year	**(8,925)**	(5,051)	**–**	–
Disposal / liquidation of foreign subsidiaries	**(34)**	(246)	**–**	–
Transfer to profit or loss arising from change in ownership interest from an associated company to a subsidiary	**–**	(63)		
Net currency translation differences of financial statements of foreign subsidiaries and associated companies	**(12,350)** [(1)]	(2,131)	**–**	–
Adjusted for non-controlling interest interests interests	**1,895**	(1,434)	**–**	–
End of financial year	**(19,414)**	(8,925)	**–**	–
(iv) Other capital reserve				
Beginning of financial year	**34,513**	33,192	**–**	–
Additional interest in a subsidiary	**(152,860)**	–	**–**	–
Adjustment	**–**	1,139	**–**	–
Loss of control of subsidiary	**–**	182	**–**	–
Issuance of shares to employee	**(104)**	–	**(104)**	–
End of financial year	**(118,451)**	34,513	**(104)**	–

Other capital reserve mainly arises from changes in shareholding in subsidiaries which do not result in a loss of control

(1) The loss on the currency translation reserve for the year ended 31 March 2023 is mainly attributable to the translation differences arising from net investment in Australia entities.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

32. OTHER RESERVES (continued)

	Group		Company	
	2023	2022	**2023**	2022
	S$'000	S$'000	**S$'000**	S$'000
(b) Movements (continued):				
(v) Asset valuation reserve				
Beginning of financial year	**45,275**	45,062	**35,754**	30,702
Revaluation gain on property, plant and equipment and right-of-use assets upon transfer to investment property (Notes 24 and 25)	**298**	6,412	**–**	5,052
Loss of control of subsidiary	**–**	(6,199)	**–**	–
End of financial year	**45,573**	45,275	**35,754**	35,754
(vi) Hedging reserve				
Beginning of financial year	**–**	–	**–**	–
Gain on fair value hedge of an equity instrument designated at FVTOCI	**56,879**	–	**–**	
Adjusted for non-controlling interests	**(19,339)**	–	**–**	–
End of financial year	**37,540**	–	**–**	–

33. PERPETUAL SECURITIES

(a) On 2 March 2012, the Company issued senior perpetual cumulative securities ("Perpetual Securities 2012") with an aggregate principal amount of S$350,000,000. Incremental costs incurred amounting to S$4,397,000 were recognised in equity as a deduction from proceeds. Perpetual Securities 2012 bear distributions at a rate of 4.25% per annum, payable semi-annually. Perpetual Securities 2012 were fully redeemed on 2 March 2022.

(b) On 6 April 2022, a wholly owned subsidiary of the Group issued SGD Subordinated Perpetual Securities with an aggregate principal amount of S$250,000,000 ("Perpetual Securities 2022") under the S$1 billion Multicurrency Debt Issuance Programme which is guaranteed by the Company. Incremental costs incurred amounting to S$1,028,000 were recognised in equity as a deduction from proceeds. Perpetual Securities 2022 bear distributions at a rate of 4.35% per annum up to 6 July 2027, payable semi-annually. The distribution rate will be reset every 5 years starting 6 July 2027.

Subject to the relevant terms and conditions in the offering memorandum, the Group and Company may elect to defer making distributions on the perpetual securities, and is not subject to any limits as to the number of times a distribution can be deferred.

As a result, the Group and Company are considered to have no contractual obligations to repay its principal or to pay any distributions and the perpetual securities do not meet the definition for classification as a financial liability under SFRS(I) 1-32 Financial Instruments: *Presentation*. The whole instrument is presented within equity, and distributions are treated as dividends.

During the financial year, distributions to perpetual securities holders amounted to S$10,726,000 (2022: S$13,652,000).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

34. DIVIDENDS

	2023 S$'000	2022 S$'000
Ordinary dividends paid		
Final exempt (one-tier) dividend paid in respect of the previous financial year of 1.3 cent per share (2022: 0.6 cents)	**29,247**	13,497
Interim exempt (one-tier) dividend paid in respect of the first half of the current financial year of 0.18 cent per share (2022: 0.5 cent)	**4,049**	11,248
	33,296	24,745

Final dividend

At the Annual General Meeting on 19 July 2023, the Board will be recommending a final exempt (one-tier) dividend of 0.40 cents per ordinary share amounting to S$8.9 million for the financial year ended 31 March 2023. Including the interim dividend of 0.18 cents per share paid out in November 2022, total dividend would amount to 0.58 cents per share, or approximately 40% of the underlying net profit. These financial statements do not reflect this dividend, which will be accounted for in shareholders' equity as an appropriation of retained earnings in the financial year ending 31 March 2024.

The underlying net profit is defined as net profit before exceptional items (Note 9). The Group's underlying net profit for the financial year ended 31 March 2023 amounted to $32,384,000 (2022: $81,254,000).

35. POST-EMPLOYMENT BENEFITS

The Group operates one defined benefit pension plan in Japan to provide pensions for employees upon retirement.

	Group	
	2023 S$'000	2022 S$'000
The amount recognised in the statement of financial position is determined as follows:		
Present value of unfunded obligations (Note 27)	**1,832**	1,725
The amounts recognised in profit or loss are as follows:		
Current service cost	**546**	749
Interest cost	**12**	10
	558	759
Beginning of financial year	**1,725**	1,817
Current service cost	**546**	749
Interest cost	**12**	10
Benefits paid	**(278)**	(693)
Currency translation differences	**(173)**	(158)
End of financial year	**1,832**	1,725
The significant actuarial assumptions used were as follows:		
Discount rate	**0.80%**	0.60%
Retirement age	**60**	60
Salary growth rates	**3.0%**	2.50%
Withdrawal	**0%**	0%
The cumulative actuarial losses recognised for the defined benefit pension plans were as follows:		
Beginning and end of financial year	**(11)**	(11)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

36. COMMITMENTS

(a) *Capital and investment commitments*

Capital expenditures and investments contracted for at the end of the reporting period but not recognised in the financial statements are as follows:

	Group		Company	
	2023	2022	**2023**	2022
	S$'000	S$'000	**S$'000**	S$'000
Property, plant and equipment	**15,334**	21,588	**6,189**	6,758

Apart from the above, the Group was committed to purchase 100% of the entire issued and paid up share capital in Parcel Santa Pte. Ltd. for S$5,250,000 at 31 March 2022. The acquisition was completed in April 2022 (Note 40).

(b) *Operating lease arrangements – where the Group is a lessee*

The Group and Company lease various post offices, warehouse space and machinery under non-cancellable operating lease agreements. The leases have varying terms, escalation clauses and renewal rights.

At 31 March 2023, the Group is committed to S$0.7 million (2022: S$0.6 million) for short-term leases.

(c) *Operating lease commitments – where the Group is a lessor*

Operating leases, in which the Group is the lessor, relate to investment properties owned by the Group. All operating lease contracts contain market review clauses in the event that the lessee exercises its option to renew. The lessee does not have an option to purchase the property at the expiry of the lease period.

The unguaranteed residual values do not represent a significant risk for the Group, as they are not material.

Maturity analysis of operating lease income:

	Group	Company
	S$'000	**S$'000**
2023		
Maturity analysis:		
Year 1	**46,705**	**45,415**
Year 2	**22,834**	**21,700**
Year 3	**10,777**	**10,246**
Year 4	**4,364**	**4,172**
Year 5	**3,261**	**3,149**
Year 6 onwards	**801**	**801**
	88,742	**85,483**
2022		
Maturity analysis:		
Year 1	51,880	49,760
Year 2	36,306	35,348
Year 3	11,427	10,838
Year 4	2,688	2,481
Year 5	373	167
Year 6 onwards	154	–
	102,828	98,594

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

37. FINANCIAL RISK MANAGEMENT

Financial risk factors

The Group's activities expose it to market risk (including currency risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management strategy seeks to minimise adverse effects from the volatility of financial markets on the Group's financial performance. The Group uses financial instruments such as currency forwards to hedge certain financial risk exposures.

The Board of Directors is responsible for setting the objectives and underlying principles of financial risk management for the Group. The Board Risk Committee then performs oversight responsibilities to ensure the financial risks are managed in accordance with the objectives and underlying principles approved by the Board of Directors.

(a) *Market risk*

(i) *Currency risk*

The currency transaction risk of the Group arises mainly from the international mail business, which generates inpayments and outpayments denominated in foreign currencies. The currency exposure is primarily in Special Drawing Rights ("SDR"), Euro ("EUR"), United States Dollar ("USD"), Australia Dollar ("AUD") and Chinese Renminbi ("RMB"). SDR is an International Monetary Fund unit of account used for valuing international transactions, which is defined in terms of a basket of currencies. The actual settlement is substantially in EUR and USD. The Group uses foreign currency purchases and currency forwards to manage the currency risk. These instruments are used mainly to hedge underlying exposures and the instruments are not entered into for speculative reasons.

In addition, the Group is exposed to currency translation risk on net assets in foreign subsidiaries, associated companies and joint ventures. Currency exposure to the net assets in foreign subsidiaries and associated companies where a divestment is not foreseeable is not hedged by the Group.

Group Treasury's risk management policy is to hedge planned divestment of overseas investments using currency forwards to manage the currency risk. These instruments are used mainly to hedge underlying exposures and the instruments are not entered into for speculative reasons.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

37. FINANCIAL RISK MANAGEMENT (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

The Group's currency exposure based on the information provided to key management is as follows:

	SGD S$'000	SDR S$'000	EUR S$'000	USD S$'000	HKD S$'000	AUD S$'000	MYR S$'000	RMB S$'000	Others S$'000	Total S$'000
Group										
2023										
Financial assets										
Cash and cash equivalents	**393,840**	**–**	**10,677**	**10,061**	**2,765**	**34,966**	**2,745**	**73**	**40,569**	**495,696**
Trade and other receivables	**62,407**	**7,428**	**13,693**	**–**	**4,836**	**101,662**	**1,750**	**28,995**	**14,005**	**234,776**
Other financial assets	**2,859**	**–**	**337**	**–**	**339**	**1,187**	**266**	**–**	**5,733**	**10,721**
Financial assets	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**41,865**	**211**	**42,076**
Derivative financial instruments	**–**	**–**	**306**	**–**	**–**	**–**	**–**	**56,879**	**66**	**57,251**
	459,106	**7,428**	**25,013**	**10,061**	**7,940**	**137,815**	**4,761**	**127,812**	**60,584**	**840,520**
Financial liabilities										
Derivative financial instruments	**–**	**–**	**–**	**(848)**	**–**	**(282)**	**–**	**–**	**(283)**	**(1,413)**
Borrowings	**(349,370)**	**–**	**–**	**–**	**–**	**(275,020)**	**–**	**–**	**–**	**(624,390)**
Lease liabilities	**(25,242)**	**–**	**(1,049)**	**–**	**(979)**	**(47,221)**	**(24)**	**–**	**(5,212)**	**(79,727)**
Trade and other payables	**(266,245)**	**(253,123)**	**(10,016)**	**–**	**(4,194)**	**(95,998)**	**(1,090)**	**–**	**(21,657)**	**(652,323)**
	(640,857)	**(253,123)**	**(11,065)**	**(848)**	**(5,173)**	**(418,521)**	**(1,114)**	**–**	**(27,152)**	**(1,357,853)**
Net financial assets/ (liabilities)	**(181,751)**	**(245,695)**	**13,948**	**9,213**	**2,767**	**(280,706)**	**3,647**	**127,812**	**33,432**	
Less: Net financial assets / (liabilities) denominated in the respective entities' functional currencies	**(181,751)**	**–**	**12,577**	**7,532**	**2,696**	**(92,317)**	**3.648**	**73**	**29,293**	
Less: Currency forwards	**–**	**(11,050)**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	
Currency exposure	**–**	**(256,745)**	**1,371**	**1,681**	**71**	**(188,389)**	**(1)**	**127,739**	**4,139**	

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

37. FINANCIAL RISK MANAGEMENT (continued)

(a) *Market risk* (continued)

(i) *Currency risk* (continued)

	SGD S$'000	SDR S$'000	EUR S$'000	USD S$'000	HKD S$'000	AUD S$'000	MYR S$'000	RMB S$'000	Others S$'000	Total S$'000
Group										
2022										
Financial assets										
Cash and cash equivalents	216,319	–	2,780	8,231	1,963	13,266	1,697	981	35,201	280,438
Trade and other receivables	43,274	11,062	27,186	509	4,687	99,537	2,075	33,404	17,271	239,005
Other financial assets	2,054	–	273	–	328	455	340	–	8,057	11,507
Financial assets	8,006	–	–	–	–	–	–	90,397	234	98,637
Derivative financial instruments	–	–	52	339	–	–	–	–	–	391
	269,653	11,062	30,291	9,079	6,978	113,258	4,112	124,782	60,763	629,978
Financial liabilities										
Derivative financial instruments	–	–	(172)	–	–	–	–	–	(380)	(552)
Borrowings	(399,267)	–	–	–	–	(117,741)	–	–	–	(517,008)
Lease liabilities	(27,292)	–	(944)	–	(1,440)	(49,916)	(42)	–	(3,811)	(83,445)
Trade and other payables	(166,135)	(247,685)	(12,619)	(1,283)	(4,118)	(351,457)	(997)	(1,203)	(28,845)	(814,342)
	(592,694)	(247,685)	(13,735)	(1,283)	(5,558)	(519,114)	(1,039)	(1,203)	(33,036)	(1,415,347)
Net financial assets / (liabilities)	(323,041)	(236,623)	16,556	7,796	1,420	(405,856)	3,073	123,579	27,727	
Less: Net financial assets / (liabilities) denominated in the respective entities' functional currencies	(323,041)	–	17,959	(92)	2,047	(315,251)	3,553	3,649	23,255	
Less: Currency forwards	–	(16,400)	–	–	–	–	–	–	–	
Currency exposure	–	(253,023)	(1,403)	7,888	(627)	(90,605)	(480)	119,930	4,472	

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

37. FINANCIAL RISK MANAGEMENT (continued)

(a) Market risk (continued)

(i) *Currency risk* (continued)

The Company's currency exposure based on the information provided to key management is as follows:

	SGD S$'000	SDR S$'000	EUR S$'000	USD S$'000	HKD S$'000	AUD S$'000	MYR S$'000	RMB S$'000	Others S$'000	Total S$'000
Company										
2023										
Financial assets										
Cash and cash equivalents	372,545	–	729	935	21	25	–	–	816	375,071
Trade and other receivables	298,947	7,428	–	–	–	–	–	28,995	–	335,370
Other financial assets	1,637	–	–	–	–	–	–	–	–	1,637
Financial assets	–	–	–	–	–	–	–	–	–	–
Derivative financial instruments	–	–	306	–	–	–	–	–	66	372
	673,129	7,428	1,035	935	21	25	–	28,995	882	712,450
Financial liabilities										
Derivative financial instruments	–	–	–	(848)	–	–	–	–	(284)	(1,132)
Borrowings	–	–	–	–	–	–	–	–	–	–
Lease liabilities	(39,116)	–	–	–	–	–	–	–	–	(39,116)
Trade and other payables	(767,528)	(253,123)	–	–	–	–	–	–	–	(1,020,651)
	(806,644)	(253,123)	–	(848)	–	–	–	–	(284)	(1,060,899)
Net financial assets / (liabilities)	(133,515)	(245,695)	1,035	87	21	25	–	28,995	598	
Less: Net financial assets / (liabilities) denominated in the respective entities' functional currencies	(133,515)	–	–	–	–	–	–	–	–	
Less: Currency forwards	–	(11,050)	–	–	–	–	–	–	–	
Currency exposure	–	(256,745)	1,035	87	21	25	–	28,995	598	

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

37. FINANCIAL RISK MANAGEMENT (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

	SGD S$'000	SDR S$'000	EUR S$'000	USD S$'000	HKD S$'000	AUD S$'000	MYR S$'000	RMB S$'000	Others S$'000	Total S$'000
Company										
2022										
Financial assets										
Cash and cash equivalents	200,185	–	15	227	11	8	–	–	152	200,598
Trade and other receivables	271,967	11,062	–	–	–	1,886	–	29,781	–	314,696
Other financial assets	1,689	–	–	–	–	–	–	–	–	1,689
Financial assets	8,006	–	–	–	–	–	–	–	–	8,006
Derivative financial instruments	–	–	52	339	–	–	–	–	–	391
	481,847	11,062	67	566	11	1,894	–	29,781	152	525,380
Financial liabilities										
Derivative financial instruments	–	–	(172)	–	–	–	–	–	(380)	(552)
Borrowings	(50,000)	–	–	–	–	–	–	–	–	(50,000)
Lease liabilities	(20,403)	–	–	–	–	–	–	–	–	(20,403)
Trade and other payables	(499,615)	(247,685)	–	–	–	–	–	–	–	(747,300)
	(570,018)	(247,685)	(172)	–	–	–	–	–	(380)	(818,255)
Net financial assets / (liabilities)	(88,171)	(236,623)	(105)	566	11	1,894	–	29,781	(228)	
Less: Net financial assets / (liabilities) denominated in the respective entities' functional currencies	(88,171)	–	–	–	–	–	–	–	–	
Less: Currency forwards	–	(16,400)	–	–	–	–	–	–	–	
Currency exposure	–	(253,023)	(105)	566	11	1,894	–	29,781	(228)	

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

37. FINANCIAL RISK MANAGEMENT (continued)

(a) Market risk (continued)

(i) *Currency risk* (continued)

If the SDR changes against the SGD by 2% (2022: 2%) with all other variables being held constant, the effects arising from the net financial liability / asset position will be as follows:

	Increase / (decrease) Profit before tax	
	2023	2022
	S$'000	S$'000
Group and Company		
SDR against SGD		
– strengthened	**(5,135)**	(5,060)
– weakened	**5,135**	5,060

If the EUR changes against the SGD by 3% (2022: 2%) with all other variables being held constant, the effects arising from the net financial asset/liability position will be as follows:

	Increase / (decrease) Profit before tax	
	2023	2022
	S$'000	S$'000
Group		
EUR against SGD		
– strengthened	**41**	(28)
– weakened	**(41)**	28
Company		
EUR against SGD		
– strengthened	**31**	(2)
– weakened	**(31)**	2

If the USD changes against the SGD by 3% (2022: 3%) with all other variables being held constant, the effects arising from the net financial asset/liability position will be as follows:

	Increase /(decrease) Profit before tax	
	2023	2022
	S$'000	S$'000
Group		
USD against SGD		
– strengthened	**50**	237
– weakened	**(50)**	(237)
Company		
USD against SGD		
– strengthened	**3**	17
– weakened	**(3)**	(17)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

37. FINANCIAL RISK MANAGEMENT (continued)

(a) Market risk (continued)

(i) *Currency risk* (continued)

If the AUD changes against the SGD by 4% (2022: 4%) with all other variables being held constant, the effects arising from the net financial asset/liability position will be as follows:

	Increase / (decrease) Profit before tax	
	2023 S$'000	2022 S$'000
Group		
AUD against SGD		
– strengthened	**(7,536)**	(3,624)
– weakened	**7,536**	3,624
Company		
AUD against SGD		
– strengthened	**1**	76
– weakened	**(1)**	(76)

If the RMB changes against the SGD by 3% (2022: 2%) with all other variables being held constant, the effects arising from the net financial asset/liability position will be as follows:

	Increase / (decrease) Profit before tax	
	2023 S$'000	2022 S$'000
Group		
RMB against SGD		
– strengthened	**870**	591
– weakened	**(870)**	(591)
Company		
RMB against SGD		
– strengthened	**870**	596
– weakened	**(870)**	(596)

(ii) *Interest rate risk*

Interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates. As the Group has no significant variable interest-bearing assets, the Group's interest income and operating cash flows are substantially independent of changes in market interest rates.

The Group's policy is to minimise the interest expense consistent with maintaining an acceptable level of exposure to interest rate fluctuations. A target mix of fixed and floating debt based on the assessment of interest rate trends is used to achieve this objective. The Group was exposed to interest rate risk from its borrowings (Note 28) which bear interest ranging from 4.9% to 5.1% (2022: 1.3% to 3.2%).

For the financial year ended 31 March 2023, if the interest rate had increased / decreased by 1% (2022: 1%) with all other variables being held constant, profit before tax will decrease/increase by S$2.0 million (2022: S$1.1 million).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

37. FINANCIAL RISK MANAGEMENT (continued)

(a) <u>*Market risk*</u> (continued)

(ii) *Interest rate risk* (continued)

Managing interest rate benchmark reform and associated risks

A fundamental review and reform of major interest rate benchmarks is being undertaken globally, including the replacement of some interbank offered rates (IBORs) with alternative nearly risk-free rates (referred as “IBOR reform”). In Singapore, the fundamental review and reform of the two key Singapore Dollars interest rate benchmarks that are widely referenced in financial contracts, namely Singapore interbank offered rates (SIBORs) and Singapore overnight rate average (SORs) and the transition from SOR to the Singapore overnight rate average (SORA), is being adopted or transitioned.

The Group may have exposures to IBORs on its financial instruments, financial contracts that will be replaced or reformed as part of these market-wide initiatives. This may impact any of its risk management and hedge accounting policies that is outstanding.

The Group’s treasury function (“Group Treasury”) monitors and manages the Group’s transition to alternative rates. Group Treasury evaluates the extent of this exposures, and whether any of such financial contracts will need to be amended or being impacted as a result of IBOR reform.

New loans or transactions which may involve IBOR reform would have been contracted with the new benchmark.

However, Group Treasury has and will continue to review and update if relevant, existing bilateral loan agreements with financial institutions to cater for replacement benchmark flexibility or new benchmark adoption in pricing of loans.

(iii) *Equity price risk management*

The Group is exposed to equity risks arising from equity investments classified as at FVTOCI. Equity investments measured at FVTOCI are held for strategic rather than trading purposes. The Group does not actively trade such investments. As the equity investment has been designated as a hedged item for fair value hedge accounting, the Group’s exposure to equity price risk is mitigated and no sensitivity analyses was performed.

Further details of these equity investments and the hedging relationship can be found in Notes 15 and 17.

(b) <u>*Overview of the Group’s exposure to credit risk*</u>

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. As at 31 March 2023, the Group’s maximum exposure to credit risk without taking into account any collateral held or other credit enhancements, which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties arises from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

37. FINANCIAL RISK MANAGEMENT (continued)

(b) *Overview of the Group's exposure to credit risk* (continued)

The credit risk for trade receivables based on the information provided to key management is as follows:

	Group		Company	
	2023	2022	**2023**	2022
	S$'000	S$'000	**S$'000**	S$'000
By geographical areas				
Singapore	**54,101**	44,923	**68,519**	46,401
Other countries	**170,109**	178,349	**42,699**	47,605
	224,210	223,272	**111,218**	94,006
By types of customers				
Related parties	**652**	1,406	**31,508**	16,208
Non-related parties:				
– Government bodies	**2,369**	1,992	**2,369**	1,992
– Banks	**6,248**	5,210	**6,230**	5,094
– Overseas postal administrations	**6,291**	9,147	**6,291**	9,147
– Other companies	**208,650**	205,517	**64,820**	61,565
	224,210	223,272	**111,218**	94,006

(i) *Trade receivables*

The Group uses a provision matrix to measure the lifetime expected credit loss for trade receivables.

In measuring the expected credit losses, trade receivables are grouped based on similar credit risk characteristics and days past due. In calculating the expected credit loss rates, the Group considers historical loss rates for each category of customers under each business.

A trade receivable is written off when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. Where receivables are written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Any recoveries made are recognised in profit or loss. The Group generally considers a financial asset in default if the counterparty fails to make contractual payments within 90 days past due or there is evidence indicating the asset is credit-impaired.

(ii) *Other financial assets at amortised cost*

In determining the expected credit loss, management has taken into account the historical default experience and the financial position of the counterparties, adjusted for factors that are specific to the debtors / debt instrument and general economic conditions of the industry in which the debtors / debt instrument operate, in estimating the probability of default of each of these financial assets occurring within their respective loss assessment time horizon, as well as the loss upon default in each case.

The Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if i) the financial instrument has a low risk of default, ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations. The Group considers a financial asset to have low credit risk when it has an internal or external credit rating of "investment grade" as per globally understood definition.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

37. FINANCIAL RISK MANAGEMENT (continued)

(b) *Overview of the Group's exposure to credit risk* (continued)

The tables below detail the credit quality of the Group's financial assets and other items, as well as maximum exposure to credit risk by credit risk rating grades:

	Note	External credit rating	Internal credit rating	12-month ("12m") or lifetime ECL	Gross carrying amount S$'000	Loss allowance S$'000	Net carrying amount S$'000
2023							
Group							
Trade receivables	16	N.A.	(i)	Lifetime ECL (simplified approach)	**226,877**	**(2,667)**	**224,210**
Other receivables	16,20	N.A.	(ii)	12m ECL and lifetime ECL	**10,566**	**–**	**10,566**
Other financial assets	18	N.A.	(ii)	12m ECL	**10,721**	**–**	**10,721**
						(2,667)	
Company							
Trade receivables	16	N.A.	(i)	Lifetime ECL (simplified approach)	**112,425**	**(1,207)**	**111,218**
Other receivables	16,20	N.A.	(ii)	12m ECL and lifetime ECL	**270,518**	**(46,366)**	**224,152**
Other financial assets	18	N.A.	(ii)	12m ECL	**1,637**	**–**	**1,637**
						(47,573)	
2022							
Group							
Trade receivables	16	N.A.	(i)	Lifetime ECL (simplified approach)	228,554	(5,282)	223,272
Other receivables	16,20	N.A.	(ii)	12m ECL and lifetime ECL	17,767	(2,390)	15,377
Other financial assets	18	N.A.	(ii)	12m ECL	11,507	–	11,507
Bonds	15	At least BBB-	N.A.	12m ECL	8,006	–	8,006
						(7,672)	
Company							
Trade receivables	16	N.A.	(i)	Lifetime ECL (simplified approach)	98,442	(4,436)	94,006
Other receivables	16,20	N.A.	(ii)	12m ECL and lifetime ECL	266,814	(46,480)	220,334
Other financial assets	18	N.A.	(ii)	12m ECL	1,689	–	1,689
Bonds	15	At least BBB-	N.A.	12m ECL	8,006	–	8,006
						(50,916)	

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

37. FINANCIAL RISK MANAGEMENT (continued)

(b) *Overview of the Group's exposure to credit risk* (continued)

(i) For trade receivables, the Group has applied the simplified approach in SFRS (I) 9 *Financial Instruments* to measure the loss allowance at lifetime ECL. The credit risk profile is presented based on the trade receivables' past due status in terms of the provision matrix.

The following table details the risk profile of trade receivables from contracts with customers based on the Group's provision matrix.

	Expected weighted credit loss rate %	Estimated total gross carrying amount at default S$'000	Lifetime ECL S$'000	Total S$'000
Trade receivables				
2023				
Group				
Current (not past due)	*****	**170,382**	**–**	**170,382**
1 to 90 days past due	**1.2%**	**33,905**	**(423)**	**33,482**
More than 90 days past due	**9.9%**	**22,590**	**(2,244)**	**20,346**
		226,877	**(2,667)**	**224,210**
Company				
Current (not past due)	*****	**82,027**	**–**	**82,027**
1 to 90 days past due	**3.9%**	**10,964**	**(423)**	**10,541**
More than 90 days past due	**4.0%**	**19,434**	**(784)**	**18,650**
		112,425	**(1,207)**	**111,218**
2022				
Group				
Current (not past due)	*	193,630	–	193,630
1 to 90 days past due	7.8%	30,290	(2,377)	27,913
More than 90 days past due	62.7%	4,634	(2,905)	1,729
		228,554	(5,282)	223,272
Company				
Current (not past due)	*	86,378	–	86,378
1 to 90 days past due	27.9%	8,528	(2,377)	6,151
More than 90 days past due	58.2%	3,536	(2,059)	1,477
		98,442	(4,436)	94,006

* The expected weighted credit loss rate is assessed as negligible.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

37. FINANCIAL RISK MANAGEMENT (continued)

(b) *Overview of the Group's exposure to credit risk* (continued)

(ii) Other receivables and other financial assets at amortised cost except for the credit impaired other receivables are considered to be recoverable as they are not due for payment at the end of the reporting period and there has been no significant increase in the risk of default since initial recognition. The Group assesses that no loss allowance is required in respect of these financial assets. Loss allowance recognised arises from loans to associated companies and subsidiaries and is determined after taking into account the financial position of the associated company and subsidiary adjusted for factors specific to them and general economic conditions of the industries in which the associated companies and subsidiaries operate.

Movements in loss allowance are as follows:

	Trade receivables S$'000	Loans to associated companies S$'000
Group		
Balance as at 1 April 2021	3,172	746
Amount written off	(101)	–
Loss allowance recognised in profit or loss during the year	2,211	1,644
Balance as at 31 March 2022	5,282	2,390
Amount written off	(2,484)	(1,865)
Reversal of loss allowance recognised in profit or loss during the year	(131)	(525)
Balance as at 31 March 2023	2,667	–

	Trade receivables S$'000	Loans to subsidiaries S$'000
Company		
Balance as at 1 April 2021	2,552	51,442
Amount written off	(84)	–
Loss allowance recognised / (reversed) in profit or loss during the year	1,968	(4,962)
Balance as at 31 March 2022	4,436	46,480
Amount written off	(3,229)	
Reversal of loss allowance recognised in profit or loss during the year	–	(114)
Balance as at 31 March 2023	1,207	46,366

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

37. FINANCIAL RISK MANAGEMENT (continued)

(c) Credit risk management

The major classes of financial assets of the Group and of the Company are bank deposits, trade and other receivables, investments in financial assets and financial instruments used in hedging activities. For trade receivables, the Group adopts the policy of dealing only with customers of appropriate credit history, and obtaining sufficient collateral where appropriate to mitigate credit risk. For other financial assets, the Group adopts the policy of dealing only with high credit quality counterparties.

Credit exposure to any individual counterparty is restricted by credit limits that are approved based on ongoing credit evaluation. The counterparty's payment profile and credit exposure are continuously monitored at the entity level by the respective management and at the Group level. As at 31 March 2023, trade receivables from a customer represented 13% and 27% (2022: 13% and 32%) of the Group's and Company's trade receivables respectively and contributed revenue of S$174,809,000 (2022: S$231,498,000). The revenue is attributable to the Post and Parcel segment.

Bank deposits are placed in banks which are regulated.

(d) Liquidity risk

The Group and Company manage the liquidity risk by maintaining sufficient cash and cash equivalents to enable them to meet their normal operating commitments, having an adequate amount of credit facilities and the ability to close market positions at short notice.

The table below analyses the maturity profile of the Group's and Company's financial liabilities (excluding derivative financial liabilities) based on contractual undiscounted cash flows.

	Less than 1 year S$'000	Between 1 and 2 years S$'000	Between 2 and 5 years S$'000	Over 5 years S$'000
Group				
2023				
Trade and other payables	**(632,539)**	**(5,685)**	**(988)**	**(6,448)**
Lease liabilities	**(36,284)**	**(21,315)**	**(22,134)**	**(8,351)**
Borrowings	**(23,178)**	**(54,667)**	**(396,025)**	**(266,636)**
	(692,001)	**(81,667)**	**(419,147)**	**(281,435)**
2022				
Trade and other payables	(667,500)	(7,113)	(1,653)	(6,508)
Lease liabilities	(33,096)	(25,924)	(22,776)	(8,515)
Borrowings	(90,851)	(12,821)	(225,547)	(272,978)
	(791,447)	(45,858)	(249,976)	(288,001)
Company				
2023				
Trade and other payables	**(438,417)**	**(22,900)**	**(407,822)**	**(269,514)**
Lease liabilities	**(13,182)**	**(10,653)**	**(17,557)**	**–**
	(451,599)	**(33,553)**	**(425,379)**	**(269,514)**
2022				
Trade and other payables	(403,072)	(11,068)	(135,777)	(276,589)
Lease liabilities	(8,677)	(6,647)	(5,803)	–
Borrowings	(50,035)	–	–	–
	(461,784)	(17,715)	(141,580)	(276,589)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

37. FINANCIAL RISK MANAGEMENT (continued)

(d) *Liquidity risk* (continued)

The following table details the expected maturity for non-derivative financial assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Group's liquidity risk management as the Group's liquidity risk is managed on a net asset and liability basis. The table below has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets except where the Group and the Company anticipate that the cash flow will occur in a different period.

	Less than 1 year S$'000	Between 1 and 2 years S$'000	Between 2 and 5 years S$'000	Over 5 years S$'000
Group				
2023				
Cash and cash equivalents	**495,696**	**–**	**–**	**–**
Trade and other receivables	**230,648**	**4,810**	**1**	**134**
Other financial assets	**4,889**	**–**	**–**	**4,491**
	731,233	**4,810**	**1**	**4,625**
2022				
Cash and cash equivalents	280,438	–	–	–
Trade and other receivables	233,818	4,810	1	134
Other financial assets	5,008	1,539	–	4,960
Financial assets	8,089	–	–	–
	527,353	6,349	1	5,094

	Less than 1 year S$'000	Between 1 and 2 years S$'000	Between 2 and 5 years S$'000	Over 5 years S$'000
Company				
2023				
Cash and cash equivalents	**375,071**	**–**	**–**	**–**
Trade and other receivables	**127,256**	**224,562**	**3,152**	**134**
Other financial assets	**1,637**	**–**	**–**	**–**
	503,964	**224,562**	**3,152**	**134**
2022				
Cash and cash equivalents	200,598	–	–	–
Trade and other receivables	109,712	218,340	2,260	134
Other financial assets	1,689	–	–	–
Financial assets	8,089	–	–	–
	320,088	218,340	2,260	134

The following table details the liquidity analysis for derivative financial liabilities. The table has been drawn up based on the undiscounted net cash inflows and (outflows) on the derivative instruments that settle on a net basis and the undiscounted gross inflows and (outflows) on those derivatives that require gross settlement.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

37. FINANCIAL RISK MANAGEMENT (continued)

(d) *Liquidity risk* (continued)

	Group		Company	
	2023	2022	**2023**	2022
	S$'000	S$'000	**S$'000**	S$'000
Less than 1 year				
Gross settled:				
Foreign exchange contracts forward				
– Gross inflow	**137,130**	145,757	**137,130**	145,757
– Gross outflow	**(137,890)**	(145,918)	**(137,890)**	(145,918)
	(760)	(161)	**(760)**	(161)

(e) *Capital risk*

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. In order to maintain or achieve an optimal capital structure, the Group may adjust the dividend policy, return capital to shareholders, issue new shares, buy back issued shares, obtain new borrowings or sell assets.

Management monitors capital based on gearing ratio. In the management of the debt and capital structure, the Group and Company aim to sustain a strong investment-grade credit profile.

The gearing ratio is calculated as net debt / (cash) with and without perpetual securities divided by total equity. Net debt / (cash) is calculated as borrowings less cash and cash equivalents.

	Group		Company	
	2023	2022	**2023**	2022
	S$'000	S$'000	**S$'000**	S$'000
Net debt / (cash)	**128,694**	236,570	**(375,071)**	(150,598)
Total equity	**1,374,298**	1,142,101	**1,208,319**	1,233,674
Gearing ratio without perpetual securities	**9.4%**	20.7%	**(31.0%)**	(12.2%)
Net debt / (cash) plus perpetual securities	**380,198**	236,570	**(375,071)**	(150,598)
Total equity	**1,374,298**	1,142,101	**1,208,319**	1,233,674
Gearing ratio with perpetual securities	**27.7%**	20.7%	**(31.0%)**	(12.2%)

The capital structure of the Group and Company consists of equity attributable to owners of the parents comprising issued capital, perpetual securities, reserves, retained earnings and borrowings disclosed in Note 28. The Group is in compliance with externally imposed capital requirements for the financial years ended 31 March 2023 and 2022.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

37. FINANCIAL RISK MANAGEMENT (continued)

(f) *Fair value estimation of financial assets and liabilities*

The fair values of financial instruments traded in active markets (such as exchange-traded and over-the-counter derivatives) are based on quoted market prices at the end of the reporting period. The quoted market prices used for financial assets are the current bid price; the appropriate quoted market prices used for financial liabilities are the current asking prices. The instruments are presented within Level 1 of the fair value hierarchy.

The fair values of financial instruments that are not traded in an active market are determined by using valuation techniques. The Group uses a variety of methods and makes assumptions based on market conditions existing at the end of each reporting period. Where appropriate, quoted market price or dealer quotes for similar instruments are used.

The fair values of currency forwards are determined using actively quoted forward exchange rates. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments. These investments are classified as Level 2 and comprise derivative financial instruments.

The fair values of financial assets designated as at FVTOCI, contingent consideration payable and put option redemption liabilities are estimated by using valuation techniques that are not based on observable market data and are accordingly classified as a Level 3 fair value measurement.

The fair values of current and non-current financial assets and liabilities carried at amortised cost approximate their carrying amounts, except for certain financial assets and non-current borrowings which fair values are disclosed in Notes 15 and 28 respectively.

The following table presents assets and liabilities measured at fair value and classified by level of the following fair value measurement hierarchy:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2); and
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

37. FINANCIAL RISK MANAGEMENT (continued)

(f) Fair value estimation of financial assets and liabilities (continued)

	Level 1 S$'000	Level 2 S$'000	Level 3 S$'000	Total S$'000
Group				
2023				
Assets				
Financial assets designated as at FVTOCI	**–**	**–**	**42,076**	**42,076**
Derivative financial instruments	**–**	**372**	**56,879**	**57,251**
Liabilities				
Derivative financial instruments	**–**	**1,413**	**–**	**1,413**
Contingent consideration payable	**–**	**–**	**28,608**	**28,608**
Put option redemption liabilities	**–**	**–**	**72,827**	**72,827**
2022				
Assets				
Financial assets designated as at FVTOCI	–	–	90,631	90,631
Derivative financial instruments	–	391	–	391
Liabilities				
Derivative financial instruments	–	552	–	552
Contingent consideration payable	–	–	7,971	7,971
Put option redemption liabilities	–	–	249,215	249,215
Company				
2023				
Assets				
Derivative financial instruments	**–**	**372**	**–**	**372**
Liabilities				
Derivative financial instruments	**–**	**1,132**	**–**	**1,132**
2022				
Assets				
Derivative financial instruments	–	391	–	391
Liabilities				
Derivative financial instruments	–	552	–	552

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

37. FINANCIAL RISK MANAGEMENT (continued)

(f) *Fair value estimation of financial assets and liabilities* (continued)

The following table presents the changes in Level 3 instruments:

	Financial assets at FVTPL – call option S$'000	Financial assets at FVOCI – put option S$'000	Financial assets designated as at FVTOCI S$'000	Contingent consideration payable S$'000	Put option redemption liability S$'000
2023					
Beginning of financial year	**–**	**–**	**90,631**	**(7,971)**	**(249,215)**
Acquisition of additional interest in a subsidiary	**–**	**–**	**–**	**(18,696)**	**174,815**
Acquisition of subsidiary Fair value gains / (losses) recognised in	**–**	**–**	**–**	**(12,925)**	**–**
– Profit or loss	**–**	**–**	**–**	**1,284**	**(21,719)**
– Other comprehensive income	**–**	**56,879**	**(48,532)**	**–**	**–**
Settlement of contingent consideration	**–**	**–**	**–**	**10,697**	**–**
Currency translation differences	**–**	**–**	**(23)**	**(997)**	**23,292**
End of financial year	**–**	**56,879**	**42,076**	**(28,608)**	**(72,827)**
Total profit/(loss) for the year included in profit or loss for assets and liabilities held at the end of the financial year	**–**	**–**	**–**	**1,284**	**(21,719)**
2022					
Beginning of financial year	1,459	–	101,645	–	(5,966)
Acquisition of subsidiaries	–	–	–	(7,742)	(241,385)
Fair value losses recognised in					
– Profit or loss	–	–	–	–	(1,945)
– Other comprehensive income	–	–	(14,957)	–	–
Exercise of call option [(1)]	(1,459)	–	–	–	–
Currency translation differences	–	–	3,943	(229)	81
End of financial year	–	–	90,631	(7,971)	(249,215)
Total loss for the year included in profit or loss for assets and liabilities held at the end of the financial year	–	–	–	–	(1,945)

(1) Call option was granted to the Group to acquire 13% equity interest in FMH which was exercised in 2022.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

37. FINANCIAL RISK MANAGEMENT (continued)

(f) Fair value estimation of financial assets and liabilities (continued)

	Company Financial assets designated as at FVTOCI S$'000
2022	
Beginning of financial year	4,561
Fair value loss recognised in other comprehensive income	(4,561)
End of financial year	–
Total profit for the year included in profit or loss for assets and liabilities held at the end of the financial year	–

There were no transfers between Levels 1, 2 and 3 during the year.

The following table presents the valuation techniques and key inputs that were used to determine the fair value of financial instruments categorised under Level 3 of the fair value hierarchy.

Description	Fair value (S$'000) 2023	Valuation techniques	Unobservable inputs	Range of unobservable inputs 2023	Relationship of unobservable inputs to fair value
Group					
Derivatives – equity option	**56,879** (2022: Nil)	Discounted cash flow approach	Risk-free rate	**2.6%** (2022: Nil)	The higher the discount rate, the lower the valuation.
Financial assets designated as at FVTOCI	**42,076** (2022: 90,631)	Market approach	Enterprise Value/Revenue multiple of comparable companies	**0.2 – 0.3x** (2022: 0.3 – 0.4x)	The higher the Enterprise Value/Revenue multiple, the higher the valuation
Put option redemption liabilities	**6,663** (2022: 7,830)	Discounted cash flow approach	Discount rate	**4.8 – 5.3%** (2022: 4.5 – 5.0%)	The higher the discount rate, the lower the valuation
	66,164 (2022: 241,385)	Monte Carlo simulation model	EBITDA volatility	**20.0%** (2022: 20.0%)	The higher the volatility, the higher the valuation
			Risk-free rate	**3.0 – 3.3%** (2022: 1.0 – 2.6%)	The higher the risk-free rate, the higher the valuation

Nil: Not applicable

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

37. FINANCIAL RISK MANAGEMENT (continued)

(g) *Financial instruments by category*

The carrying amount of the different categories of financial instruments other than those disclosed in Notes 15, 17, 19 and 28 to the financial statements are as follows:

	Group		Company	
	2023	2022	**2023**	2022
	S$'000	S$'000	**S$'000**	S$'000
Financial assets at amortised cost	**741,193**	530,950	**712,078**	516,983
Financial liabilities at amortised cost	**550,888**	557,156	**1,020,651**	747,300
Financial liabilities at fair value through profit or loss	**101,435**	257,186	**–**	–

(h) *Offsetting financial assets and financial liabilities*

There were no financial instruments subject to enforceable master netting arrangement as at 31 March 2023 and 2022.

38. RELATED PARTY TRANSACTIONS

In addition to the related party information disclosed elsewhere in the financial statements, the Group had the following significant transactions with its related parties at terms agreed between the parties:

(a) *Sales and purchases of goods and services*

	Group	
	2023	2022
	S$'000	S$'000
Services rendered to an associated company	**–**	2,677
Services received from associated companies	**(6,765)**	(3,072)
Services rendered to related companies of a substantial shareholder	**11,974**	13,901
Services received from related companies of a substantial shareholder	**(14,526)**	(16,926)
Interest received from loans to associated companies	**17**	92

During the financial year ended 31 March 2023, the Company made payments on behalf of subsidiaries totalling S$2.0 million (2022: S$5.2 million) which were subsequently reimbursed.

Outstanding balances at 31 March 2023, arising from sale/purchase of goods and services, are unsecured and receivable/payable within 12 months from the end of the reporting period and are disclosed in Notes 16 and 27 respectively.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

38. RELATED PARTY TRANSACTIONS (continued)

(b) Key management personnel compensation is as follows:

	Group	
	2023	2022
	S$'000	S$'000
Salaries and other short-term employee benefits	**5,421**	3,793
Post-employment benefits	**92**	80
Share-based staff costs	**806**	74
	6,319	3,947

Included in the above is total compensation to non-executive directors of the Company amounting to S$1,240,410 (2022: S$1,222,800) based on the non-executive director remuneration framework.

The key management personnel for the financial year reflects the top 5 executive key management positions and the Group CEO as at the end of that financial year. This composition of the top 5 executive key management positions has changed during the financial year.

The total key management personnel compensation reflects the compensation of these 6 executive key management positions, 4 of whom were in service for the full financial year and 2 for a period of the financial year and for whom the remuneration is for the period of their appointment to the end of the financial year. (2022: 1 in service for the full financial year, 3 in service for the full financial year but in different capacities within the financial year and 2 for a period of the financial year and for whom the remuneration is for the period of their appointment to the end of the financial year).

39. SEGMENT INFORMATION

Management has determined the operating segments based on the reports reviewed by the Group Chief Executive Officer and Group Chief Financial Officer ("Chief Operating Decision Maker" or "CODM") that are used to make strategic decisions.

SingPost Group classifies the reporting of business units into three key business segments, namely Post and Parcel, Logistics 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.

All other segments comprising unallocated corporate overhead items are categorised as Others.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

39. SEGMENT INFORMATION (continued)

(a) *Segment revenues and results*

The following is an analysis of the Group's revenues and results by reportable segments that were provided to the CODM for the financial years ended 31 March 2023 and 2022.

	Post and Parcel S$'000	Logistics S$'000	Property S$'000	Eliminations S$'000	Total S$'000	All other segments S$'000	Total S$'000
Group							
Full year ended 31 March 2023							
Revenue:							
– External	**505,546**	**1,313,027**	**53,686**	**–**	**1,872,259**	**–**	**1,872,259**
– Inter-segment	**15,801**	**9,331**	**34,645**	**(59,777)**	**–**	**–**	**–**
	521,347	**1,322,358**	**88,331**	**(59,777)**	**1,872,259**	**–**	**1,872,259**
Operating (loss) / profit	**(15,874)**	**84,742**	**44,012**	**–**	**112,880**	**(19,714)**	**93,166**
Full year ended 31 March 2022							
Revenue:							
– External	604,784	988,450	72,345	–	1,665,579	–	1,665,579
– Inter-segment	17,550	10,080	42,561	(70,191)	–	–	–
	622,334	998,530	114,906	(70,191)	1,665,579	–	1,665,579
Operating profit / (loss)	24,851	44,295	52,867	–	122,013	(9,939)	112,074

Sales between segments are carried out at arm's length. The revenue from external parties reported to the CODM is measured in a manner consistent with that in the statement of comprehensive income.

Reconciliation of Segment profits

The CODM assesses the performance of the operating segments based on a measure of operating profit, which is profit before interest, tax and share of results of associated companies and joint venture. Interest income and finance expenses are not allocated to segments.

A reconciliation of operating profit to profit after tax is provided as follows:

	Group 2023 S$'000	Group 2022 S$'000
Operating profit for reportable segments	**112,880**	122,013
Operating loss for all other segments	**(19,714)**	(9,939)
Exceptional items	**(7,705)**	1,858
Finance expenses	**(19,623)**	(14,779)
Interest income and investment income (net)	**2,148**	3,366
Share of profit of associated companies and joint venture	**23**	4,847
Profit before tax	**68,009**	107,366
Tax expense	**(29,249)**	(19,623)
Profit after tax	**38,760**	87,743

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

39. SEGMENT INFORMATION (continued)

(b) Segment assets

The following is an analysis of the Group's segment assets as at 31 March 2023 and 2022 that were provided to the CODM:

	Post and Parcel S$'000	Logistics S$'000	Property S$'000	Total S$'000	All other segments S$'000	Total S$'000
Group						
31 March 2023						
Segment assets	**240,885**	**1,007,617**	**1,174,111**	**2,422,613**	**40,518**	**2,463,131**
Segment assets include:						
Investment in associated companies	**–**	**3,018**	**–**	**3,018**	**28,931**	**31,949**
Intangible assets	**4,329**	**496,629**	**–**	**500,958**	**–**	**500,958**
31 March 2022						
Segment assets	140,154	1,008,165	1,274,804	2,423,123	48,390	2,471,513
Segment assets include:						
Investment in associated companies	–	2,575	–	2,575	31,497	34,072
Intangible assets	–	529,441	–	529,441	–	529,441

Reconciliation of segment assets

Reportable segments' assets are reconciled to total assets as follows:

Segment assets are measured in a manner consistent with that of the financial statements. The CODM does not review statement of financial position items by reportable segments, but rather monitors them at the Group level. All assets are allocated to reportable segments other than derivative financial instruments and financial assets. Cash and cash equivalents are allocated to reportable segments where applicable.

	Group	
	2023 S$'000	2022 S$'000
Segment assets for reportable segments	**2,422,613**	2,423,123
Segments assets for all other segments	**40,518**	48,390
Unallocated:		
Cash and cash equivalents	**374,267**	199,494
Financial assets	**–**	8,006
Derivative financial instruments	**372**	391
Total assets	**2,837,770**	2,679,404

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

39. SEGMENT INFORMATION (continued)

(c) *Other segment information*

	Post and Parcel S$'000	Logistics S$'000	Property S$'000	All other segments S$'000	Total S$'000
Group					
2023					
Depreciation and amortisation	**22,874**	**45,986**	**11,601**	**2,109**	**82,570**
Additions to [1]:					
– Property, plant and equipment	**6,789**	**15,073**	**385**	**1,764**	**24,011**
– Right-of-use assets	**3,292**	**35,786**	**–**	**–**	**39,078**
– Intangible assets	**–**	**4,441**	**–**	**–**	**4,441**
2022					
Depreciation and amortisation	22,909	29,491	18,971	3,053	74,424
Additions to [1]:					
– Property, plant and equipment	2,916	14,449	3,225	1,863	22,453
– Investment properties	–	–	70	–	70
– Right-of-use assets	657	15,542	13,961	93	30,253
– Intangible assets	–	2,404	–	–	2,404

[1] Net of inter-segment elimination

In addition to the depreciation and amortisation reported above, impairment losses of S$1.4 million (2022: S$4.4 million) and S$Nil (2022: S$5.5 million) were recognised in respect of property, plant and equipment and assets classified as held for sale respectively. There was a reversal of impairment losses of S$0.5 million recognised in respect of investment in and loan to associated companies in the current financial year (2022: impairment loss of S$4.3 million).

These impairment (losses) / reversals were attributable to the following reportable segments:

	Group	
	2023 **S$'000**	2022 S$'000
Post and Parcel	**–**	(5,093)
Logistics	**(491)**	(9,813)
Property	**–**	719
Others	**(425)**	–
	(916)	(14,187)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

39. SEGMENT INFORMATION (continued)

(d) *Revenue from major products and services*

The Group's revenue from its major products and services are disclosed in Note 4.

(e) *Geographical information*

The Group's three business segments operate in two main geographical areas:

- Singapore – the Company is headquartered and has operations in Singapore where 32% (2022: 43%) of its revenues are generated. The operations in this area comprise principally of the core postal business, post office products and services, courier activities and investment holding.

- Australia – the operations in this area are principally delivery services and e-commerce logistics solutions.

- Other countries – the operations include warehousing and logistics delivery in Japan and Hong Kong, and freight forwarding businesses in Europe and New Zealand.

	Group	
	2023	2022
	S$'000	S$'000
Revenue:		
Singapore	**594,562**	717,076
Australia	**857,800**	460,962
Other countries	**419,897**	487,541
	1,872,259	1,665,579

The geographical information on the Group's non-current assets is not presented as it is not used for segmental reporting purposes.

(f) *Information about major customers*

Included in revenues arising from Post and Parcel segment of S$505,546,000 (2022: S$604,784,000) are revenues of approximately S$174,809,000 (2022: S$231,498,000) derived from the Group's largest customer in the respective years.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

40. ACQUISITION OF SUBSIDIARIES

2023

(a) *During the current financial year, the following acquisitions were completed:*

Parcel Santa Pte. Ltd.

On 1 April 2022, the Group acquired 100% shares and voting interest in Parcel Santa Pte. Ltd. ("Parcel Santa"). Parcel Santa is the sole provider of smart locker systems for private residences in Singapore.

Spectrum Transport Consol 1 Pty Ltd, Spectrum Transport QLD Pty Ltd, Spectrum Transport NSW Pty Ltd, Spectrum Transport VIC Pty Ltd and Spectrum Transport Equipment Pty Ltd ("Spectrum Group")

On 30 June 2022, the Group acquired 100% of the shares and voting interest in Spectrum Group through its subsidiary, FMH. The Spectrum Group is a specialist carrier providing Business to Business Metro distribution in Brisbane, Sydney and Melbourne with a focus on fast-moving consumer goods ("FMCG") product.

Details at the acquisition date of the consideration paid, the fair value amounts of assets acquired and liabilities assumed, and the effects on the cash flows of the Group, are as follows:

		Parcel Santa S$'000	Spectrum Group S$'000
(i)	*Purchase consideration*		
	Cash paid to vendor	5,224	3,796
	Contingent consideration (Note (a)(iv))	–	12,925
	Total purchase consideration	**5,224**	**16,721**
(ii)	*Effect on cash flows of the Group*		
	Effect on cash flows of the Group	5,224	3,796
	Less: Cash and cash equivalent balances acquired	(55)	(983)
	Cash outflow on acquisition	**5,169**	**2,813**
(iii)	*Identifiable assets acquired and liabilities assumed, at fair value-*		
	Current assets		
	Cash and cash equivalents	55	983
	Trade and other receivables	337	2,806
	Other current assets	12	203
		404	3,992
	Non-current assets		
	Property, plant and equipment	890	2,822
	Intangible assets	1,258	–
		2,148	2,822
	Current liabilities		
	Trade and other payables	352	1,989
	Current income tax liabilities	2	9
	Other creditors and accruals	28	1,114
		382	3,112
	Non-current liability		
	Deferred tax liabilities	214	–
	Total identifiable assets acquired and liabilities assumed	1,956	3,702
	Add: Goodwill arising on acquisition (Note (a)(v))	3,268	13,019
	Consideration	5,224	16,721

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

40. ACQUISITION OF SUBSIDIARIES (continued)

2023 (continued)

(a) *During the current financial year, the following acquisitions were completed:* (continued)

Spectrum Transport Consol 1 Pty Ltd, Spectrum Transport QLD Pty Ltd, Spectrum Transport NSW Pty Ltd, Spectrum Transport VIC Pty Ltd and Spectrum Transport Equipment Pty Ltd (“Spectrum Group”) (continued)

(iii) *Identifiable assets acquired and liabilities assumed, at fair value-* (continued)

The fair value of the financial assets includes receivables acquired (which principally comprised trade receivables) as below:

	Parcel Santa S$'000	Spectrum Group S$'000
Trade receivables		
Gross contractual value	**337**	**2,806**
Less: Loss allowance	**–**	**–**
	337	**2,806**

(iv) *Contingent consideration*

The contingent consideration is dependent on the Earnings before Interest, Taxes, Depreciation and Amortisation (“EBITDA”) of Spectrum Group for the period from 1 July 2022 to 30 June 2023.

The contingent consideration was revalued as at 31 March 2023 to S$9,079,000 with a gain recognised for the year of S$3,102,000 in exceptional item arising from the decrease in consideration payable by FMH on the interest in Spectrum Group. The remaining movement is attributable to translation reserves arising from foreign currency revaluation.

(v) *Goodwill arising on acquisition*

The goodwill of S$3,268,000 arising on acquisition of Parcel Santa is attributable to the synergies expected to arise from combining the operations of the Group with Parcel Santa’s network of parcel lockers.

The goodwill of S$13,019,000 arising on acquisition of Spectrum group is attributable to synergies expected to arise from combining operations of the Group with Spectrum Group’s to help to expand the Group’s reach and service offering to customers in FMCG industry.

None of the goodwill is expected to be deductible for tax purposes.

(vi) *Acquisition-related cost*

Acquisition-related costs of S$235,000 are included in “administrative expenses” in the consolidated statement of comprehensive income and in operating cash flows in the consolidated statement of cash flows.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

40. ACQUISITION OF SUBSIDIARIES (continued)

2023 (continued)

(a) *During the current financial year, the following acquisitions were completed:* (continued)

Spectrum Transport Consol 1 Pty Ltd, Spectrum Transport QLD Pty Ltd, Spectrum Transport NSW Pty Ltd, Spectrum Transport VIC Pty Ltd and Spectrum Transport Equipment Pty Ltd ("Spectrum Group") (continued)

(vii) *Impact of acquisition on the results of the Group*

Parcel Santa contributed S$1,430,000 revenue and a net loss of S$691,000 to the Group's profit for the period between the date of acquisition and the reporting date. Spectrum Group contributed S$21,957,000 revenue and S$2,237,000 to the Group's profit for the period between the date of acquisition and the reporting date.

If the acquisition of Spectrum Group had been completed on the first day of the financial year, consolidated revenue and consolidated net profit for the year ended 31 March 2023 would have increased by S$7,667,000 and S$584,000 respectively.

2022

(b) *During the preceding financial year ended 31 March 2022, the following acquisitions were completed:*

Freight Management Holdings Pty Ltd

On 30 November 2021, the Group acquired 23% shares and voting interests in Freight Management Holdings Pty Ltd ("FMH"). As a result, the Group's interest in FMH increased from 28% to 51%, granting it control of FMH.

The principal activity of FMH is the provision of integrated supply chain and distribution solutions to customers in Australia through a 4th party logistics technology platform. Having FMH as a subsidiary will enable the Group to better derive synergies and build scale to further capitalise on the accelerated growth in eCommerce in Australia.

Andromeda Nominees Pty Ltd

On 1 March 2022, Freight Management Holdings Pty Ltd, a subsidiary of the Group, acquired 100% shares and voting interests in Andromeda Nominees Pty Ltd ("Andromeda"). The principal activity of Andromeda is the provision of logistics services in Australia.

Details at the acquisition date of the consideration paid, the provisional fair value amounts of assets acquired and liabilities assumed, and the effects on the cash flows of the Group, are as follows:

		FMH S$'000	Andromeda S$'000
(i)	*Purchase consideration*		
	Cash paid to vendor	109,594	1,984
	Contingent consideration (Note (b)(iv))	6,101	1,641
	Total purchase consideration	115,695	3,625
(ii)	*Effect on cash flows of the Group*		
	Effect on cash flows of the Group	109,594	1,984
	Less: Cash and cash equivalent balances acquired	–	(94)
	Cash outflow on acquisition	109,594	1,890

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

40. ACQUISITION OF SUBSIDIARIES (continued)

2022 (continued)

(b) *During the preceding financial year ended 31 March 2022, the following acquisitions were completed:* (continued)

Andromeda Nominees Pty Ltd (continued)

		FMH At fair value S$'000	Andromeda At provisional fair value S$'000
(iii)	*Identifiable assets acquired and liabilities assumed-*		
	Current assets		
	Cash and cash equivalents	–	94
	Trade and other receivables	75,152	1,631
		75,152	1,725
	Non-current assets		
	Property, plant and equipment	31,613	784
	Right-of-use assets	23,392	1,248
	Intangible assets	57,620	–
	Deferred income tax assets	5,086	–
	Other non-current assets	98	–
		117,809	2,032
	Current liabilities		
	Trade and other payables	68,245	2,513
	Current income tax liabilities	10,979	–
	Lease liabilities	9,146	–
	Borrowings	14,455	9
		102,825	2,522
	Non-current liabilities		
	Lease liabilities	18,504	–
	Borrowings	3,447	–
	Deferred tax liabilities	13,768	–
		35,719	–
	Total identifiable assets acquired and liabilities assumed	54,417	1,235
	Add: Goodwill arising on acquisition (Note (b)(v))	181,812	2,390
	Less: Fair value of previously held interest	(93,869)	–
	Less: Non-controlling interest (Note (b)(vi))	(26,665)	–
	Consideration	115,695	3,625

The fair value of the financial assets includes receivables acquired (which principally comprised trade receivables) as below:

	FMH S$'000	Andromeda S$'000
Trade receivables		
Gross contractual value	56,723	–
Less: Loss allowance	(828)	–
	55,895	–

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

40. ACQUISITION OF SUBSIDIARIES (continued)

2022 (continued)

(b) Andromeda Nominees Pty Ltd (continued)

(iv) Contingent consideration

In respect of FMH, the contingent consideration is dependent on the Earnings before Interest, Taxes, Depreciation and Amortisation ("EBITDA") of FMH for the period from 1 July 2021 to 30 June 2022.

In respect of Andromeda, out of the total contingent consideration of S$1,641,000, S$661,000 is dependent on the finalisation of the net assets of Andromeda as at 1 March 2022. The remaining balance of S$980,000 is dependent on the EBITDA of Andromeda for the period from 1 July 2022 to 30 June 2023.

(v) Goodwill arising on acquisition

In respect of FMH, the goodwill of S$181,812,000 arising on acquisition is attributable to the synergies expected to arise from economies of scale in combining the operations of the Group to strengthen the Group's capability to provide an end-to-end Business-to-Business-to-Consumer logistics solution for customers and a seamless logistics service within Australia.

In respect of Andromeda, the goodwill of S$2,390,000 arising on acquisition is attributable to the synergies expected to arise from economies of scale in combining the business processes and marketing with those of Andromeda.

None of the goodwill is expected to be deductible for tax purposes.

(vi) Non-controlling interest

The non-controlling interest (49% ownership interest in FMH) recognised amounted to S$26,665,000 and was measured by reference to the share of fair value of the net identifiable assets and liabilities on acquisition date.

(vii) Acquisition-related cost

Acquisition-related costs of S$414,000 are included in "exceptional items" in the consolidated statement of comprehensive income and in operating cash flows in the consolidated statement of cash flows.

(viii) Impact of acquisition on the results of the Group

FMH contributed S$178,662,000 revenue and S$4,769,000 to the Group's profit for the period between the date of acquisition and the reporting date.

If the acquisition of FMH had been completed on the first day of the financial year, consolidated revenue and consolidated net profit for the year ended 31 March 2022 would have increased by S$291,454,000 and S$8,850,000 respectively.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

41. LOSS OF CONTROL OF SUBSIDIARIES

(a) *General Storage Company Pte. Ltd.*

On 22 December 2021, the Group disposed its entire interests in a wholly-owned subsidiary, General Storage Company Pte. Ltd. ("GSC") to an external party.

The net assets of GSC and its subsidiaries at the date of disposal were as follows:

Carrying amounts of net assets over which control was lost

	2022 S$'000
Current assets	
Cash and cash equivalents	14,766
Trade and other receivables	322
Inventories	14
Other current assets	1,585
	16,687
Non-current assets	
Investment properties	53,321
Property, plant and equipment	12,369
Right-of-use assets	20,922
Intangible assets	30,697
Other non-current assets	16
	117,325
Total assets	134,012
Current liabilities	
Trade and other payables	3,806
Current income tax liabilities	719
Lease liabilities	7,258
Contract liabilities	5,762
Borrowings	1,454
	18,999
Non-current liabilities	
Trade and other payables	1,043
Lease liabilities	19,380
Borrowings	4,509
Deferred tax liabilities	1,879
	26,811
Total liabilities	45,810
Net assets derecognised	88,202
Net financial impact on disposal	
Consideration received	87,205
Net assets derecognised	(88,202)
Cumulative exchange differences in respect of the net assets of the subsidiary reclassified from equity on loss of control of subsidiary	872
Legal fees and other related expenses for disposal of subsidiary	(5,714)
Net financial impact on disposal [1]	(5,839)

[1] Before considering the effect of transfer of revaluation gain on property, plant and equipment and other capital reserve of S$6,017,000 directly to retained earnings (Note 9).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

41. LOSS OF CONTROL OF SUBSIDIARIES (continued)

(b) *Other subsidiaries*

The net assets of other subsidiaries at the date of disposal / deconsolidation were as follows:

Carrying amounts of net assets over which control was lost

	2022 S$'000
Current assets	
Cash and cash equivalents	625
Trade and other receivables	744
	1,369
Current liabilities	
Trade and other payables	1,449
Contract liabilities	68
	1,517
Net liabilities derecognised	(148)
Net financial impact on disposal	
Consideration received	–
Net liabilities derecognised	148
Cumulative exchange differences in respect of the net assets of the subsidiaries reclassified from equity on loss of control of subsidiaries	(626)
Net financial impact on disposal	(478)

42. CONTINGENT LIABILITIES

1st Arbitration

A non-controlling shareholder (the "Claimant") of Famous Holdings Pte Ltd ("FHPL"), a subsidiary of the Company, had exercised his put option in respect of his remaining 37.5% shares in FHPL in September 2016. As there were differences between the parties on the final valuation of the put option, the Claimant commenced arbitration proceedings against the Company in 2017 (the "1st Arbitration").

On 3 June 2020, the arbitral tribunal issued its partial award with respect to the 1st Arbitration (the "1st Partial Award for the 1st Arbitration") and dismissed the Claimant's various claims against the Company for damages for breach of a shareholders' agreement (the "SHA"), conspiracy and inducement of breach of contract. The tribunal also ruled in the Company's favour on material accounting and computational issues under the SHA, which are the most significant determinants of what sums, if any, are due to be paid either by the Company to the Claimant, or by the Claimant to the Company, for the transfer of the Claimant's remaining 37.5% shares in FHPL to the Company. Based on its findings, the tribunal directed the parties to see if they can agree on the final amount payable for the transfer of the Claimant's 37.5% shares in FHPL to the Company, failing which the tribunal will make a final determination.

As there was divergence between the Company and the Claimant on the precise computation for the final amount payable, on 19 January 2022, the tribunal issued a further partial award in respect of the 1st Arbitration (the "2nd Partial Award for the 1st Arbitration") that, amongst others, applies one out of several computation methodologies that were submitted by the parties within the parameters of the 1st Partial Award for the 1st Arbitration. The tribunal has not ruled on the final amount, but the tribunal's determination on the computation methodology, which remains subject to tax and minority interest adjustments, would entail the Company paying the Claimant for his 37.5% shares in FHPL at a fair value that would not have a material impact on the Group's net tangible assets or earnings per share for the financial year ended 31 March 2023.

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For the financial year ended 31 March 2023

42. CONTINGENT LIABILITIES (continued)

2nd Arbitration

In addition to the 1st Arbitration, a second arbitration was commenced by the Claimant against FHPL and SingPost Logistics Investments Pte Ltd ("SPLI"), a subsidiary of the company, on 15 and 16 September 2021 (viz., the 2nd Arbitration), in which the Claimant alleged breaches of a shareholders' agreement (viz., the SHA), minority oppression, the existence of a conspiracy, and his purported entitlement to dividends. On 29 March 2023, the arbitral tribunal issued an award dismissing all of the Claimant's claims against SPLI and FHPL in the 2nd Arbitration (the "Final Partial Award"). The Final Partial Award was declared as immediately enforceable and matters relating to costs were reserved to a further award.

3rd Arbitration

A third arbitration was separately commenced by the Claimant against SPLI on 22 February 2022 (viz., the 3rd Arbitration), in which the Claimant alleged breaches of the SHA which impacted the final amount payable by the Company for the Claimant's remaining 37.5% shares in FHPL which are the subject of the 1st Arbitration. The Claimant had initially quantified his claim at S$16,514,000 plus interest, based on his Statement of Claim filed on 8 August 2022. Based on the revised Statement of Claim and supporting documentation re-filed by the Claimant on 29 October 2022 and 1 November 2022, the Claimant changed the quantum of his claim to S$13,997,000 plus interest.

High Court Proceedings and 4th Arbitration

The Claimant had also commenced proceedings against the Company in the High Court. Based on the Statement of Claim which was served on the Company on 26 September 2022, it was alleged that the Claimant suffered loss and damage as a result of the Company's conduct in the 1st Arbitration. The Claimant had alleged that the Company had engaged in fraud and/or concealed material evidence as regards the independence of a mutually appointed human resource consultant for the provision of market benchmarks on certain key management roles under the share purchase agreement in relation to FHPL and its subsidiaries (the "SPA"), and which allegedly has had an impact on the decisions of the arbitral tribunal in the partial awards in respect of the 1st Arbitration. The Claimant had sought declarations from the High Court that the partial awards issued in the 1st Arbitration are null and void and/or unenforceable as against him and that the human resource consultant was not properly appointed under the SPA. He further claimed for damages to be assessed and for interest, costs and such other relief as the High Court deems just. Subsequently, the Claimant served a Notice of Arbitration on the Company on 28 December 2022 (viz., the 4th Arbitration) and has since discontinued his claim in the High Court. The allegations in the Notice of Arbitration are similar to those in the discontinued claim in the High Court, and the Claimant is seeking for damages to be assessed. Given the nature of the relief being sought by the Claimant, the potential financial impact of the 4th Arbitration cannot be quantified at this stage.

The Company will, in consultation with its advisors, continue to evaluate the various courses of action available to the Group.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

43. PRONOUNCEMENTS ISSUED BUT NOT YET EFFECTIVE

At the date of authorisation of these financial statements, the following SFRS(I) and IFRS pronouncements were issued but not effective and are applicable to the Group and the Company.

Effective for financial year beginning on 1 April 2023

- Amendments to SFRS(I) 1-8: *Definition of Accounting Estimates*
- Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2: *Disclosure of Accounting Policies*
- Amendments to SFRS(I) 1-12: *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*
- Amendments to SFRS(I) 1-12: *International Tax Reform – Pillar Two Model Rules*

Effective for financial year beginning on 1 April 2024

- Amendments to SFRS(I) 1-1: *Non-current Liabilities with Convenant*
- Amendments to SFRS(I) 1-1: *Classification of liabilities as current or non- current*

Management anticipates that the adoption of the above SFRS(I)s, SFRS(I) INTs and amendments to SFRS(I)/ IFRS in future periods will not have a material impact on the financial statements of the Group and of the Company in the period of their initial adoption except for the following:

Amendments to SFRS(I) 1-1: Non-current Liabilities with Covenants

The amendments issued by Accounting Standards Committee (AS Committee) in December 2022 (2022 amendments) specify that only covenants that an entity is required to comply with on or before the end of the reporting period affect the entity's right to defer settlement of a liability for at least twelve months after the reporting date (and therefore must be considered in assessing the classification of the liability as current or non-current). Such covenants affect whether the right exists at the end of the reporting period, even if compliance with the covenant is assessed only after the reporting date (e.g. a covenant based on the entity's financial position at the reporting date that is assessed for compliance only after the reporting date).

The right to defer settlement is not affected if an entity only has to comply with a covenant after the reporting period. However, if the entity's right to defer settlement of a liability is subject to the entity complying with covenants within twelve months after the reporting period, an entity disclose information that enables users of financial statements to understand the risk of the liabilities becoming repayable within twelve months after the reporting period.

This would include information about the covenants (including the nature of the covenants and when the entity is required to comply with them), the carrying amount of related liabilities and facts and circumstances, if any, that indicate that the entity may have difficulties complying with the covenants.

The amendments are applied retrospectively for annual reporting period beginning on 1 April 2024, with earlier application permitted. If an entity applies the 2022 amendments for an earlier period, it is also required to apply the 2020 amendments for the same period.

Amendments to SFRS(I) 1-12: International Tax Reform – Pillar Two Model Rules

The amendments issued by AS Committee in May 2023 applies to income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two model rules published by the Organisation for Economic Co-operation and Development ("OECD"), including tax law that implements qualified domestic minimum top-up taxes described in those rules. Such tax law, and the income taxes arising from it, are hereafter referred to as 'Pillar Two legislation' and 'Pillar Two income taxes'

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

43. PRONOUNCEMENTS ISSUED BUT NOT YET EFFECTIVE (continued)

These amendments introduce:

- An exception to the requirements in SFRS(I) 1-12 that an entity does not recognise and does not disclose information about deferred tax assets and liabilities related to the OECD pillar two income taxes. An entity has to disclose that it has applied the exception.
- A disclosure requirement that an entity has to disclose separately its current tax expense (income) related to pillar two income taxes.
- A disclosure requirement that state that in periods in which pillar two legislation is enacted or substantively enacted, but not yet in effect, an entity discloses known or reasonably estimable information that helps users of financial statements understand the entity's exposure to pillar two income taxes arising from that legislation.

When an entity applies the exception, it is required to disclose that it has applied the exception immediately upon issuance of the amendments and retrospectively in accordance with SFRS(I) 1-8. The Group has subsidiaries which operate in jurisdiction where Pillar Two legislation has been substantively enacted and has applied the exception. The remaining disclosure requirements are required for annual reporting period beginning on 1 April 2023.

Management is closely monitoring the progress of the legislative process in each jurisdiction the Group operates in and has yet to complete its detailed assessment.

44. LISTING OF COMPANIES IN THE GROUP

Name	Principal activities	Place of incorporation	Percentage of effective equity held by the Group 2023 %	by the Group 2022 %	by the NCI 2023 %	by the NCI 2022 %
SUBSIDIARIES						
Held by the Company						
Singapore Post Enterprise Private Limited	Investment holding	Singapore	**100**	100	**–**	–
SingPost Logistics Holdings Pte. Ltd.	Investment holding	Singapore	**100**	100	**–**	–
SingPost Investments Pte. Ltd.	Investment holding	Singapore	**100**	100	**–**	–
SingPost Logistics Investments Pte. Ltd.	Investment holding	Singapore	**100**	100	**–**	–
SingPost Group Treasury Pte Ltd	Provision of financial and treasury services to its related companies	Singapore	**100**	100	**–**	–
SingPost eCommerce Pte. Ltd.	eCommerce specialising in the provision of online sale of products	Singapore	**100**	100	**–**	–
SingPost eCommerce II Pte. Ltd. (9)	Dormant	Singapore	**–**	100	**–**	

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

44. LISTING OF COMPANIES IN THE GROUP (continued)

Name	Principal activities	Place of incorporation	Percentage of effective equity held by the Group 2023 %	by the Group 2022 %	by the NCI 2023 %	by the NCI 2022 %
SUBSIDIARIES (continued)						
Held by subsidiaries						
SingPost Logistics Enterprise Pte. Ltd	Investment holding	Singapore	**100**	100	**–**	–
SingPost Logistics Australia Holdings Pty Ltd	Investment holding	Australia	**100**	100	**–**	–
SingPost Australia Investments Pty Ltd	Investment holding	Australia	**100**	100	**–**	–
Quantium Solutions (Taiwan) Co., Ltd.	Provision of delivery services and eCommerce logistics solutions	Taiwan	**100**	66	**–**	34
Quantium Solutions International Pte. Ltd.	Investment holding, provision of management and consultancy services to related entities	Singapore	**66**	66	**34**	34
Quantium Solutions (Singapore) Pte. Ltd.	Provision of delivery services and eCommerce logistics solutions	Singapore	**66**	66	**34**	34
Quantium Solutions (Australia) Pty Ltd	Provision of delivery services and eCommerce logistics solutions	Australia	**66**	66	**34**	34
Quantium Solutions (Hong Kong) Limited	Provision of delivery services and eCommerce logistics solutions	Hong Kong	**66**	66	**34**	34
Quantium Mail Logistics Solutions (India) Private Limited (7)	Dormant	India	**66**	66	**34**	34
Quantium Express Solutions (India) Private Limited (7)	Dormant	India	**66**	66	**34**	34
PT Quantium Solutions Logistics Indonesia +	Provision of delivery services and eCommerce logistics solutions	Indonesia	**44.22**	44.22	**55.78**	55.78
Quantium Solutions (Japan) Inc.	Provision of delivery services and eCommerce logistics solutions	Japan	**66**	66	**34**	34

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

44. LISTING OF COMPANIES IN THE GROUP (continued)

Name	Principal activities	Place of incorporation	Percentage of effective equity held by the Group 2023 %	by the Group 2022 %	by the NCI 2023 %	by the NCI 2022 %
SUBSIDIARIES (continued) Held by subsidiaries (continued)						
Quantium Solutions International (Malaysia) Sdn. Bhd.	Provision of delivery services and eCommerce logistics solutions	Malaysia	**66**	66	**34**	34
Quantium Solutions (New Zealand) Pty Limited	Provision of delivery services and eCommerce logistics solutions	New Zealand	**66**	66	**34**	34
Quantium Solutions (Thailand) Co., Ltd.	Provision of delivery services and eCommerce logistics solutions	Thailand	**66**	66	**34**	34
Couriers Please Holdings Pty Ltd	Investment holding	Australia	**100**	100	**–**	–
Couriers Please Australia Pty Ltd	Investment holding	Australia	**100**	100	**–**	–
Couriers Please Pty Limited	Provision of delivery services and eCommerce logistics solutions	Australia	**100**	100	**–**	–
Freight Management Holdings Pty Ltd	Investment holding and provision of integrated supply chain and distribution services	Australia	**88**	51	**12**	49
efm Logistics Pty Ltd (formerly efm Logistics Services Group Pty Ltd)	Provision of logistics consulting and warehousing services	Australia	**88**	51	**12**	49
LHA Network Services Pty Ltd (formerly efm Logistics Pty Ltd)	Provision of logistics consulting and warehousing services	Australia	**88**	51	**12**	49
Logistics Holdings Australia Pty Ltd	Provision of logistics services	Australia	**88**	51	**12**	49
Logistics Holdings Industrial Pty Ltd	Provision of logistics services	Australia	**88**	51	**12**	49
BagTrans Group Pty Ltd	Investment holding	Australia	**88**	51	**12**	49
BagTrans Logistics Pty Ltd	Investment holding	Australia	**88**	51	**12**	49

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

44. LISTING OF COMPANIES IN THE GROUP (continued)

Name	Principal activities	Place of incorporation	Percentage of effective equity held by the Group 2023 %	by the Group 2022 %	by the NCI 2023 %	by the NCI 2022 %
SUBSIDIARIES (continued) Held by subsidiaries (continued)						
BagTrans Pty Limited	Provision of logistics services	Australia	**88**	51	**12**	49
BTH2 Pty. Limited	Provision of logistics services	Australia	**88**	51	**12**	49
BagTrans Holdings Pty Limited	Provision of logistics services	Australia	**88**	51	**12**	49
BagTrans Operations (Depot) Pty Ltd [7]	Provision of logistics services	Australia	**88**	51	**12**	49
BagTrans Operations (Local) Pty Ltd	Provision of logistics services	Australia	**88**	51	**12**	49
BagTrans Operations (Management) Pty Ltd	Provision of management and consultancy services to related entities	Australia	**88**	51	**12**	49
Flemington Fields Pty Ltd	Provision of logistics services	Australia	**88**	51	**12**	49
Otway Logistics Pty Ltd	Investment holding	Australia	**88**	51	**12**	49
Niche Logistics Pty Ltd	Provision of freight logistics services	Australia	**88**	51	**12**	49
Flip Group Technologies Pty Ltd	Provision of management and system support related services to its related entities	Australia	**88**	51	**12**	49
Flip Technologies Pty Ltd	Provision of management and system support related services to its related entities	Australia	**88**	51	**12**	49
Andromeda Nominees Pty. Ltd.	Provision of logistics services	Australia	**88**	51	**12**	49
Spectrum Transport Consol 1 Pty Ltd (formerly A.C.N. 660 608 417 Pty Ltd)	Investment holding	Australia	**88**	–	**12**	–
Spectrum Transport QLD Pty Ltd (formerly Belperio Transport QLD Pty Ltd)	Provision of logistics services	Australia	**88**	–	**12**	–

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

44. LISTING OF COMPANIES IN THE GROUP (continued)

Name	Principal activities	Place of incorporation	Percentage of effective equity held by the Group 2023 %	by the Group 2022 %	by the NCI 2023 %	by the NCI 2022 %
SUBSIDIARIES (continued)						
Held by subsidiaries (continued)						
Spectrum Transport NSW Pty Ltd (formerly Belperio Transport NSW Pty Ltd)	Provision of logistics services	Australia	**88**	–	**12**	–
Spectrum Transport VIC Pty Ltd	Provision of logistics services	Australia	**88**	–	**12**	–
Spectrum Transport Equipment Pty Ltd	Provision of logistics services	Australia	**88**	–	**12**	–
Famous Holdings Pte Ltd	Investment holding and provision of management services	Singapore	**100**	100	**–**	–
Famous Air & Sea Services Pte. Ltd.	Freight forwarding	Singapore	**100**	100	**–**	–
FPS Global Logistics Pte. Ltd.	Freight forwarding	Singapore	**100**	100	**–**	–
Famous Pacific Shipping (WA) Pty Ltd	Freight collections transhipments	Australia	**100**	100	**–**	–
Sino-Famous Intertrans Co., Ltd (8)	Freight forwarding	China	**–**	100	**–**	–
Famous Container Lines Co Ltd (8)	Freight forwarding	China	**–**	100	**–**	–
Shinyei Shipping Co Ltd (1)	Freight forwarding	Japan	**89**	89	**11**	11
Tras - Inter Co., Ltd (1)	Customs brokerage and freight forwarding	Japan	**89**	89	**11**	11
FPS Famous Pacific Shipping Sdn. Bhd.	Freight forwarding	Malaysia	**100**	100	**–**	–
Rotterdam Harbour Holding B.V. (2)	Investment holdings	Netherlands	**85**	85	**15**	15
FPS Famous Pacific Shipping B.V. (1)	Logistics services	Netherlands	**85**	85	**15**	15
Trans Ocean Pacific Forwarding B.V. (1)	Logistics services	Netherlands	**85**	85	**15**	15
Famous Pacific Shipping (NZ) Limited	Freight forwarding	New Zealand	**100**	100	**–**	–

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

44. LISTING OF COMPANIES IN THE GROUP (continued)

Name	Principal activities	Place of incorporation	Percentage of effective equity held by the Group 2023 %	by the Group 2022 %	by the NCI 2023 %	by the NCI 2022 %
SUBSIDIARIES (continued)						
Held by subsidiaries (continued)						
Mercury Worldwide (NZ) Limited [1]	Dormant	New Zealand	**100**	100	**–**	–
F.S. Mackenzie Limited	Freight forwarding	United Kingdom	**100**	100	**–**	–
SingPost Investments (Tampines) Pte. Ltd.	Investment holding and real estate activities with owned or leased property	Singapore	**100**	100	**–**	–
SingPost Investments (Toh Guan) Pte. Ltd.	Investment holding	Singapore	**100**	100	**–**	–
SingPost Investments (Ecommerce Logistics) Pte. Ltd.	Investment holding	Singapore	**100**	100	**–**	–
SingPost Centre (Retail) Pte. Ltd.	Investment holding	Singapore	**100**	100	**–**	–
SingPost eCommerce Logistics Holdings Pte. Ltd.	Investment holding	Singapore	**100**	100	**–**	–
SP Parcels Pte. Ltd. [9]	Dormant	Singapore	**–**	100	**–**	–
SP eCommerce (Thailand) Co Ltd [1]	eCommerce specialising in the provision of online shopping platforms and services	Thailand	**100**	100	**–**	–
SP eCommerce (Malaysia) Sdn. Bhd.	eCommerce specialising in the provision of online shopping platforms and services	Malaysia	**100**	100	**–**	–
SingPost Distribution Pte. Ltd. [9]	Dormant	Singapore	**–**	100	**–**	–
TradeGlobal Asia Holdings Limited [3]	Investment holding	Hong Kong	**100**	100	**–**	–
Parcel Santa Pte. Ltd. [10]	Provision of eCommerce logistics solutions	Singapore	**100**	–	**–**	–

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

44. LISTING OF COMPANIES IN THE GROUP (continued)

Name	Principal activities	Place of incorporation	Percentage of effective equity held by the Group 2023 %	2022 %
ASSOCIATED COMPANIES				
Held by the Company				
GDEX Berhad ^	Investment holding	Malaysia	**12.27**	12.12
Held by subsidiaries				
Dash Logistics Company Ltd (3) ^	Provision of integrated logistics, freight and transport management and aviation services	Vietnam	**30**	30
Efficient E-Solutions Berhad (4)	Provision of data print, record management, data and document processing	Malaysia	**20.81**	20.81
Hubbed Holdings Pty Ltd (5)	eCommerce and logistics retail network	Australia	**–**	30
Morning Express & Logistics Limited (6)	Provision of courier services and provision of management services to its related company	Hong Kong	**33**	33
JOINT VENTURES				
Held by subsidiaries				
PT Trio SPeCommerce Indonesia (1)	Dormant	Indonesia	**33**	33
Paya Lebar Central Partnership Limited	Provision of management consultancy services	Singapore	**33.33**	33.33

Notes

All companies as at 31 March 2023 are audited by member firms of Deloitte Touche Tohmatsu Limited, except for the following:

(1) Not required to be audited for the financial year ended 31 March 2023
(2) Audited by Crowe Peak Audit & Assurance, The Netherlands
(3) Audited by local statutory auditors in the countries of incorporation
(4) Audited by Russel Bedford LC & Company, Malaysia
(5) Divested during the financial year ended 31 March 2023
(6) Audited by HKCMCPA Company Limited
(7) Placed under members' voluntary liquidation since financial year ended 31 March 2021
(8) Divested during the financial year ended 31 March 2023
(9) Struck off pursuant to Section 344A of the Companies Act 1967 of Singapore during the financial year ended 31 March 2023
(10) Acquired during the financial year ended 31 March 2023
\+ It is considered to be a subsidiary of the Company as the Company can exercise control over its financial and operating policies and voting rights.
^ It is considered to be an associate of the Company as the Company can exercise significant influence over its financial and operating policies and voting rights