DIRECTORS' STATEMENT AND FINANCIAL STATEMENTS

CONTENTS

DIRECTORS' STATEMENT

For the financial year ended 31 March 2018

The directors present their statement to the members together with the audited 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 2018.

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 90 to 198 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 2018, 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 Paul William Coutts (Group Chief Executive Officer)	(Appointed on 1 June 2017)
Ms Aliza Knox	
Mr Bob Tan Beng Hai	
Mr Chen Jun	
Ms Elizabeth Kong Sau Wai	
Mrs Fang Ai Lian	
Mr Steven Robert Leonard	(Appointed on 1 June 2017)
Ms Lim Cheng Cheng	
Mr Zulkifli Bin Baharudin	

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 78 to 82 of this statement.

DIRECTORS' STATEMENT

For the financial year ended 31 March 2018

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, 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, except as follows:

	Holdings registered in name of director or nominee		Holdings in which director is deemed to have an interest	
	At 31.3.2018	At 1.4.2017	**At 31.3.2018**	At 1.4.2017
Company				
Singapore Post Limited				
(No. of ordinary shares)				
Ms Aliza Knox	**20,529**	20,529	**–**	–

	Holdings registered in name of director or nominee		Holdings in which director is deemed to have an interest	
	At 31.3.2018	At 1.4.2017	**At 31.3.2018**	At 1.4.2017
Company				
Singapore Post Limited				
(4.25% Senior Perpetual Cumulative securities)				
Mrs Fang Ai Lian	**250,000**	250,000	**–**	–

(b) According to the register of directors' shareholdings kept by the Company under Section 164 of the Singapore Companies Act, none of the 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 78 to 82 of this statement.

(c) The directors' interests in the shares and convertible securities of the Company as at 21 April 2018 were the same as those as at 31 March 2018.

DIRECTORS' STATEMENT

For the financial year ended 31 March 2018

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[1]), Mr Simon Claude Israel, Mrs Fang Ai Lian and Mr Zulkifli Bin Baharudin during the financial year ended 31 March 2018.

Employees (including executive directors) and non-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, and to give recognition to non-executive directors, 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.

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

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

[1] Mr Bob Tan Beng Hai was appointed as chairperson of the Compensation Committee on 24 April 2017 in place of Mrs Fang Ai Lian who stepped down as chairperson of the Compensation Committee.

DIRECTORS' STATEMENT

For the financial year ended 31 March 2018

SHARE OPTIONS (continued)

- 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

- 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 2017, a total of 178,687,936 share options were granted. Particulars of the options were set out in the Directors' Statement for the respective financial years.

DIRECTORS' STATEMENT

For the financial year ended 31 March 2018

SHARE OPTIONS (continued)

During the financial year ended 31 March 2018, 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 1.4.17 ('000)**	**Granted during financial year ('000)**	**Options exercised ('000)**	**Options forfeited ('000)**	**Balance At 31.3.18 ('000)**
Options Granted Under Singapore Post Share Options Scheme							
For employees (including executive directors)							
26.06.07	27.06.08 to 26.06.17	S$1.278	196	–	–	196	–
30.06.08	01.07.09 to 30.06.18	S$1.100	190	–	–	–	190
29.06.10	30.06.11 to 29.06.20	S$1.140	513	–	–	–	513
26.07.11	27.07.12 to 26.07.21	S$1.100	666	–	13	–	653
11.05.12	19.05.14 to 11.05.22	S$1.030	1,050	–	43	–	1,007
10.08.12	11.08.13 to 10.08.22	S$1.070	1,524	–	150	–	1,374
07.05.13	08.05.13 to 07.05.23	S$1.290	75	–	–	75	–
17.01.14	18.01.17 to 17.01.24	S$1.350	7,602	–	30	3,378	4,194
07.03.14	08.03.17 to 07.03.24	S$1.330	500	–	–	–	500
10.03.14	11.03.15 to 10.03.24	S$1.330	80	–	–	80	–
01.04.14	02.04.17 to 01.04.24	S$1.360	200	–	–	–	200
20.05.14	21.05.15 to 20.05.24	S$1.450	5,633	–	–	2,210	3,423
07.08.14	08.08.15 to 07.08.24	S$1.760	568	–	–	250	318
13.05.15	14.05.16 to 13.05.25	S$1.910	950	–	–	100	850
19.05.15	20.05.16 to 19.05.25	S$1.890	12,957	–	–	7,485	5,472
12.06.15	13.06.16 to 12.06.25	S$1.880	40	–	–	–	40
20.05.16	21.05.17 to 20.05.26	S$1.570	6,687	–	–	1,872	4,815
Total Share Options			39,431	–	236	15,646	23,549

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 2018

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 held on 20 July 2017.

Enhancements to the Plan (the "Enhanced Plan") are 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 will continue to enable grants of fully paid shares to be made 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 FY2017/18 is as follows:

Vesting Period	Vesting Date	Percentage of Shares that will be Released 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 2017, a total of 5,839,118 restricted shares were granted.

During the financial year ended 31 March 2018, no restricted shares were granted under the Plan. Details of the restricted shares granted and cancelled and the number of unvested restricted shares outstanding as at the end of the financial year is as follows:

Date of Grant	Balance As At 1.4.17 ('000)	Share Awards Granted ('000)	Share Awards Vested ('000)	Share Awards Cancelled ('000)	Balance As At 31.3.18 ('000)
05.08.13	8	–	–	–	8
20.05.14	233	–	214	16	3
19.05.15	396	–	170	57	169
20.05.16	2,018	–	522	648	848
Total	**2,655**	**–**	**906**	**721**	**1,028**

DIRECTORS' STATEMENT

For the financial year ended 31 March 2018

RESTRICTED SHARE PLAN (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 certain 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 hurdles: Return on Equity and Absolute Total Shareholder Returns. The Restricted Share Award, granted to a broader group of executives and key talents, have one long-term performance hurdle: Underlying Net Profit. The performance period for the awards granted is three or four years depending on when performance targets are achieved.

The performance conditions would incorporate stretched targets aimed at delivering long-term shareholder value. Depending on the extent of the satisfaction of the relevant performance criteria, 0% to 200% of the shares comprised in the awards may vest.

Performance Share Awards

During the financial year ended 31 March 2018, 359,478 restricted shares were granted. Details of the restricted shares granted and cancelled and the number of unvested restricted shares outstanding as at the end of the financial year are as follows:

Date of Grant	Balance As At 1.4.17 ('000)	Share Awards Granted ('000)	Share Awards Vested ('000)	Share Awards Cancelled ('000)	Balance As At 31.3.18 ('000)
18.01.18	–	359	–	–	359
Total	**–**	**359**	**–**	**–**	**359**

Restricted Share Awards

During the financial year ended 31 March 2018, 1,354,999 restricted shares were granted. Details of the restricted shares granted and cancelled and the number of unvested restricted shares outstanding as at the end of the financial year are as follows:

Date of Grant	Balance As At 1.4.17 ('000)	Share Awards Granted ('000)	Share Awards Vested ('000)	Share Awards Cancelled ('000)	Balance As At 31.3.18 ('000)
18.01.18	–	1,355	–	37	1,318
Total	**–**	**1,355**	**–**	**37**	**1,318**

DIRECTORS' STATEMENT

For the financial year ended 31 March 2018

AUDIT COMMITTEE

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

Mrs Fang Ai Lian (Chairman)
Mr Zulkifli Bin Baharudin
Mr Bob Tan Beng Hai

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, Cap 50.

The Audit Committee has reviewed the overall scopes, 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 2018 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.

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 Paul William Coutts** Director

Singapore
15 May 2018

INDEPENDENT AUDITOR'S REPORT

To the Members of Singapore Post Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying 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 2018, 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 90 to 198.

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, Chapter 50 (the "Act") and Financial Reporting Standards in Singapore ("FRSs") 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 2018, 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.

Other Matter

The consolidated financial statements of the Group and the statement of financial position of the Company for the financial year ended 31 March 2017 were audited by another auditor who expressed an unmodified opinion on those financial statements in their report dated 15 May 2017.

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 2018. 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 23 to the financial statements.* As at 31 March 2018, the goodwill and other intangible assets recorded amounted to S$299.4 million and S$86.3 million respectively. The other intangible assets comprise principally customer relationships and trademarked brands. For the financial year ended 31 March 2018, no impairment charge was recognised on the Group's goodwill and other intangible assets. Management's assessment of the recoverable amounts of the cash-generating units ("CGUs") involves significant judgement about the future cash flow projections of the business and the appropriate terminal growth rates and discount rates applied to the 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.	Our audit procedures focused on evaluating and challenging the key assumptions used by management in performing the impairment review. These procedures included: • challenging management's future cash flow projections through comparison with recent performance, historical trend analyses, expectations of future development of the business and market and publicly available industry and economic data; • involving our valuation specialists to evaluate 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; and • comparing current year's actual results against prior year's forecasts to assess whether assumptions made in prior year on hindsight had been reasonable. We evaluated the appropriateness of allocation of goodwill to the different CGUs. We performed 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 also evaluated the adequacy of the Group's disclosures made in relation to goodwill and other intangible assets.

INDEPENDENT AUDITOR'S REPORT

To the Members of Singapore Post Limited

Key Audit Matter	Our audit performed and responses thereon
Assessment of impairment of property, plant and equipment and investments in associated companies *Refer to Notes 3(b), 19 and 22 to the financial statements.* The Group operates various businesses globally, which utilise property, plant and equipment with a total carrying value of S$532.3 million as at 31 March 2018. The Group also has investments in associated companies with a total carrying value of S$114.9 million as at 31 March 2018. Management estimates the recoverable amounts of these assets based on the higher of fair values less costs to sell and the value-in-use when there is an indication that these assets may be impaired. The fair values are based on valuations performed by independent valuers. Valuation is inherently subjective and involves significant judgement in determining the appropriate valuation methodologies to be used and underlying assumptions to be applied. Value-in-use calculations involve management's assessment of the future cash flow projections of the business, and the appropriate terminal growth rates and discount rates applied to the future cash flow projections. For the financial year ended 31 March 2018, no impairment charge was recognised on the Group's property, plant and equipment and investments in associated companies.	When an impairment indicator exists, we evaluated management's assessment of the recoverable amount of the asset. In respect of fair values determined by management, we assessed the appropriateness of the fair values used in management's assessment of impairment. The audit procedures were performed in conjunction with the procedures performed to address the key audit matter, "Valuation of investment properties" as set out below. In respect of value-in-use calculations used, we performed the following: • agreed management's future cash flow projections to approved internal forecasts and strategic plans and tested them against historical trend analyses and expectations of the future development of the business, and market and publicly available industry and economic data; • compared the current year actual results with the prior year forecast to consider whether the assumptions made in the prior year, with hindsight, had been reasonable; and • evaluated reasonableness of terminal growth rates and discount rates applied to future cash flow projections by comparing them against economic and industry forecasts and against comparable companies with consideration for specific jurisdiction factors respectively. We also performed sensitivity analysis over the recoverable amounts of the Group's property, plant and equipment and investments in associated companies, based on reasonably possible changes in the key assumptions as set out above. Based on the procedures performed, we found the estimates and assumptions used in the impairment assessment of property, plant and equipment and investments in associated companies to be reasonable. We also considered the adequacy of the Group's disclosures made in relation to property, plant and equipment, and investments in associated companies.

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 21 to the financial statements.* As at 31 March 2018, the Group's investment properties amounted to S$1,014.3 million, representing 37% of the Group's total assets. These investment properties are stated at their fair values based on independent external valuations. The net fair value gains on investment properties recognised in the financial year then ended amounted to S$12.7 million. The valuation of these investment properties (primarily Singapore Post Centre, and the Group's warehousing and self-storage facilities) is inherently subjective as it involves significant judgement in determining the appropriate valuation methodologies to be used and 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 and comparable market transactions.	We evaluated the qualifications and competence of the external valuer. We read the terms of engagement of the valuer with the Group 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 also read and considered the external valuer's reports to confirm that the valuation approach used was consistent with the requirements and principles of FRSs. We held discussions with the valuer to understand the basis of valuation techniques and assumptions applied. 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.
Assessment of indefinite useful life assumption for trademarked brand *Refer to Notes 3(d) and 23(e) to the financial statements.* The Group has a trademarked brand arising from the acquisition of a subsidiary in prior year, which amounted to S$40.3 million as at 31 March 2018. The assessment of the indefinite useful life assumption is an area of focus because it involves significant management judgement about the factors which could limit the useful life of the related trademarked brand, such as the typical product life cycle for the brand and useful lives of similar brands adopted by companies within the same industry and the stability of the industry in which the brand operates and changes in market demand for the services from or related to the brand.	We evaluated management's assessment of the relevant factors, including stability of the industry that the subsidiary operates and the useful lives of similar brands adopted by companies within the same industry, by reviewing comparable market transactions and publicly available industry and economic data. We considered management's assessment of whether there could be any material legal, regulatory, contractual, technological or other factors which could limit the useful life of the trademarked brand. Based on procedures performed, we found management's determination of the useful life of the related trademarked brand to be reasonable. We also considered the adequacy of the Group's disclosures made in relation to trademarked brand with indefinite useful life.

INDEPENDENT AUDITOR'S REPORT

To the Members of Singapore Post Limited

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.

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 and FRSs, 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 scepticism 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.

INDEPENDENT
AUDITOR'S REPORT

To the Members of Singapore Post Limited

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

- 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.

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. Shariq Barmaky.

Deloitte & Touche LLP

Public Accountants and Chartered Accountants

Singapore
15 May 2018

CONSOLIDATED
INCOME STATEMENT

For the financial year ended 31 March 2018

	Note	Group 2018 S$'000	Group 2017 S$'000 (Restated)
Revenue	4	**1,464,099**	1,347,764
Other income and gains (net)			
– Rental and property–related income	4	**47,499**	36,574
– Miscellaneous	4	**11,346**	9,777
Labour and related expenses	5	**(328,162)**	(328,559)
Volume-related expenses	6	**(816,090)**	(704,455)
Administrative and other expenses	7	**(154,687)**	(144,336)
Depreciation and amortisation		**(60,749)**	(51,018)
Selling expenses		**(15,064)**	(15,298)
Finance expenses	8	**(13,411)**	(5,674)
Total expenses		**(1,388,163)**	(1,249,340)
Exceptional items	9	**14,522**	(88,653)
Share of loss of associated companies and joint venture	19	**(3,099)**	(1,177)
Profit before income tax		**146,204**	54,945
Income tax expense	10	**(30,659)**	(25,233)
Total profit		**115,545**	29,712
Profit attributable to:			
Equity holders of the Company		**126,400**	33,403
Non-controlling interests		**(10,855)**	(3,691)
		115,545	29,712
Earnings per share attributable to ordinary shareholders of the Company	11		
– Basic		**4.92 cents**	0.85 cent
– Diluted		**4.91 cents**	0.84 cent

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 March 2018

	Group 2018 S$'000	2017 S$'000
Total profit	**115,545**	29,712
Other comprehensive (loss)/income (net of tax):		
Items that may be reclassified subsequently to profit or loss:		
Available for sale financial assets:		
– Fair value gain	**423**	446
Currency translation differences:		
– (Loss)/gains	**(7,298)**	6,797
– Transfers to profit or loss arising from disposals of subsidiaries and associated companies	**–**	73
Item that will not be reclassified subsequently to profit or loss:		
Revaluation gain on property, plant and equipment upon transfer to investment properties	**–**	17,386
Other comprehensive (loss)/income for the year (net of tax)	**(6,875)**	24,702
Total comprehensive income for the year	**108,670**	54,414
Total comprehensive income attributable to:		
Equity holders of the Company	**119,519**	58,008
Non-controlling interests	**(10,849)**	(3,594)
	108,670	54,414

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

STATEMENTS OF FINANCIAL POSITION

As at 31 March 2018

	Note	Group 2018 S$'000	Group 2017 S$'000	Company 2018 S$'000	Company 2017 S$'000
ASSETS					
Current assets					
Cash and cash equivalents	12	**314,050**	366,614	**258,112**	303,179
Financial assets	13	**1,921**	4,301	**1,921**	3,954
Trade and other receivables	14	**271,583**	199,007	**231,983**	173,304
Derivative financial instruments	15	**19,856**	16,079	**19,856**	16,142
Inventories		**959**	4,450	**66**	107
Other current assets	16	**18,204**	17,174	**7,867**	5,180
		626,573	607,625	**519,805**	501,866
Non-current assets					
Financial assets	13	**35,460**	36,010	**35,201**	35,748
Trade and other receivables	17	**7,087**	7,091	**391,821**	405,122
Investments in associated companies and joint venture	19	**114,925**	117,783	**15,366**	14,849
Investments in subsidiaries	20	**–**	–	**340,533**	340,533
Investment properties	21	**1,014,315**	970,392	**970,378**	927,538
Property, plant and equipment	22	**532,283**	565,583	**241,463**	240,371
Intangible assets	23	**385,730**	400,683	**–**	–
Deferred income tax assets	27	**3,197**	6,218	**–**	–
Other non-current assets	16	**5,137**	5,198	**–**	–
		2,098,134	2,108,958	**1,994,762**	1,964,161
Total assets		**2,724,707**	2,716,583	**2,514,567**	2,466,027
LIABILITIES					
Current liabilities					
Trade and other payables	24	**525,791**	395,084	**458,762**	353,681
Current income tax liabilities		**39,172**	34,774	**30,926**	30,367
Deferred income	26	**7,238**	7,413	**7,238**	7,413
Derivative financial instruments	15	**465**	1,055	**451**	1,055
Borrowings	25	**23,475**	148,786	**–**	117,743
		596,141	587,112	**497,377**	510,259
Non-current liabilities					
Trade and other payables	24	**23,468**	44,462	**1,358**	2,070
Borrowings	25	**220,503**	215,199	**201,569**	202,318
Deferred income	26	**42,307**	49,545	**42,307**	49,545
Deferred income tax liabilities	27	**52,392**	62,547	**23,253**	22,603
		338,670	371,753	**268,487**	276,536
Total liabilities		**934,811**	958,865	**765,864**	786,795
NET ASSETS		**1,789,896**	1,757,718	**1,748,703**	1,679,232
EQUITY					
Capital and reserves attributable to the Company's equity holders					
Share capital	28	**638,762**	638,756	**638,762**	638,756
Treasury shares	28	**(16,023)**	(1,227)	**(16,023)**	(1,227)
Other reserves	29	**63,826**	71,787	**38,104**	37,249
Retained earnings		**716,159**	650,007	**741,034**	657,628
		1,402,724	1,359,323	**1,401,877**	1,332,406
Perpetual securities	30	**346,826**	346,826	**346,826**	346,826
		1,749,550	1,706,149	**1,748,703**	1,679,232
Non-controlling interests		**40,346**	51,569	**–**	–
Total equity		**1,789,896**	1,757,718	**1,748,703**	1,679,232

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

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 March 2018

Group	Note	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 S$'000
		Attributable to ordinary shareholders of the Company								
Balance at 1 April 2017		**638,756**	**(1,227)**	**650,007**	**71,787**	**1,359,323**	**346,826**	**1,706,149**	**51,569**	**1,757,718**
Total comprehensive income/ (loss) for the year		**–**	**–**	**126,400**	**(6,881)**	**119,519**	**–**	**119,519**	**(10,849)**	**108,670**
Transactions with owners, recognised directly into equity										
Acquisition of non-controlling interests	20	**–**	**–**	**–**	**(433)**	**(433)**	**–**	**(433)**	**(314)**	**(747)**
Adjustment to other reserves	29(iv)	**–**	**–**	**–**	**(1,139)**	**(1,139)**	**–**	**(1,139)**	**–**	**(1,139)**
Transfer of non-controlling interests of subsidiary to capital reserve	29(iv)	**–**	**–**	**–**	**60**	**60**	**–**	**60**	**(60)**	**–**
Distribution of perpetual securities	30	**–**	**–**	**(14,875)**	**–**	**(14,875)**	**14,875**	**–**	**–**	**–**
Distribution paid on perpetual securities	30	**–**	**–**	**–**	**–**	**–**	**(14,875)**	**(14,875)**	**–**	**(14,875)**
Dividends	31	**–**	**–**	**(45,373)**	**–**	**(45,373)**	**–**	**(45,373)**	**–**	**(45,373)**
Employee share option scheme:										
– Value of employee services	29b(i)	**–**	**–**	**–**	**1,359**	**1,359**	**–**	**1,359**	**–**	**1,359**
– New shares issued	28	**6**	**–**	**–**	**–**	**6**	**–**	**6**	**–**	**6**
– Treasury shares re-issued	28	**–**	**1,181**	**–**	**(927)**	**254**	**–**	**254**	**–**	**254**
Purchase of treasury shares	28	**–**	**(15,977)**	**–**	**–**	**(15,977)**	**–**	**(15,977)**	**–**	**(15,977)**
Total		**6**	**(14,796)**	**(60,248)**	**(1,080)**	**(76,118)**	**–**	**(76,118)**	**(374)**	**(76,492)**
Balance at 31 March 2018		**638,762**	**(16,023)**	**716,159**	**63,826**	**1,402,724**	**346,826**	**1,749,550**	**40,346**	**1,789,896**
Balance at 1 April 2016		448,775	(2,116)	749,647	7,258	1,203,564	346,826	1,550,390	11,113	1,561,503
Total comprehensive income/ (loss) for the year		–	–	33,403	24,605	58,008	–	58,008	(3,594)	54,414
Transactions with owners, recognised directly into equity										
Reclassification	20	–	–	6,571	–	6,571	–	6,571	(6,571)	–
Acquisition of non-controlling interests	20	–	–	–	(1,599)	(1,599)	–	(1,599)	(776)	(2,375)
Partial divestment of a subsidiary	20	–	–	(5,191)	39,437	34,246	–	34,246	51,397	85,643
Distribution of perpetual securities	30	–	–	(14,875)	–	(14,875)	14,875	–	–	–
Distribution paid on perpetual securities	30	–	–	–	–	–	(14,875)	(14,875)	–	(14,875)
Dividends	31	–	–	(119,548)	–	(119,548)	–	(119,548)	–	(119,548)
New shares issued	28	183,960	–	–	–	183,960	–	183,960	–	183,960
Employee share option scheme:										
– Value of employee services	29b(i)	–	–	–	3,351	3,351	–	3,351	–	3,351
– New shares issued	28	6,021	–	–	(376)	5,645	–	5,645	–	5,645
– Treasury shares re-issued	28	–	889	–	(889)	–	–	–	–	–
Total		189,981	889	(133,043)	39,924	97,751	–	97,751	44,050	141,801
Balance at 31 March 2017		638,756	(1,227)	650,007	71,787	1,359,323	346,826	1,706,149	51,569	1,757,718

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

STATEMENTS OF
CHANGES IN EQUITY

For the financial year ended 31 March 2018

Company	Note	Attributable to ordinary shareholders of the Company					Perpetual securities S$'000	Total equity S$'000
		Share capital S$'000	Treasury shares S$'000	Retained earnings S$'000	Other reserves S$'000	Total S$'000		
Balance at 1 April 2017		**638,756**	**(1,227)**	**657,628**	**37,249**	**1,332,406**	**346,826**	**1,679,232**
Total comprehensive income for the year		**–**	**–**	**143,654**	**423**	**144,077**	**–**	**144,077**
Transactions with owners, recognised directly into equity								
Distribution of perpetual securities	30	**–**	**–**	**(14,875)**	**–**	**(14,875)**	**14,875**	**–**
Distribution paid on perpetual securities	30	**–**	**–**	**–**	**–**	**–**	**(14,875)**	**(14,875)**
Dividends	31	**–**	**–**	**(45,373)**	**–**	**(45,373)**	**–**	**(45,373)**
Employee share option scheme:								
– Value of employee services	29b(i)	**–**	**–**	**–**	**1,359**	**1,359**	**–**	**1,359**
– New shares issued	28	**6**	**–**	**–**	**–**	**6**	**–**	**6**
– Treasury shares re-issued	28	**–**	**1,181**	**–**	**(927)**	**254**	**–**	**254**
Purchase of treasury shares	28	**–**	**(15,977)**	**–**	**–**	**(15,977)**	**–**	**(15,977)**
Total		**6**	**(14,796)**	**(60,248)**	**432**	**(74,606)**	**–**	**(74,606)**
Balance at 31 March 2018		**638,762**	**(16,023)**	**741,034**	**38,104**	**1,401,877**	**346,826**	**1,748,703**
Balance at 1 April 2016		448,775	(2,116)	780,232	34,713	1,261,604	346,826	1,608,430
Total comprehensive income for the year		–	–	11,819	450	12,269	–	12,269
Transactions with owners, recognised directly into equity								
Distribution of perpetual securities	30	–	–	(14,875)	–	(14,875)	14,875	–
Distribution paid on perpetual securities	30	–	–	–	–	–	(14,875)	(14,875)
Dividends	31	–	–	(119,548)	–	(119,548)	–	(119,548)
New shares issued	28	183,960	–	–	–	183,960	–	183,960
Employee share option scheme:								
– Value of employee services	29b(i)	–	–	–	3,351	3,351	–	3,351
– New shares issued	28	6,021	–	–	(376)	5,645	–	5,645
– Treasury shares re–issued	28	–	889	–	(889)	–	–	–
Total		189,981	889	(134,423)	2,086	58,533	–	58,533
Balance at 31 March 2017		638,756	(1,227)	657,628	37,249	1,332,406	346,826	1,679,232

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 March 2018

	Note	Group 2018 S$'000	Group 2017 S$'000 (Restated)
Cash flows from operating activities			
Total profit		**115,545**	29,712
Adjustments for:			
Income tax expense		**30,659**	25,233
Allowance for doubtful debts and bad debts written off		**5,528**	2,940
Amortisation of deferred income		**(7,413)**	(8,173)
Amortisation of intangible assets		**9,705**	7,691
Depreciation		**51,044**	43,834
Fair value gain on investment properties		**(12,712)**	(108,744)
Gains on disposal of investments, property, plant and equipment		**(2,670)**	(4,577)
Gain on derivative instruments		**(1,845)**	(16,011)
Share option expenses		**1,359**	3,351
Interest expense		**8,573**	8,846
Interest income		**(4,686)**	(3,439)
Impairment of intangible assets, investments and property, plant and equipment		**–**	215,063
Share of loss of associated companies and joint venture		**3,099**	1,177
		80,641	167,191
Operating cash flow before working capital changes		**196,186**	196,903
Changes in working capital, net of effects from acquisition and disposal of subsidiaries			
Inventories		**3,491**	49
Trade and other receivables		**(78,896)**	(7,807)
Trade and other payables		**108,658**	41,437
Cash generated from operations		**229,439**	230,582
Income tax paid		**(31,196)**	(30,516)
Net cash provided by operating activities		**198,243**	200,066
Cash flows from investing activities			
Additions to property, plant and equipment, investment properties and intangible assets		**(62,143)**	(199,767)
Contingent consideration paid in relation to acquisition of subsidiaries		**(3,730)**	(528)
Disposal of a subsidiary, net of cash disposed of	12	**–**	(1,568)
Dividends received from associated companies		**930**	2,583
Interest received		**5,042**	2,682
Investment in an associated company		**(517)**	(798)
Loan to an associated company		**–**	(1,844)
Proceeds from sale of financial assets		**2,376**	–
Proceeds from disposal of property, plant and equipment		**9,285**	1,976
Proceeds on maturity of financial assets		**–**	6,250
Repayment of loans by associated companies		**–**	18,147
Net cash used in investing activities		**(48,757)**	(172,867)

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 March 2018

	Note	Group 2018 S$'000	Group 2017 S$'000 (Restated)
Cash flows from financing activities			
Acquisition of non-controlling interests	20(b)	**(747)**	(2,375)
Distribution paid to perpetual securities		**(14,875)**	(14,875)
Dividends paid to shareholders		**(45,373)**	(119,548)
Interest paid		**(6,443)**	(9,637)
Proceeds from issuance of ordinary shares		**6**	189,605
Purchase of treasury shares		**(15,977)**	–
Proceeds from re-issuance of treasury shares		**254**	–
Proceeds from bank loans		**320,694**	537,060
Proceeds from partial divestment of interest in a subsidiary	20(c)	**–**	85,643
Repayment of bank loans		**(439,589)**	(453,098)
Net cash (used in)/ provided by financing activities		**(202,050)**	212,775
Net (decrease)/ increase in cash and cash equivalents		**(52,564)**	239,974
Cash and cash equivalents at beginning of financial year		**366,614**	126,640
Cash and cash equivalents at end of financial year		**314,050**	366,614

SIGNIFICANT NON-CASH TRANSACTIONS

In the current financial year, contingent consideration amounting to S$905,000 (2017: S$2,060,000) in relation to the acquisition of subsidiaries in prior financial years was settled by way of offset against escrow deposits for the acquisition of those subsidiaries.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

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, eCommerce logistics and retail services. Its subsidiaries are principally engaged in provision of business mail solutions and distribution of mail, investment holding and provision of electronic platform and recyclable lockers for merchandise distribution.

These financial statements were authorised for issue on 15 May 2018 in accordance with a resolution of the Board of Directors of Singapore Post Limited.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of accounting

These financial statements have been prepared in accordance with Singapore Financial Reporting Standards ("FRS") and the provisions of the Singapore Companies Act. The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

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 FRS 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.

Interpretations and amendments to published standards effective in 2018

On 1 April 2017, the Group adopted all the new and amended FRS and Interpretations to FRS ("INT FRS") that are mandatory for application from that date.

The adoption of these new or amended FRS and INT FRS did not result in substantial changes to the Group's and Company's accounting policies and had no material effect on the amounts reported for the current or prior financial years except for certain presentation improvements arising from Amendments to FRS 7 *Statement of Cash Flows – Disclosure Initiatives*.

2.2 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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

2. **SIGNIFICANT ACCOUNTING POLICIES** (continued)

2.2 Group accounting (continued)

(a) *Subsidiaries* (continued)

(i) *Consolidation* (continued)

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.

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.

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 "Intangible assets – Goodwill on acquisitions" for the subsequent accounting policy on goodwill.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Group accounting (continued)

(a) Subsidiaries (continued)

(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 FRS.

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 2.15 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) 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 venture 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 venture are accounted for in the consolidated financial statements using the equity method of accounting less impairment losses, if any.

Investments in associated companies and joint venture 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 venture 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 venture and are 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 venture are adjusted against the carrying amount of the investments. When the Group's share of losses in an associated company or joint venture equals or exceeds its interest in the associated company 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 company or joint venture.

NOTES TO THE
FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Group accounting (continued)

(c) *Associated companies and joint ventures (continued)*

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 2.15 for the accounting policy on investments in associated companies and joint ventures in the separate financial statements of the Company.

2.3 Revenue recognition

Revenue for the Group represents the fair value of the consideration received or receivable for the sale of goods and rendering of services in the ordinary course of the Group's business. Revenue is presented net of goods and services tax, rebates and discounts, and after eliminating sales within the Group. It takes into account the gross income received and receivable from revenue sharing arrangements entered into with overseas postal administrations in respect of mail traffic exchanged.

The Group assesses its role as an agent or principal for each transaction and in an agency arrangement, the amounts collected on behalf of the principal are excluded from revenue. The Group recognises revenue when the amount of revenue and related costs can be reliably measured, it is probable that the economic benefits associated with the transaction will flow to the entity and when the specific criteria for each of the Group's activities are met as follows:

Sales of goods and services

(a) *Postal and Logistics-related activities*

Revenue from sale of goods is recognised when there is transfer of risks and rewards of ownership to the customer, which generally coincides with their delivery and acceptance.

Revenue from the rendering of services is recognised when the services are rendered. Where services are provided over the period, revenue is recognised using the stage of completion determined by reference to services performed to date as a percentage of total services to be performed.

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 advance billings under trade and other payables.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

2. **SIGNIFICANT ACCOUNTING POLICIES** (continued)

2.3 Revenue recognition (continued)

(a) *Postal and Logistics-related activities (continued)*

Deferred income relates to amounts received with respect to postassurance collaboration from AXA Life Insurance Singapore Private Limited ("AXA"). Deferred income is recognised in profit or loss on a straight-line basis over the period of 10 years till 19 January 2025.

(b) *eCommerce-related activities*

Revenue from eCommerce-related activities comprises the fair value of the consideration received or receivable for the goods and services rendered, net of goods and services tax.

Sales are recognised when the Group has delivered the products to the customers and the customers have accepted the products. Sales are presented, net of goods and service tax, rebates and discounts.

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

Rendering of services

(c) *Freight forwarding*

Revenue from the provision of freight forwarding services is recognised upon services being rendered.

Brokerage income, being net of costs of premium against premium income is recognised at the effective date of the related insurance policies. Brokerage on premium adjustments, including policy cancellations are recognised as they occur.

Interest income is recognised using the effective interest method.

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

Dividend income is recognised when the right to receive payment is established.

2.4 Operating leases

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

The Group leases various retail outlets, warehouse space and machinery under operating leases from non-related parties.

Leases of assets where substantially all risks and rewards incidental to ownership are retained by the lessors are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessors) are recognised in profit or loss on a straight-line basis over the period of the lease.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.4 Operating leases (continued)

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

The Group leases retail and office space under operating leases to non-related parties.

Leases of investment properties where the Group retains substantially all risks and rewards incidental to ownership are classified as operating leases. Rental income from operating leases (net of any incentives given to the lessees) is recognised in profit or loss on a straight-line basis over the lease term.

Initial direct costs incurred by the Group in negotiating and arranging operating leases are added to the carrying amount of the leased assets and recognised as an expense in profit or loss over the lease term on the same basis as the lease income.

Contingent rents are recognised as income in profit or loss when earned.

When an operating lease is terminated before the lease period expires, any payment made (or received) by the Group as penalty is recognised as an expense (or income) in the financial year in which termination takes place.

2.5 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.

(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 cost are amortised on a straight-line basis over the vesting period.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.5 Employee compensation (continued)

(c) Share-based compensation

The Group operates an equity-settled, share-based compensation plan. 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 share capital account, when new ordinary shares are issued, or to the "treasury shares" account, when treasury shares are re-issued to the employees.

2.6 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.

2.7 Borrowing costs

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

2.8 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.

NOTES TO THE
FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.9 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.

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 directly in equity. Deferred tax arising from a business combination is adjusted against goodwill on acquisition.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.10 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. However, 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 from January 2005 are treated as assets and liabilities of the foreign operations and translated at the closing rates at the end of the reporting period.

2.11 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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.12 Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those expected to be realised later than 12 months after the end of the reporting period which are presented as non-current assets. Loans and receivables are presented as "trade and other receivables", "cash and cash equivalents" and "other assets" on the statement of financial position.

Trade and other receivables are initially recognised at fair value plus transaction costs and subsequently carried at amortised cost using the effective interest method, less accumulated impairment losses.

The Group assesses at the end of the reporting period whether there is objective evidence that these financial assets are impaired and recognises an allowance for impairment when such evidence exists. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default or significant delay in payments are objective evidence that these financial assets are impaired. Allowance for impairment is calculated as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

2.13 Financial assets

(a) Classification

The Group classifies its financial assets other than loans and receivables as held-to-maturity and available-for-sale. The classification depends on the nature of the asset and the purpose for which the assets were acquired. Management determines the classification of its other financial assets at initial recognition and in the case of assets classified as held-to-maturity, re-evaluates this designation at the end of the reporting period.

Financial assets, held-to-maturity are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group's management has the positive intention and ability to hold to maturity. If the Group were to sell other than an insignificant amount of held-to-maturity financial assets, the whole category would be tainted and reclassified as available-for-sale. They are presented as current assets, except for those maturing later than 12 months after the end of the reporting period which are presented as non-current assets.

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are presented as non-current assets unless the investment matures or management intends to dispose of the assets within 12 months after the end of the reporting period.

(b) Recognition and derecognition

Regular way purchases and sales of other financial assets are recognised on trade-date - the date on which the Group commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. On disposal of another financial asset, the difference between the carrying amount and the sale proceeds is recognised in profit or loss. Any amount previously recognised in other comprehensive income relating to that asset is reclassified to profit or loss. 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.

NOTES TO THE
FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.13 Financial assets (continued)

(c) *Initial measurement*

Financial assets are initially recognised at fair value plus transaction costs.

(d) *Subsequent measurement*

Financial assets, held to-maturity are subsequently carried at amortised cost using the effective interest method.

Available-for-sale financial assets are subsequently carried at fair value.

Interest and dividend income on available-for-sale financial assets are recognised separately in profit or loss. Changes in the fair values of available-for-sale equity securities (i.e. non-monetary items) are recognised in other comprehensive income and accumulated in the fair value reserve, together with the related currency translation differences.

(e) *Impairment*

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired and recognises an allowance for impairment when such evidence exists.

(i) *Loans and receivables/Held-to-maturity financial assets*

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default, or significant delay in payments are objective evidence that these financial assets are impaired.

The carrying amount of these assets is reduced through the use of an impairment allowance account which is calculated as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. When the asset becomes uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are recognised against the same line item in profit or loss.

The allowance for impairment loss account is reduced through profit or loss in a subsequent period when the amount of impairment loss decreases and the related decrease can be objectively measured. The carrying amount of the asset previously impaired is increased to the extent that the new carrying amount does not exceed the amortised cost had no impairment been recognised in prior periods.

(ii) *Available-for-sale financial assets*

In addition to the objective evidence of impairment described in Note 2.13(e)(i), a significant or prolonged decline in the fair value of an equity security below its cost is considered as an indicator that the available-for-sale financial asset is impaired.

If any evidence of impairment exists, the cumulative loss that was previously recognised in other comprehensive income is reclassified to profit or loss. The cumulative loss is measured as the difference between the acquisition cost (net of any principal repayments and amortisation) and the current fair value, less any impairment loss previously recognised as an expense. The impairment losses recognised as an expense on equity securities are not reversed through profit or loss.

NOTES TO THE
FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

2.15 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.

2.16 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.

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.

2.17 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.

NOTES TO THE
FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.17 Property, plant and equipment (continued)

(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 – 99 years
Buildings	5 – 50 years
Postal equipment	3 – 20 years
Plant and machinery	3 – 20 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.

(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 2.16 for the accounting policy on the transfer from investment properties to property, plant and equipment.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.18 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 7 years, which is the expected life of the customer relationships.

(c) *Acquired licence*

Licence fee represents a lump-sum fee paid to the Info-communications Media Development Authority upon the granting of the postal licence. It is initially recognised at cost and is subsequently carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is calculated using the straight-line method to allocate the cost of the licence over the licence period of 20 years starting from 1 April 2017.

(d) *Preferential rents*

Preferential rent was acquired in a business combination and is amortised on a straight basis over the remaining lease terms from the acquisition date.

(e) *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 life of 5 years.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.18 Intangible assets (continued)

(f) Trademarked brands

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

The trademarked brand with finite useful life is carried at cost less accumulated amortisation and accumulated impairment losses. The cost is amortised on a straight line basis over the estimated useful life of 9 years.

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

The amortisation period and amortisation method of intangible assets other than goodwill and trademarked brand with indefinite useful life are reviewed at least at each annual reporting period. The effects of any revision are recognised in profit or loss when the changes arise.

2.19 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 ("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 2018

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.19 Impairment of non-financial assets (continued)

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

Other intangible assets, property, plant and equipment, investment property 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.

2.20 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 2018

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.21 Derivative financial instruments and hedging activities

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.

Net investment hedge

The Group has foreign currency forwards that qualify as net investment hedges of foreign operations. These hedging instruments are accounted for similarly to cash flow hedges. The fair value changes on the effective portion of the currency forwards designated as net investment hedges are recognised in other comprehensive income in the consolidated financial statements, accumulated in the currency translation reserve and reclassified to profit or loss as part of the gain or loss on disposal of the foreign operation. The currency translation differences relating to the ineffective portion of the hedge are recognised immediately in profit or loss.

2.22 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. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.23 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.

2.24 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.

2.25 Perpetual securities

The perpetual securities do not have a maturity date and the Company is able to elect to defer making a distribution, subject to the terms and conditions of the securities issue. Accordingly, the Company is not considered to have a contractual obligation to make principal repayments or distributions in respect of its perpetual securities issue 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.

2.26 Dividends to Company's shareholders

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

2.27 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 (2017: covering Group Chief Executive Officer/Group Chief Financial Officer) who are responsible for allocating resources and assessing performance of operating segments.

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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 brand may be impaired. The recoverable amount of goodwill and trademarked brand, 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 (2017: minimally, a three-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 and publicly available industry and economic data. Details of these key assumptions applied in the impairment assessment of goodwill and trademarked brand are provided in Notes 23(a) and 23(e).

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.

No impairment charge (2017: S$205.7 million) was recognised on the Group's goodwill and other intangible assets during the financial year. The carrying values of goodwill and other intangible assets as at 31 March 2018 are disclosed in Note 23.

(b) Estimated impairment of other non-financial assets

Property, plant and equipment 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. 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.

During the preceding financial year ended 31 March 2017, the Group recognised impairment charges on property, plant and equipment and investments in associated companies of S$9.3 million and S$20.5 million respectively. No impairment charge was recognised on the Group's other non-financial assets during the financial year. The carrying values of investments in associated companies and joint venture, investments in subsidiaries and property, plant and equipment are disclosed in Notes 19, 20 and 22 respectively.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

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

(c) Valuation of investment properties

As at 31 March 2018, the Group's investment properties of S$1,014.3 million (2017: S$970.4 million) (Note 21) 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 unforeseen events. Consequently, the actual results and the realisation of these properties could differ significantly from the estimates disclosed in these financial statements.

(d) Use of indefinite useful life assumption for trademarked brand

Trademarked brands arise from the acquisitions of subsidiaries. In the assessment of the useful life of a trademarked brand arising from acquisition of a subsidiary in 2014, management performed an analysis of the relevant factors including stability of the industry that the subsidiary operates. Management has also considered the useful lives of similar assets adopted by companies within the same industry. The Group is also not aware of any material legal, regulatory, contractual, technological, or other factor which could limit the useful life of the trademark. Based on the mentioned factors, management has concluded that there is no foreseeable limit to the period over which the trademarked brand is expected to generate net cash inflows for the Group and hence, the trademarked brand is not amortised.

In connection with the annual impairment assessment of the indefinite useful life of the trademarked brand, the critical accounting judgement in respect of the indefinite useful life will also be reviewed. As at 31 March 2018, the carrying value of the trademarked brand was S$40.3 million (2017: S$42.7 million).

(e) Estimated residual values and useful lives of property, plant and equipment

The Group reviews the residual values and useful lives of property, plant and equipment at the end of each reporting period based on factors such as business plans and strategies, expected level of usage and future technological developments. A reduction in the estimated useful lives of property, plant and equipment would increase the recorded depreciation and decrease the carrying value of property, plant and equipment. The net book value of property, plant and equipment at 31 March 2018 was S$532.3 million (2017: S$565.6 million). There were no significant revisions to the estimated residual values and useful lives during the financial year ended 31 March 2018.

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4. REVENUE, OTHER INCOME AND OTHER GAINS (NET)

	Group	
	2018	2017
	S$'000	S$'000
		(Restated)
Revenue from services rendered	**1,444,672**	1,327,704
Sale of products	**19,427**	20,060
Revenue	**1,464,099**	1,347,764
Other income and gains (net):		
– Rental and property-related income	**47,499**	36,574
Miscellaneous:		
– Interest income		
– Bank deposits	**3,226**	1,533
– Financial assets, held-to-maturity	**960**	1,012
– Others	**500**	894
	4,686	3,439
– Currency exchange gains (net)	**3,067**	1,379
– Others	**3,593**	4,959
	6,660	6,338
Miscellaneous	**11,346**	9,777
Other income and other gains (net)	**58,845**	46,351
	1,522,944	1,394,115

5. LABOUR AND RELATED EXPENSES

	Group	
	2018	2017
	S$'000	S$'000
		(Restated)
Wages and salaries	**219,160**	224,022
Employer's contribution to defined contribution plans including Central Provident Fund	**26,626**	28,153
Share options expense (Note 29(b)(i))	**1,359**	3,351
Other benefits	**10,972**	10,875
Temporary and contract staff cost	**72,751**	67,829
Government grant	**(2,706)**	(5,671)
	328,162	328,559

6. VOLUME-RELATED EXPENSES

	Group	
	2018	2017
	S$'000	S$'000
		(Restated)
Traffic expenses	**490,297**	374,111
Outsourcing services and delivery expenses	**325,793**	330,344
	816,090	704,455

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For the financial year ended 31 March 2018

7. ADMINISTRATIVE AND OTHER EXPENSES

	Group	
	2018	2017
	S$'000	S$'000
Included in administrative and other expenses are the following:		
Professional services	**22,535**	16,895
Repair and maintenance expenses	**22,127**	22,511
Rental on operating leases	**39,318**	41,615
Supplies and services	**25,781**	23,864

8. FINANCE EXPENSES

	Group	
	2018	2017
	S$'000	S$'000
Interest expense:		
– Fixed rate notes	**6,251**	6,274
– Bank borrowings	**2,322**	2,572
	8,573	8,846
Currency exchange losses/(gains) – net	**4,838**	(3,172)
	13,411	5,674

9. EXCEPTIONAL ITEMS

	Group	
	2018	2017
	S$'000	S$'000
Fair value gains:		
– Investment properties (Note 21)	**12,712**	108,744
– Warrants from an associated company	**1,845**	16,011
Impairment losses:		
– Property, plant and equipment (Note 22)	**–**	(9,349)
– Goodwill (Note 23(a)) *	**–**	(166,063)
– Customer relationships (Note 23(b))	**–**	(18,953)
– Associated company (Note 19(a))	**–**	(20,471)
Write-off of goodwill	**–**	(227)
Gain/(loss) on disposal of property, plant and equipment	**2,670**	(659)
Gain on dilution of interest in associated company (Note 19(a))	**–**	4,892
Professional fees	**(2,292)**	(1,620)
Provision for the restructuring of operation	**(413)**	(958)
	14,522	(88,653)

* Included in exceptional items for the preceding financial year ended 31 March 2017 was a S$20.6 million gain arising from the full write-back of contingent consideration for a subsidiary assessed to be no longer payable. This write-back was offset by a reduction in the carrying value of goodwill on acquisition of this subsidiary by the same amount of the write-back.

The goodwill of S$166.1 million above arose from TG Acquisition Corporation CGU (Note 23) which is part of the eCommerce business segment.

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FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

10. INCOME TAX EXPENSE

	Group 2018 S$'000	Group 2017 S$'000
Tax expense attributable to profit is made up of:		
– Current income tax	**33,404**	31,027
– Deferred income tax (Note 27)	**(4,905)**	(3,492)
	28,499	27,535
Under/(over) provision in preceding financial years:		
– Current income tax	**2,315**	(1,624)
– Deferred income tax (Note 27)	**(155)**	(678)
	30,659	25,233

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 2018 S$'000	Group 2017 S$'000
Profit before tax	**146,204**	54,945
Tax calculated at a tax rate of 17% (2017: 17%)	**24,855**	9,341
Effects of:		
– Tax effect of share of results of associated companies and joint venture	**527**	200
– Different tax rates in other countries	**790**	(2,776)
– Withholding tax deducted at source	**459**	–
– Singapore statutory stepped income exemption	**(260)**	(126)
– Tax incentive	**(300)**	(973)
– Income not subject to tax	**(5,943)**	(26,476)
– Expenses not deductible for tax purposes	**7,757**	36,335
– Effect on deferred tax balances due to the change in US income tax rate	**(6,927)**	–
– Utilisation of tax losses and capital allowances	**(185)**	(336)
– Deferred income tax assets not recognised	**7,726**	12,346
– Under/(over) provision in preceding financial years	**2,160**	(2,302)
Tax charge	**30,659**	25,233

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11. 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	
	2018	2017
Net profit attributable to equity holders of the Company (S$'000)	**126,400**	33,403
Less: Net profit attributable to perpetual securities holders of the Company (S$'000)	**(14,875)**	(14,875)
Net profit attributable to ordinary shareholders of the Company (S$'000)	**111,525**	18,528
Weighted average number of ordinary shares outstanding for basic earnings per share ('000)	**2,268,633**	2,191,060
Basic earnings per share (cents per share)	**4.92**	0.85

(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.

Diluted earnings per share is calculated as follows:

	Group	
	2018	2017
Net profit attributable to equity holders of the Company (S$'000)	**126,400**	33,403
Less: Net profit attributable to perpetual securities holders of the Company (S$'000)	**(14,875)**	(14,875)
Net profit attributable to ordinary shareholders of the Company (S$'000)	**111,525**	18,528
Weighted average number of ordinary shares outstanding for basic earnings per share ('000)	**2,268,633**	2,191,060
Adjustment for share options ('000)	**1,477**	2,031
Weighted average number of ordinary shares for diluted earnings per share ('000)	**2,270,110**	2,193,091
Diluted earnings per share (cents per share)	**4.91**	0.84

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For the financial year ended 31 March 2018

12. CASH AND CASH EQUIVALENTS

	Group		Company	
	2018	2017	**2018**	2017
	S$'000	S$'000	**S$'000**	S$'000
Cash at bank and on hand	**94,211**	106,352	**39,703**	47,004
Deposits with financial institutions	**219,839**	260,262	**218,409**	256,175
	314,050	366,614	**258,112**	303,179

Deposits with financial institutions earn interest ranging from 0.6% to 1.73% (2017: 0.5% to 1.81%) per annum. Tenure for these deposits range from 2 to 122 days (2017: 6 to 365 days).

Disposal of subsidiary

On 7 September 2016, the Group disposed of its entire interest in Japan Self Storage Company Limited for a cash consideration of S$2,372,000. The effects of the disposal on the cash flows of the Group were:

	Group
	2017
	S$'000
Carrying amounts of assets and liabilities disposed of	
Cash and cash equivalents	3,940
Total assets	3,940
Trade and other payables	7
Total liabilities	7
Net assets derecognised	3,933
Less: Non-controlling interest	(1,573)
Net assets disposed of	2,360

The aggregate cash inflows arising from the disposal of Japan Self Storage Company Limited were:

	Group
	2017
	S$'000
Net assets disposed of (as above)	2,360
– Reclassification of currency translation reserve	(332)
	2,028
Gain on disposal	344
Cash proceeds from disposal	2,372
Less: Cash and cash equivalents in subsidiaries disposed of	(3,940)
Net cash outflow on disposal	(1,568)

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13. FINANCIAL ASSETS

	Group		Company	
	2018	2017	**2018**	2017
	S$'000	S$'000	**S$'000**	S$'000
Current				
Financial assets, available-for-sale				
– Equity securities – quoted	**1,921**	3,954	**1,921**	3,954
– Equity instrument – unquoted	**–**	347	**–**	–
	1,921	4,301	**1,921**	3,954
Non-current				
Financial assets, held-to-maturity				
– Bonds – quoted in Singapore	**30,640**	31,187	**30,640**	31,187
Financial assets, available-for-sale				
– Equity instrument – unquoted	**4,820**	4,823	**4,561**	4,561
	35,460	36,010	**35,201**	35,748

The bonds are corporate bonds at fixed rates between 2.7% to 3.8% per annum and due between 10 April 2019 and 29 August 2022.

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

	Group		Company	
	2018	2017	**2018**	2017
	S$'000	S$'000	**S$'000**	S$'000
Current				
Financial assets, available-for-sale				
– Equity securities – quoted	**1,921**	3,954	**1,921**	3,954
– Equity instrument – unquoted	**–**	347	**–**	–
	1,921	4,301	**1,921**	3,954
Non-current				
Financial assets, held-to-maturity				
– Bonds – quoted in Singapore	**30,834**	31,371	**30,834**	31,371
Financial assets, available-for-sale				
– Equity instrument – unquoted	**4,820**	4,823	**4,561**	4,561
	35,654	36,194	**35,395**	35,932

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

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14. TRADE AND OTHER RECEIVABLES – CURRENT

	Group		Company	
	2018	2017	**2018**	2017
	S$'000	S$'000	**S$'000**	S$'000
Trade receivables				
– Subsidiaries	**–**	–	**38,927**	64,268
– Associated company	**120,212**	46,115	**120,212**	46,115
– Companies related by a substantial shareholder	**2,029**	1,776	**2,029**	1,776
– Non-related parties	**149,240**	148,904	**41,301**	46,972
	271,481	196,795	**202,469**	159,131
Less: Allowance for impairment of receivables – non-related parties	**(10,053)**	(5,665)	**(775)**	(951)
Trade receivables – net	**261,428**	191,130	**201,694**	158,180
Non-trade receivables from subsidiaries	**–**	–	**23,893**	11,574
Loan to associated companies	**3,344**	3,394	**–**	–
Less: Non-current portion (Note 17)	**(2,350)**	(2,423)	**–**	–
	994	971	**23,893**	11,574
Staff loans (Note 18)	**48**	51	**48**	51
Interest receivable	**677**	1,033	**665**	1,029
Other receivables	**8,436**	5,822	**5,683**	2,470
	271,583	199,007	**231,983**	173,304

(a) The loan of S$764,000 (2017: S$789,000) to an associated company is unsecured, repayable in full on 15 June 2020 and bears interest at 1.14% above the 1 month bank bill swap rate per annum.

(b) The loan of S$1,586,000 (2017: S$1,634,000) to an associated company is unsecured, repayable in full on 29 June 2020 and bears interest at 1.14% above the 1 month bank bill swap rate per annum.

(c) The loan of S$661,000 (2017: S$647,000) to an associated company is unsecured and repayable on demand. Interest is fixed at 2.15% per annum.

(d) Remaining loan of S$333,000 (2017: S$324,000) to an associated company is unsecured and repayable on demand. Interest is fixed at 2.95% per annum.

(e) 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 2018

15. DERIVATIVE FINANCIAL INSTRUMENTS

	Contract notional amount 2018 S$'000	**Fair value assets/ (liabilities) 2018 S$'000**	Contract notional amount 2017 S$'000	Fair value assets/ (liabilities) 2017 S$'000
Group				
Net investment hedges				
Currency forwards	**10,715**	**(186)**	10,210	20
Other non-hedging derivatives				
Currency forwards	**177,828**	**1,056**	164,905	(1,007)
Warrants	**–**	**18,521**	–	16,011
Total derivative financial instruments	**188,543**	**19,391**	175,115	15,024
Company				
Net investment hedges				
Currency forwards	**10,715**	**(172)**	10,210	83
Other non-hedging derivatives				
Currency forwards	**177,828**	**1,056**	164,905	(1,007)
Warrants	**–**	**18,521**	–	16,011
Total derivative financial instruments	**188,543**	**19,405**	175,115	15,087

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.

Currency forwards designated for hedging as net investment hedges are accounted for in accordance with Note 2.21.

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

	Group		**Company**	
	2018 S$'000	2017 S$'000	**2018 S$'000**	2017 S$'000
Assets:				
– Current	**19,856**	16,079	**19,856**	16,142
Liabilities				
– Current	**(465)**	(1,055)	**(451)**	(1,055)

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16. OTHER ASSETS

	Group		Company	
	2018	2017	**2018**	2017
	S$'000	S$'000	**S$'000**	S$'000
Current				
Deposits	**6,257**	6,354	**2,323**	2,359
Prepayments	**11,947**	10,820	**5,544**	2,821
	18,204	17,174	**7,867**	5,180
Non-current				
Deposits	**5,137**	5,198	**–**	–

Included within non-current deposits is an escrow deposit of S$3,230,000 (2017: S$5,134,000) for the acquisition of a subsidiary.

17. TRADE AND OTHER RECEIVABLES – NON-CURRENT

	Group		Company	
	2018	2017	**2018**	2017
	S$'000	S$'000	**S$'000**	S$'000
Loans to subsidiaries	**–**	–	**585,959**	599,242
Less: Allowance for impairment	**–**	–	**(194,365)**	(194,365)
	–	–	**391,594**	404,877
Loan to an associated company (Note 14)	**2,350**	2,423	**–**	–
Loan to a shareholder of a subsidiary	**4,510**	4,423	**–**	–
Staff loans (Note 18)	**227**	245	**227**	245
	7,087	7,091	**391,821**	405,122

Loan to a subsidiary of S$68,450,000 (2017: S$75,065,000) is non-trade related, unsecured and interest-free. Although there are no fixed terms of repayment, the loan is not expected to be repayable within the next twelve months. The loan is considered part of the Company's net investment in subsidiaries.

Loans to subsidiaries of S$36,547,000 (2017: S$33,963,000) are non-trade related, unsecured, interest bearing at SIBOR plus 1.2% per annum and will be repaid in full on 7 July 2019. The carrying amount of these loans approximate their fair value.

Loan to a subsidiary of S$6,249,000 (2017: S$5,817,000) is non-trade related, unsecured, interest bearing at KLIBOR plus 1.2% per annum and is repayable in full on demand. Settlement of the loan is not foreseeable within the next 12 months. The carrying amount of the loan approximates its fair value.

Loan to a subsidiary of S$1,400,000 (2017: S$2,272,000) is non-trade related, unsecured, interest bearing at ABS SIBOR plus 1.2% per annum and will be repaid in full on 21 August 2020. The carrying amount of these loans approximate their fair value.

Loans to subsidiaries of S$278,948,000 (2017: S$287,760,000) are non-trade related, unsecured, interest bearing at 2.2% to 4.1% per annum and repayable in full on various dates up to 31 October 2019. The fair value of the loans is S$273,544,000 (2017: S$283,171,000). The fair value of the loans is computed based on cash flows discounted at market borrowing rates of 1.476% to 1.993% (2017: 1.264% to 1.755%). The fair value is within Level 2 of the fair value hierarchy.

An allowance for impairment amounting to S$194.4 million was made in the prior year in respect of loans to subsidiaries which underlying investments have been impaired and the loans receivable are assessed as non-recoverable.

The loan to a shareholder of a subsidiary is unsecured, interest bearing at 1.7% to 2.3% per annum (2017: 1.6% to 2.1% per annum) and repayable in full by 19 May 2019. The carrying amount of the loan approximates its fair value.

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18. STAFF LOANS

	Group and Company	
	2018	2017
	S$'000	S$'000
Not later than one year (Note 14)	**48**	51
Later than one year (Note 17)	**227**	245
– Between one and five years	**99**	113
– Later than five years	**128**	132
	275	296

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

19. INVESTMENTS IN ASSOCIATED COMPANIES AND JOINT VENTURE

	Group		Company	
	2018	2017	**2018**	2017
	S$'000	S$'000	**S$'000**	S$'000
Investments in associated companies (Note (a))	**114,925**	117,783	**15,366**	14,849
Investment in a joint venture (Note (b))	**–**	–	**–**	–
	114,925	117,783	**15,366**	14,849

(a) *Associated companies*

	Group		Company	
	2018	2017	**2018**	2017
	S$'000	S$'000	**S$'000**	S$'000
Equity investment at cost			**15,366**	14,849
Beginning of financial year	**117,783**	146,401		
Additional investment in an associated company	**517**	798		
Gain on dilution of interest in an associated company (Note (i), 9)	**–**	4,892		
Impairment of an associated company (Note (ii), 9)	**–**	(20,471)		
Reversal of contingent consideration of an associated company (Note (iii))	**–**	(7,215)		
Share of loss	**(3,099)**	(1,177)		
Dividends received	**(930)**	(2,583)		
Currency translation differences	**654**	(2,862)		
End of financial year	**114,925**	117,783		

(i) During the preceding financial year ended 31 March 2017, the Group recognised a gain on dilution of interest in an associated company amounting to S$4,892,000 arising from an additional capital injection by an external party into the associated company.

(ii) During the preceding financial year ended 31 March 2017, the Group recognised an impairment loss of S$20,471,000 against the carrying amount of its investment in an associated company, being the difference between the carrying amount of the Group's investment and its recoverable amount. The recoverable amount represents the Group's share in the net assets of the associated company. The impairment charge arose from cumulative losses incurred by the associated company.

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19. INVESTMENTS IN ASSOCIATED COMPANIES AND JOINT VENTURE (continued)

(a) Associated companies (continued)

(iii) During the preceding financial year ended 31 March 2017, the Group derecognised contingent consideration payable for an acquisition of an associated company amounting to S$7,215,000 upon reassessment of the earn-out conditions.

The Group's investments in associated companies include investments in listed associated companies with a carrying value of S$30,783,000 (2017: S$27,655,000), for which the published price quotations are S$122,136,000 (2017: S$119,376,000) 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 40.

Summarised financial information in respect of each of the Group's material associated companies are set out below.

Shenzhen 4PX Information and Technology Co Ltd.

	2018 S$'000	2017 S$'000
Current assets	**127,999**	142,315
Non-current assets	**63,570**	56,322
Current liabilities	**(130,763)**	(115,019)
Equity	**60,806**	83,618
Revenue	**959,504**	713,808
Loss for the year, representing total comprehensive loss for the year	**(30,177)**	(15,818)

Reconciliation of the above summarised financial information to the carrying amount of the interest in Shenzhen 4PX Information and Technology Co Ltd. recognised in the consolidated financial statements:

	2018 S$'000	2017 S$'000
Net assets of the associated company	**60,806**	83,618
Proportion of the Group's ownership in the associated company	**30.52%**	30.52%
Group's share of net assets	**18,558**	25,520
Goodwill and other identifiable intangible assets	**24,414**	25,372
Carrying amount of the Group's interest in the associated company	**42,972**	50,892

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19. INVESTMENTS IN ASSOCIATED COMPANIES AND JOINT VENTURE (continued)

(a) *Associated companies* (continued)

In Do Trans Logistics Corporation

	2018 S$'000	2017 S$'000
Current assets	**70,284**	46,850
Non-current assets	**76,258**	59,146
Current liabilities	**(40,906)**	(31,678)
Non-current liabilities	**(39,063)**	(27,154)
Equity	**66,573**	47,164
Revenue	**275,421**	205,179
Profit for the year, representing total comprehensive income for the year	**25,889**	10,679

Reconciliation of the above summarised financial information to the carrying amount of the interest in In Do Trans Logistics Corporation recognised in the consolidated financial statements:

	2018 S$'000	2017 S$'000
Net assets of the associated company	**66,573**	47,165
Proportion of the Group's ownership in the associated company	**30.0%**	30.0%
Group's share of net assets	**19,972**	14,149
Goodwill and other identifiable intangible assets	**10,122**	10,504
Carrying amount of the Group's interest in the associated company	**30,094**	24,653

Aggregate information of other associated companies that are not individually material

	2018 S$'000	2017 S$'000
The Group's share of (loss)/profit for the year	**(1,656)**	254
The Group's share of other comprehensive income/(loss)	**50**	(58)
The Group's share of total comprehensive (loss)/income	**(1,606)**	196
Aggregate carrying amount of the Group's interests in these associated companies	**41,859**	42,238

(b) *Joint venture*

The Group has a joint venture, PT Trio Specommerce Indonesia, which had been fully written off since 2016.

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20. INVESTMENTS IN SUBSIDIARIES

	Company	
	2018	2017
	S$'000	S$'000
Equity investments at cost		
Beginning of financial year	**367,429**	362,654
Additional capital injection to an existing subsidiary	**–**	4,775
	367,429	367,429
Less: Allowance for impairment	**(26,896)**	(26,896)
End of financial year	**340,533**	340,533

In the preceding financial year ended 31 March 2017, an impairment loss of S$20,471,000 was recognised for a certain subsidiary of the Company as a result of its recoverable amount being estimated to be less than its carrying amount, which mainly arose from cumulative losses incurred by the subsidiary.

Details of the subsidiaries are included in Note 40. The proportion of ownership interest held by the Group does not differ from the proportion of voting rights held by the Group.

Carrying value of non-controlling interests

	2018	2017
	S$'000	S$'000
Quantium Solutions International Pte Ltd ("QSI")	**36,379**	47,768
Other subsidiaries with immaterial non-controlling interests	**3,967**	3,801
Total	**40,346**	51,569

Exercise of put option in a subsidiary

A non-controlling shareholder of a subsidiary has exercised his put option in September 2016. As there were differences between the parties on the final valuation of the put option, the non-controlling shareholder commenced arbitration proceedings. The Company, in consultation with its advisors, is of the view that they are without merit.

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For the financial year ended 31 March 2018

20. INVESTMENTS IN SUBSIDIARIES (continued)

Transactions with non-controlling interests for the financial years ended 31 March 2018 and 2017 are set out below.

2018

(a) *Acquisition of additional interest in a subsidiary*

(i) On 30 November 2017, the Group acquired an additional 25% interest in The Store House Operating Company Limited for a purchase consideration of S$220,000. The Group now holds 100% of the equity share capital of The Store House Operating Company Limited. The carrying amount of the non-controlling interests in The Store House Operating Company Limited on the date of acquisition was S$38,000. The Group derecognised non-controlling interests of S$38,000 and recorded a decrease in equity attributable to owners of the parent of S$182,000. The effect of changes in the ownership interest of The Store House Operating Company Limited during the year is summarised as follows:

	2018 **S$'000**
Carrying amount of non-controlling interests acquired	**38**
Consideration paid to non-controlling interests	**(220)**
Excess of consideration paid recognised in parent's equity	**(182)**

(ii) On 8 February 2018, the Group acquired an additional 10% interest in Famous Pacific Shipping (NZ) Limited for a purchase consideration of S$527,000. The Group now holds 100% of the equity share capital of Famous Pacific Shipping (NZ) Limited. The carrying amount of the non-controlling interests in Famous Pacific Shipping (NZ) Limited on the date of acquisition was S$276,000. The Group derecognised non-controlling interests of S$276,000 and recorded a decrease in equity attributable to owners of the parent of S$251,000. The effect of changes in the ownership interest of Famous Pacific Shipping (NZ) Limited during the year is summarised as follows:

	2018 **S$'000**
Carrying amount of non-controlling interests acquired	**276**
Consideration paid to non-controlling interests	**(527)**
Excess of consideration paid recognised in parent's equity	**(251)**

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20. INVESTMENTS IN SUBSIDIARIES (continued)

2017

(b) *Acquisition of additional interest in a subsidiary*

On 16 March 2017, the Group acquired an additional 0.9% interest in TG Acquisition Corporation and its subsidiaries ("TG Group") for a purchase consideration of S$2,375,000. The Group now holds 97.3% of the equity share capital of TG Group. The carrying amount of the non-controlling interests in TG Group on the date of acquisition was S$1,334,000. The Group derecognised non-controlling interests of S$776,000 and recorded a decrease in equity attributable to owners of the parent of S$1,599,000. The effect of changes in the ownership interest of TG Group during the year is summarised as follows:

	2017 S$'000
Carrying amount of non-controlling interests acquired	776
Consideration paid to non-controlling interests	(2,375)
Excess of consideration paid recognised in parent's equity	(1,599)

(c) *Disposal of interest in a subsidiary without loss of control*

On 27 October 2016, the Group disposed of a 34% interest out of the 100% interest held in Quantium Solutions International Pte. Ltd. ("QSI") at a net consideration of S$85,643,000. This resulted in an increase in non-controlling interests of S$51,397,000 and an increase in equity attributable to owners of the parent of S$34,246,000. The effect of changes in the ownership interest of QSI during the year is summarised as follows:

	2017 S$'000
Carrying amount of non-controlling interests acquired	51,397
Consideration received from non-controlling interests	(85,643)
Excess of consideration received recognised in parent's equity	(34,246)

(d) Arising from the full write-back of the contingent consideration in relation to the acquisition of a subsidiary assessed to be no longer payable (Note 9), this subsidiary is now deemed to be a wholly-owned subsidiary of the Group. Accordingly, the non-controlling interest of S$6.6 million was reclassified to retained earnings in 2017.

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20. 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	
	2018	2017
	S$'000	S$'000
Current		
Assets	**69,539**	99,276
Liabilities	**(17,616)**	(23,432)
Total current net assets	**51,923**	75,844
Non-current		
Assets	**55,252**	64,823
Liabilities	**(177)**	(171)
Total non-current net assets	**55,075**	64,652
Net assets	**106,998**	140,496

Summarised income statement

	QSI	
	For the year ended	
	31 March 2018	31 March 2017
	S$'000	S$'000
Revenue	**98,694**	115,843
Loss before income tax	**(35,052)**	(16,570)
Income tax (expense)/credit	**(325)**	328
Post-tax loss from continuing operations	**(35,377)**	(16,242)
Other comprehensive income/(loss)	**1,878**	(1,045)
Total comprehensive loss	**(33,499)**	(17,287)
Total comprehensive loss allocated to non-controlling interests	**(11,390)**	(3,629)

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20. INVESTMENTS IN SUBSIDIARIES (continued)

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

Summarised cash flows

	QSI	
	2018	2017
	S$'000	S$'000
Cash flows from/(used in) operating activities		
Cash generated from/(used in) operations	**37,888**	(22,838)
Income tax paid	**(172)**	(152)
Net cash generated from/(used in) operating activities	**37,716**	(22,990)
Net cash used in investing activities	**(581)**	(10,299)
Net cash (used in)/provided by financing activities	**(43,163)**	25,589
Net decrease in cash and cash equivalents	**(6,028)**	(7,700)
Cash and cash equivalents at beginning of year	**14,617**	22,317
Cash and cash equivalents at end of year	**8,589**	14,617

21. INVESTMENT PROPERTIES

	Group		Company	
	2018	2017	**2018**	2017
	S$'000	S$'000	**S$'000**	S$'000
Beginning of financial year	**970,392**	745,844	**927,538**	760,842
Additions	**32,691**	97,818	**32,691**	97,818
Reclassification (to)/from property, plant and equipment (Note 22)	**(2,393)**	19,200	**(2,393)**	(3,244)
Fair value gain recognised in profit or loss (Note 9)	**12,712**	108,744	**12,542**	72,122
Currency translation differences	**913**	(1,214)	**–**	–
End of financial year	**1,014,315**	970,392	**970,378**	927,538

Certain investment properties of the Group with carrying amounts of S$50.2 million (2017: S$49.3 million) are mortgaged to secure bank borrowings (Note 25).

The following amounts are recognised in profit or loss:

	Group		Company	
	2018	2017	**2018**	2017
	S$'000	S$'000	**S$'000**	S$'000
Rental and property-related income (Note 4)	**47,499**	36,574	**49,241**	39,235
Direct operating expenses arising from:				
– Investment property that generated income	**(17,367)**	(9,949)	**(16,145)**	(8,579)

Investment properties are leased to non-related parties under operating leases (Note 34(c)).

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For the financial year ended 31 March 2018

21. INVESTMENT PROPERTIES (continued)

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
502 Chai Chee Lane	Building for warehousing and self-storage	Leasehold of 30 years expiring on 30 April 2031
No. 5, Jalan Penyair U1/44, Off Jalan Glenmarie, Temasya Industrial Park, 40150 Shah Alam, Selangor Darul Ehsan, Malaysia	Warehousing	Freehold
110 Alexandra Road	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
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
6 Ayer Rajah Crescent	Building for warehousing and self-storage	Leasehold of 30 years expiring on 1 February 2026
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 01 April 2076

21. 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**
31 March 2018			
– Commercial and retail – Singapore	–	2,484	999,554
– Commercial and retail – Malaysia	–	–	12,277
31 March 2017			
– Commercial and retail – Singapore	–	2,812	956,215
– Commercial and retail – Malaysia	–	–	11,365

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 and discounted cash flow 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 comparable sales method is used as a reference.

There were no transfers in or out of fair value hierarchy levels for the financial years ended 31 March 2018 and 2017.

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21. 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) 2018	Valuation techniques	Unobservable inputs	Range of unobservable inputs 2018	Relationship of unobservable inputs to fair value
Group					
Building for commercial and retail (Singapore Post Centre)	**859,250** (2017: 814,132)	Discounted cash flow approach	Discount rate	7-7.5% (2017: 7.25-7.75%)	The higher the discount rate, the lower the valuation
		Capitalisation/ income approach	Capitalisation rate	4.35-6.15% (2017: 4.5-6.25%)	The higher the capitalisation rate, the lower the valuation
Building for commercial and retail (10 SLA Properties)	**98,969** (2017: 100,386)	Capitalisation/ income approach	Capitalisation rate	4.25-5% (2017: 4.25-5%)	The higher the capitalisation rate, the lower the valuation
Building for warehousing and self-storage – Singapore	**41,335** (2017: 41,697)	Capitalisation/ income approach	Capitalisation rate	7-7.5% (2017: 7-7.5%)	The higher the capitalisation rate, the lower the valuation
Warehousing – Malaysia	**12,277** (2017: 11,365)	Capitalisation/ income approach	Capitalisation rate	7-7.5% (2017: 7-7.5%)	The higher the capitalisation rate, the lower the valuation

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21. INVESTMENT PROPERTIES (continued)

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

Description	Fair value (S$'000) 2018	Valuation techniques	Unobservable inputs	Range of unobservable inputs 2018	Relationship of unobservable inputs to fair value
Company					
Building for commercial and retail (Singapore Post Centre)	**868,925** (2017: 824,339)	Discounted cash flow approach	Discount rate	7-7.5% (2017: 7.25-7.75%)	The higher the discount rate, the lower the valuation
		Capitalisation/ income approach	Capitalisation rate	4.35-6.15% (2017: 4.5-6.25%)	The higher the capitalisation rate, the lower the valuation
Building for commercial and retail (10 SLA Properties)	**98,969** (2017: 100,386)	Capitalisation/ income approach	Capitalisation rate	4.25-5% (2017: 4.25-5%)	The higher the capitalisation rate, the lower the valuation

Valuation processes used by the Group

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 2018 and 2017, the fair values of the Group's investment properties have been determined by Knight Frank Pte Ltd.

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22. PROPERTY, PLANT AND EQUIPMENT

	Leasehold land S$'000	Buildings S$'000	Postal equipment S$'000	Plant and machinery S$'000	Capital work-in-progress S$'000	Total S$'000
Group						
2018						
Cost						
Beginning of financial year	79,959	408,056	45,735	267,359	16,129	817,238
Additions	–	1,850	–	10,608	21,695	34,153
Reclassifications from investment properties						
– At fair value (Note 21)	–	2,393	–	–	–	2,393
	–	2,393	–	–	–	2,393
Disposals	–	(6,655)	(44)	(11,912)	(176)	(18,787)
Transfers	–	242	74	16,478	(16,794)	–
Adjustment[1]	–	(9,678)	–	–	–	(9,678)
Currency translation differences	–	(99)	–	(3,442)	–	(3,541)
End of financial year	79,959	396,109	45,765	279,091	20,854	821,778
Accumulated depreciation and accumulated impairment losses						
Beginning of financial year	19,680	109,322	7,549	115,104	–	251,655
Depreciation charge	1,666	10,649	3,035	35,694	–	51,044
Disposals	–	(842)	(34)	(11,296)	–	(12,172)
Currency translation differences	–	(39)	–	(993)	–	(1,032)
End of financial year	21,346	119,090	10,550	138,509	–	289,495
Net book value						
End of financial year	**58,613**	**277,019**	**35,215**	**140,582**	**20,854**	**532,283**

[1] Included in additions in prior financial years was S$9,678,000 which arose from the construction of buildings. Upon finalisation of the construction costs in the current financial year, an adjustment of S$9.7 million was made.

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22. PROPERTY, PLANT AND EQUIPMENT (continued)

	Leasehold land S$'000	Buildings S$'000	Postal equipment S$'000	Plant and machinery S$'000	Capital work-in-progress S$'000	Total S$'000
Group						
2017						
Cost						
Beginning of financial year	57,653	306,558	45,312	215,357	131,426	756,306
Additions	–	8,478	–	67,583	29,564	105,625
Reclassifications to investment Properties						
– At fair value (Note 21)	(4,924)	(14,276)	–	–	–	(19,200)
– Transfer to asset valuation reserve (Note 29(b)(v))	3,673	12,659	–	–	–	16,332
	(1,251)	(1,617)	–	–	–	(2,868)
Disposals	–	(2,127)	(113)	(41,568)	–	(43,808)
Transfers	23,477	96,680	536	24,168	(144,861)	–
Currency translation differences	80	84	–	1,819	–	1,983
End of financial year	79,959	408,056	45,735	267,359	16,129	817,238
Accumulated depreciation and accumulated impairment losses						
Beginning of financial year	18,009	91,470	4,620	124,831	–	238,930
Depreciation charge	1,671	10,399	3,022	28,742	–	43,834
Impairment charge (Note (a), 9)	–	9,349	–	–	–	9,349
Disposals	–	(1,899)	(93)	(39,181)	–	(41,173)
Currency translation differences	–	3	–	712	–	715
End of financial year	19,680	109,322	7,549	115,104	–	251,655
Net book value						
End of financial year	**60,279**	**298,734**	**38,186**	**152,255**	**16,129**	**565,583**

(a) During the preceding financial year ended 31 March 2017, the Group recognised an impairment loss amounting to S$9,349,000 on its building at 3B Toh Guan Road East arising from a decline in the market value of the building.

The building was valued by an independent professional valuer based on its highest and best use using the discounted cash flow approach at the end of the reporting period. The fair value is within Level 3 of the fair value hierarchy. A description of the valuation technique and the valuation processes of the Group are provided in Note 21.

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22. PROPERTY, PLANT AND EQUIPMENT (continued)

	Leasehold land S$'000	Buildings S$'000	Postal equipment S$'000	Plant and machinery S$'000	Capital work-in-progress S$'000	Total S$'000
Company						
2018						
Cost						
Beginning of financial year	58,127	184,235	45,735	128,620	15,555	432,272
Additions	–	–	–	1,826	18,414	20,240
Reclassifications from investment properties						
– At fair value (Note 21)	1,240	1,153	–	–	–	2,393
	1,240	1,153	–	–	–	2,393
Disposals	–	(300)	(44)	(4,521)	–	(4,865)
Transfers	–	242	74	15,374	(15,690)	–
End of financial year	59,367	185,330	45,765	141,299	18,279	450,040
Accumulated depreciation and accumulated impairment losses						
Beginning of financial year	17,688	82,116	7,549	84,548	–	191,901
Depreciation charge	835	4,029	3,035	13,223	–	21,122
Disposals	–	(165)	(34)	(4,247)	–	(4,446)
End of financial year	18,523	85,980	10,550	93,524	–	208,577
Net book value						
End of financial year	**40,844**	**99,350**	**35,215**	**47,775**	**18,279**	**241,463**

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22. PROPERTY, PLANT AND EQUIPMENT (continued)

	Leasehold land S$'000	Buildings S$'000	Postal equipment S$'000	Plant and machinery S$'000	Capital work-in-progress S$'000	Total S$'000
Company						
2017						
Cost						
Beginning of financial year	58,003	180,814	45,312	138,338	29,998	452,465
Additions	–	2,070	–	4,612	8,039	14,721
Reclassifications from investment properties						
– At fair value (Note 21)	120	3,124	–	–	–	3,244
– Transfer to asset valuation reserve (Note 29(b)(v))	4	–	–	–	–	4
	124	3,124	–	–	–	3,248
Disposals	–	(2,127)	(113)	(35,922)	–	(38,162)
Transfers	–	354	536	21,592	(22,482)	–
End of financial year	58,127	184,235	45,735	128,620	15,555	432,272
Accumulated depreciation and accumulated impairment losses						
Beginning of financial year	16,850	79,998	4,620	109,054	–	210,522
Depreciation charge	838	4,017	3,022	10,712	–	18,589
Disposals	–	(1,899)	(93)	(35,218)	–	(37,210)
End of financial year	17,688	82,116	7,549	84,548	–	191,901
Net book value						
End of financial year	**40,439**	**102,119**	**38,186**	**44,072**	**15,555**	**240,371**

23. INTANGIBLE ASSETS

	Group		Company	
	2018 S$'000	2017 S$'000	**2018 S$'000**	2017 S$'000
Composition:				
Goodwill on acquisitions (Note (a))	**299,384**	305,118	**–**	–
Customer relationships (Note (b))	**29,249**	36,683	**–**	–
Preferential rent (Note (c))	**4,047**	4,667	**–**	–
Acquired software licence (Note (d))	**12,343**	11,040	**–**	–
Trademarked brands (Note (e))	**40,707**	43,175	**–**	–
	385,730	400,683	**–**	–

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23. INTANGIBLE ASSETS (continued)

(a) Goodwill on acquisitions

	Group		Company	
	2018	2017	**2018**	2017
	S$'000	S$'000	**S$'000**	S$'000
Cost				
Beginning of financial year	**491,781**	482,322	**–**	227
Write-off	**–**	(227)	**–**	(227)
Currency translation differences	**(5,734)**	9,686	**–**	–
End of financial year	**486,047**	491,781	**–**	–
Accumulated impairment				
Beginning of financial year	**(186,663)**	–	**–**	–
Impairment charge (Note 9)	**–**	(186,663)	**–**	–
End of financial year	**(186,663)**	(186,663)	**–**	–
Net book value	**299,384**	305,118	**–**	–

Impairment tests for goodwill

Goodwill arising from acquisition of subsidiaries is allocated to the Group's cash-generating units or groups of cash-generating units as follows:

	Group	
	2018	2017
	S$'000	S$'000
Quantium Solutions International Pte. Ltd.	**77,858**	77,858
General Storage Company Pte. Ltd.	**6,857**	6,857
Famous Holdings Pte. Ltd.	**59,908**	59,908
Couriers Please Holdings Pty Limited	**74,145**	78,521
Tras - Inter Co. Ltd	**2,339**	2,369
F.S. Mackenzie Limited	**5,241**	4,952
Famous Pacific Shipping (NZ) Limited	**5,361**	5,515
The Store House Limited	**10,456**	11,264
Rotterdam Harbour Holding B.V.	**17,113**	15,812
L+S Self Storage Pte Ltd	**10,646**	10,646
Jagged Peak, Inc	**20,499**	21,860
TG Acquisition Corporation*	**8,961**	9,556
	299,384	305,118

* TG Acquisition Corporation is the immediate holding company of TradeGlobal.

The recoverable amount of each CGU was determined based on value-in-use calculations. Cash flow projections used in the value-in-use calculations were based on financial budgets covering a five-year period (2017: minimally, a three-year period). Cash flows beyond the periods covered by the financial budgets were extrapolated using the estimated growth rates stated below. The growth rate did not exceed the long-term average growth rate for the country in which the CGU operates.

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23. INTANGIBLE ASSETS (continued)

(a) Goodwill on acquisitions (continued)

Key assumptions used for value-in-use calculations for goodwill are as follows:

	Quantium Solutions International Pte. Ltd.	General Storage Company Limited	Famous Holdings Pte Ltd	Couriers Please Pty Limited	F.S Mackenzie Limited	Famous Pacific Shipping (NZ) Limited	The Store House Limited	Rotterdam Harbour Holding B.V.	L+S Self Storage Pte Ltd	Jagged Peak, Inc	TG Acquisition Corporation
2018											
Terminal growth rate	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Discount rate	9.0%	7.3%	10.0%	8.7%	10.0%	10.0%	7.3%	10.0%	7.3%	10.0%	10.5%
2017											
Terminal growth rate	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Discount rate	9.0%	7.0%	10.0%	8.7%	10.0%	10.0%	7.0%	10.0%	7.0%	10.0%	10.5%

The above assumptions were used for the analysis of each material CGU.

A total impairment charge of $Nil (2017: $186.7 million) is included within "Exceptional items" in the consolidated income statement.

The total impairment charge in the preceding financial year consisted of:

- S$166.1 million for the TG Acquisition Corporation CGU which arose as a result of the CGU not achieving the underlying profit assumptions of the business plan which supported the investment; and

- S$20.6 million for the Famous Holdings Pte. Ltd CGU.

The impairment test carried out as at 31 March 2018 for the Quantium Solutions International Pte. Ltd. CGU, which comprises 26% (2017: 26%) of the goodwill recognised on the statement of financial position, has revealed that the recoverable amount of the CGU is S$14,435,000 or 16% (2017: S$3,707,000 or 4%) higher than its carrying amount. A further decrease in the terminal growth rate by 1.1% (2017: 0.4%) or an increase in the discount rate by 0.8% (2017: 0.3%) would result in the recoverable amount of the Quantium Solutions International Pte. Ltd. CGU being equal to its carrying amount.

The impairment test carried out as at 31 March 2018 for The Store House Limited, which comprises 3% (2017: 4%) of the goodwill recognised on the statement of financial position, has revealed that the recoverable amount of the CGU is S$1,697,000 or 16% higher than its carrying amount. A further decrease in the terminal growth rate by 0.7% or an increase in the discount rate by 0.5% would result in the recoverable amount of The Store House Limited being equal to its carrying amount. The impairment test carried out as at 31 March 2017 for The Store House Limited was assessed collectively with General Storage Company Pte.Ltd and L+S Self Storage Pte. Ltd..

The impairment test carried out as at 31 March 2018 for the Couriers Please Holdings Pty Limited, which comprises 25% (2017: 26%) of the goodwill recognised on the statement of financial position, has revealed that the recoverable amount of the CGU is S$20,292,000 or 20% (2017: S$47,433,000 or 41%) higher than its carrying amount. A further decrease in the terminal growth rate by 0.7% or an increase in the discount rate by 0.8% (2017: 2.3%) would result in the recoverable amount of the Couriers Please Holdings Pty Limited being equal to its carrying amount. A zero growth rate assumption in 2017 would still result in the recoverable amount being higher than its carrying value.

23. INTANGIBLE ASSETS (continued)

(b) Customer relationships

	Group 2018 S$'000	Group 2017 S$'000
Cost		
Beginning of financial year	**67,524**	65,395
Currency translation differences	**(2,102)**	2,129
End of financial year	**65,422**	67,524
Accumulated amortisation and impairment		
Beginning of financial year	**(30,841)**	(7,451)
Amortisation charge	**(5,332)**	(4,437)
Impairment charge (Note 9)	**–**	(18,953)
End of financial year	**(36,173)**	(30,841)
Net book value	**29,249**	36,683

In the preceding financial year ended 31 March 2017, the Group recognised an impairment charge of $19.0 million on its customer relationships in relation to the acquisition of TG Acquisition Corporation. The impairment charge arose as a result of the loss of two major customers of TradeGlobal, and was included within "Exceptional items" in the consolidated income statement (Note 9).

(c) Preferential rent

	Group 2018 S$'000	Group 2017 S$'000
Cost		
Beginning of financial year	**7,507**	7,474
Currency translation differences	**(5)**	33
End of financial year	**7,502**	7,507
Accumulated amortisation		
Beginning of financial year	**(2,840)**	(2,081)
Amortisation charge	**(615)**	(759)
End of financial year	**(3,455)**	(2,840)
Net book value	**4,047**	4,667

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23. INTANGIBLE ASSETS (continued)

(d) Acquired software licence

	Group	
	2018	2017
	S$'000	S$'000
Cost		
Beginning of financial year	**13,733**	6,703
Additions	**5,562**	6,891
Currency translation differences	**(561)**	139
End of financial year	**18,734**	13,733
Accumulated amortisation		
Beginning of financial year	**(2,693)**	(262)
Amortisation charge	**(3,698)**	(2,431)
End of financial year	**(6,391)**	(2,693)
Net book value	**12,343**	11,040

(e) Trademarked brands

	Group	
	2018	2017
	S$'000	S$'000
Cost		
Beginning of financial year	**43,262**	41,907
Currency translation differences	**(2,408)**	1,355
End of financial year	**40,854**	43,262
Accumulated amortisation		
Beginning of financial year	**(87)**	(23)
Amortisation charge	**(60)**	(64)
End of financial year	**(147)**	(87)
Net book value	**40,707**	43,175

Included in the carrying amount is a trademarked brand with indefinite useful life of S$40,324,000 (2017: S$42,704,000).

Key assumptions used for value-in-use calculations for the trademarked brand with indefinite useful life:

	Group	
	2018	2017
Terminal growth rate	**2.5%**	2.5%
Discount rate	**8.7%**	8.7%

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24. TRADE AND OTHER PAYABLES

	Group		Company	
	2018	2017	**2018**	2017
	S$'000	S$'000	**S$'000**	S$'000
		(Restated)		
Current				
Trade payables				
– Subsidiaries	**–**	–	**52,849**	79,343
– Companies related by a substantial shareholder	**3,251**	346	**3,251**	346
– Non-related parties	**302,470**	200,982	**263,127**	163,779
	305,721	201,328	**319,227**	243,468
Advance billings	**30,789**	31,712	**17,992**	18,525
Accrual for other operating expenses	**103,489**	104,193	**62,055**	48,754
Provision for reinstatement costs (Note (a))	**1,454**	1,488	**577**	–
Interest payable	**3,510**	631	**3,510**	631
Customers' deposits	**4,695**	4,630	**4,695**	4,630
Collections on behalf of third parties	**26,741**	18,540	**26,741**	18,540
Contingent consideration payable (Note (b))	**14,803**	–	**–**	–
Tender deposits	**23,366**	19,758	**16,094**	12,473
Other creditors	**11,223**	12,804	**7,871**	6,660
	525,791	395,084	**458,762**	353,681
Non-current				
Contingent consideration payable (Note (b))	**3,177**	23,363	**–**	–
Deferred lease	**2,778**	2,574	**–**	–
Accrual for the operating expenses	**1,402**	1,225	**–**	–
Provision for reinstatement costs (Note (a))	**14,218**	15,232	**1,358**	2,070
Post-employment benefits (Note 32)	**1,893**	2,068	**–**	–
	23,468	44,462	**1,358**	2,070
Total trade and other payables	**549,259**	439,546	**460,120**	355,751

(a) 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	
	2018	2017	**2018**	2017
	S$'000	S$'000	**S$'000**	S$'000
Beginning of financial year	**16,720**	–	**2,070**	–
Provision made	**–**	16,720	**–**	2,070
Adjustment	**(1,048)**	–	**(135)**	–
End of financial year	**15,672**	16,720	**1,935**	2,070

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24. TRADE AND OTHER PAYABLES (continued)

(b) Contingent consideration payable

(i) F.S. Mackenzie Limited ("FSML")

The balance of the consideration is dependent on the adjusted average net profit after tax of FSML for 3 consecutive financial years ended 31 March 2015 to 31 March 2017. The fair value of the consideration at the acquisition date was estimated at S$3,083,000 based on estimated adjusted average net profit after tax of S$1,436,000 for the relevant financial years and discounted at 2% per annum.

In the current year, the contingent consideration amounting to S$2,127,000 was fully paid upon the fulfillment of the terms agreed upon during acquisition.

(ii) Famous Pacific Shipping (NZ) Limited ("FPSNZ")

The balance of the consideration is dependent on the adjusted average net profit after tax of FPSNZ for financial year ended 31 March 2016 and 31 March 2017. The fair value of the consideration at the acquisition date was estimated at S$894,000 based on estimated adjusted average net profit after tax of S$797,000 for the relevant financial years and discounted at 2% per annum.

In the current year, the contingent consideration amounting to S$1,603,000 was fully paid upon the fulfillment of the terms agreed upon during acquisition.

(iii) Rotterdam Harbour Holding B.V. ("FPS Rotterdam")

The consideration for the remaining 20% interest is dependent on the revenue achieved for the financial years 31 March 2016 and 31 March 2017, and the cumulative net profit after tax of FPS Rotterdam for the five financial years prior to 14 July 2020. The fair value of the consideration at acquisition date, discounted at 2.18% per annum, is at its maximum of S$5,222,000 based on the criteria above.

As at 31 March 2018, the fair value of contingent consideration amounted to S$3,177,000 (2017: S$3,797,000).

(iv) Jagged Peak, Inc. ("JP")

In accordance with the key Stockholder Agreement between the Group and the key stockholder, a call option was granted to the Group to purchase the remaining 28.9% interest in JP and a put option was granted to the key stockholder to sell the remaining 28.9% interest in JP to the Group.

The consideration for the 28.9% under option is dependent on the audited average earnings before interest, tax, depreciation and amortisation ("EBITDA") of JP for the 3 consecutive financial years ending 31 December 2015 to 31 December 2017. The fair value of the consideration at the acquisition date was estimated at S$13,809,000 based on a multiple of forecasted average EBITDA for the relevant financial years and estimated net debt of S$6,731,000, discounted at 2.9% per annum.

The maximum amount that the Group is expected to pay to the key stockholders of Jagged Peak will be S$33,163,000 if the above mentioned criteria are met.

As at 31 March 2018, the fair value of contingent consideration amounted to S$14,803,000 (2017: S$15,786,000).

The fair value of contingent consideration payable was derived using the income approach and is classified as a Level 3 fair value under the fair value hierarchy.

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For the financial year ended 31 March 2018

25. BORROWINGS

	Group		Company	
	2018	2017	**2018**	2017
	S$'000	S$'000	**S$'000**	S$'000
Other borrowings	**243,978**	363,985	**201,569**	320,061

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

	Group		Company	
	2018	2017	**2018**	2017
	S$'000	S$'000	**S$'000**	S$'000
Current				
– Borrowings (secured)	**6,475**	14,043	**–**	–
– Borrowings (unsecured)	**17,000**	134,743	**–**	117,743
	23,475	148,786	**–**	117,743
Non-current				
– Borrowings (secured)	**18,934**	12,881	**–**	–
– Borrowings (unsecured)	**201,569**	202,318	**201,569**	202,318
	220,503	215,199	**201,569**	202,318
	243,978	363,985	**201,569**	320,061

Secured borrowings comprise external bank loans and are secured over investment properties with carrying amount of S$50.2 million (2017: S$49.3 million) (Note 21) or assets with carrying amount of S$41.0 million (2017: S$38.0 million) at the end of the reporting period, or guaranteed by a director of a subsidiary with non-controlling interests.

The Group's unsecured borrowings mainly comprised S$200 million 10-year Fixed Rate Notes (the "Notes") issued in March 2010. The Notes are listed on the SGX-ST and carry a fixed interest rate of 3.5% (2017: 3.5%) per annum.

Fair value of non-current borrowings

	Group		Company	
	2018	2017	**2018**	2017
	S$'000	S$'000	**S$'000**	S$'000
Non-current				
– Borrowings (secured)	**18,934**	12,881	**–**	–
– Borrowings (unsecured)	**204,386**	207,896	**204,386**	207,896
	223,320	220,777	**204,386**	207,896

The fair value of the Notes above are determined based on the over-the-counter quoted price.

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For the financial year ended 31 March 2018

25. BORROWINGS (continued)

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 35(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 2017	Financing cash flows (i)	Foreign exchange movement	Other changes (ii)	31 March 2018
	S$'000	S$'000	S$'000	S$'000	S$'000
Borrowings	363,985	(125,338)	(1,112)	6,443	243,978

(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 and payments.

26. DEFERRED INCOME

Deferred income relates to:

(a) Definitive agreements with respect to the postassurance collaboration with AXA Life Insurance Singapore Private Limited ("AXA") commenced on 19 January 2018. Deferred income received from AXA is recognised in profit or loss over the period of 10 years till 19 January 2025; and

(b) Capital grants received from the Universal Postal Union, National Trade Union Congress and Economic Development Board. Deferred capital grants are recognised in profit or loss over the periods necessary to match the depreciation of the assets purchased.

The current and non-current portion of the deferred income for the Group and the Company at the end of the reporting period are S$7,238,000 (2017: S$7,413,000) and S$42,307,000 (2017: S$49,545,000).

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27. 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	
	2018	2017	**2018**	2017
	S$'000	S$'000	**S$'000**	S$'000
Deferred income tax assets	**3,197**	6,218	**–**	–
Deferred income tax liabilities	**52,392**	62,547	**23,253**	22,603

Movement in the deferred income tax account is as follows:

	Group		Company	
	2018	2017	**2018**	2017
	S$'000	S$'000	**S$'000**	S$'000
Beginning of financial year	**56,329**	60,491	**22,603**	19,199
Currency translation differences	**(2,074)**	1,062	**–**	–
Tax (credited)/charged to profit or loss (Note 10)	**(5,060)**	(4,170)	**650**	3,404
Revaluation of properties, plant and equipment transferred to investment properties	**–**	(1,054)	**–**	–
End of financial year	**49,195**	56,329	**23,253**	22,603

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$197,657,000 (2017: S$155,354,000) 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.

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For the financial year ended 31 March 2018

27. DEFERRED INCOME TAXES (continued)

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$'000	Others [1] S$'000	Total S$'000
2018			
Beginning of financial year	**39,979**	**30,806**	**70,785**
Currency translation differences	**(967)**	**(1,428)**	**(2,395)**
Credited to profit or loss	**(2,959)**	**(4,798)**	**(7,757)**
End of financial year	**36,053**	**24,580**	**60,633**
2017			
Beginning of financial year	27,128	39,091	66,219
Currency translation differences	201	528	729
Charged/(credited) to profit or loss	12,650	(7,759)	4,891
Revaluation of property, plant and equipment transferred to investment properties (Note 29(b)(v))	–	(1,054)	(1,054)
End of financial year	39,979	30,806	70,785

[1] Mainly arises from intangible assets

Deferred income tax assets

	Provisions S$'000	Tax losses S$'000	Total S$'000
2018			
Beginning of financial year	**(12,829)**	**(1,627)**	**(14,456)**
Currency translation difference	**193**	**128**	**321**
Charged to profit or loss	**2,678**	**19**	**2,697**
End of financial year	**(9,958)**	**(1,480)**	**(11,438)**
2017			
Beginning of financial year	(3,216)	(2,512)	(5,728)
Currency translation difference	24	309	333
(Credited)/charged to profit or loss	(9,637)	576	(9,061)
End of financial year	(12,829)	(1,627)	(14,456)

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27. DEFERRED INCOME TAXES (continued)

Company

Deferred income tax liabilities

	Accelerated tax depreciation S$'000	Others S$'000	Total S$'000
2018			
Beginning of financial year	**22,337**	**452**	**22,789**
Charged to profit or loss	**601**	**51**	**652**
End of financial year	**22,938**	**503**	**23,441**
2017			
Beginning of financial year	18,731	632	19,363
Charged/(credited) to profit or loss	3,606	(180)	3,426
End of financial year	22,337	452	22,789

Deferred income tax assets

	Provisions S$'000
2018	
Beginning of financial year	**(186)**
Credited to profit or loss	**(2)**
End of financial year	**(188)**
2017	
Beginning of financial year	(164)
Credited to profit or loss	(22)
End of financial year	(186)

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28. 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				
2018				
Beginning of financial year	**2,275,084**	**(1,181)**	**638,756**	**(1,227)**
– Treasury shares purchased	**–**	**(12,283)**	**–**	**(15,977)**
Employee share option scheme				
– New shares issued	**5**	**–**	**6**	**–**
– Treasury shares re-issued	**–**	**1,137**	**–**	**1,181**
End of financial year	**2,275,089**	**(12,327)**	**638,762**	**(16,023)**
2017				
Beginning of financial year	2,163,001	(2,046)	448,775	(2,116)
– New shares issued	107,554	–	183,960	–
Employee share option scheme				
– New shares issued	4,529	–	6,021	–
– Treasury shares re-issued	–	865	–	889
End of financial year	2,275,084	(1,181)	638,756	(1,227)

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

(a) Treasury shares

The Company acquired 12,283,000 (2017: Nil) of its issued shares in the open market during the financial year. The total amount paid to acquire the shares was S$15,977,000 and this was presented as a component within shareholders' equity.

The Company re-issued 1,137,000 (2017: 865,000) treasury shares during the financial year pursuant to the Singapore Post Share Option Scheme at exercise prices ranging from S$1.03 to S$1.35. The cost of the treasury shares re-issued amounted to S$1,181,000 (2017: S$889,000).

(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[1]), Mr Simon Claude Israel, Mrs Fang Ai Lian and Mr Zulkifli Bin Baharudin during the financial year ended 31 March 2018.

Employees (including executive directors) and non-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, and to give recognition to non-executive directors, who have contributed to the success and development of the Company and/or the Group.

[1] Mr Bob Tan Beng Hai was appointed as chairperson of the Compensation Committee on 24 April 2017 in place of Mrs Fang Ai Lian who stepped down as chairperson of the Compensation Committee.

28. SHARE CAPITAL AND TREASURY SHARES (continued)

(b) Share options (continued)

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.

- 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

28. SHARE CAPITAL AND TREASURY SHARES (continued)

(b) Share options (continued)

- 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

- 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 2017, a total of 178,687,936 share options were granted. Particulars of the options were set out in the Directors' Statement for the respective financial years.

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28. SHARE CAPITAL AND TREASURY SHARES (continued)

(b) Share options (continued)

During the financial year ended 31 March 2018, 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 1.4.17 ('000)**	**Granted during financial year ('000)**	**Options exercised ('000)**	**Options forfeited ('000)**	**Balance At 31.3.18 ('000)**
Options Granted Under Singapore Post Share Options Scheme For employees (including executive directors)							
26.06.07	27.06.08 to 26.06.17	S$1.278	196	–	–	196	–
30.06.08	01.07.09 to 30.06.18	S$1.100	190	–	–	–	190
29.06.10	30.06.11 to 29.06.20	S$1.140	513	–	–	–	513
26.07.11	27.07.12 to 26.07.21	S$1.100	666	–	13	–	653
11.05.12	19.05.14 to 11.05.22	S$1.030	1,050	–	43	–	1,007
10.08.12	11.08.13 to 10.08.22	S$1.070	1,524	–	150	–	1,374
07.05.13	08.05.13 to 07.05.23	S$1.290	75	–	–	75	–
17.01.14	18.01.17 to 17.01.24	S$1.350	7,602	–	30	3,378	4,194
07.03.14	08.03.17 to 07.03.24	S$1.330	500	–	–	–	500
10.03.14	11.03.15 to 10.03.24	S$1.330	80	–	–	80	–
01.04.14	02.04.17 to 01.04.24	S$1.360	200	–	–	–	200
20.05.14	21.05.15 to 20.05.24	S$1.450	5,633	–	–	2,210	3,423
07.08.14	08.08.15 to 07.08.24	S$1.760	568	–	–	250	318
13.05.15	14.05.16 to 13.05.25	S$1.910	950	–	–	100	850
19.05.15	20.05.16 to 19.05.25	S$1.890	12,957	–	–	7,485	5,472
12.06.15	13.06.16 to 12.06.25	S$1.880	40	–	–	–	40
20.05.16	21.05.17 to 20.05.26	S$1.570	6,687	–	–	1,872	4,815
Total Share Options			39,431	–	236	15,646	23,549

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

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FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

28. SHARE CAPITAL AND TREASURY SHARES (continued)

(b) Share options (continued)

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.

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 held on 20 July 2017.

Enhancements to the Plan (the "Enhanced Plan") are 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 will continue to enable grants of fully paid Shares to be made 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 FY2017/18 is as follows:

Vesting Period	Vesting Date	Percentage of Shares that will be Released 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 2017, a total of 5,839,118 restricted shares were granted.

NOTES TO THE
FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

28. SHARE CAPITAL AND TREASURY SHARES (continued)

(b) Share options (continued)

Restricted Share Plan (continued)

During the financial year ended 31 March 2018, no restricted shares were granted under the Plan. Details of the restricted shares granted and cancelled and the number of unvested restricted shares outstanding as at the end of the financial year is as follows:

Date of Grant	Balance As At 1.4.17 ('000)	Share Awards Granted ('000)	Share Awards Vested ('000)	Share Awards Cancelled ('000)	Balance As At 31.3.18 ('000)
05.08.13	8	–	–	–	8
20.05.14	233	–	214	16	3
19.05.15	396	–	170	57	169
20.05.16	2,018	–	522	648	848
Total	2,655	–	906	721	1,028

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 certain prescribed performance targets are met within a prescribed performance period. Shares granted from financial year 17/18 onwards comprises of two types of awards:

(a) Performance Share Award; and

(b) Restricted Share Award.

The Performance Share Award, granted to senior management, have two long-term performance hurdles: Return on Equity ("ROE") and Absolute Total Shareholder Returns ("TSR"). The Restricted Share Award, granted to a broader group of executives and key talents, have one long-term performance hurdle: Underlying Net Profit ("UNP"). The performance period for the awards granted is three or four years depending on when performance targets are achieved.

The performance conditions would incorporate stretched targets aimed at delivering long-term shareholder value. Depending on the extent of the satisfaction of the relevant performance criteria, 0% to 200% of the shares comprised in the awards may vest.

Performance Share Awards

During the financial year ended 31 March 2018, 359,478 restricted shares were granted. Details of the restricted shares granted and cancelled and the number of unvested restricted shares outstanding as at the end of the financial year are as follows:

Date of Grant	Balance As At 1.4.17 ('000)	Share Awards Granted ('000)	Share Awards Vested ('000)	Share Awards Cancelled ('000)	Balance As At 31.3.18 ('000)
18.01.18	–	359	–	–	359
Total	–	359	–	–	359

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FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

28. SHARE CAPITAL AND TREASURY SHARES (continued)

(b) Share options (continued)

Enhanced Plan (continued)

Restricted Share Awards

During the financial year ended 31 March 2018, 1,354,999 restricted shares were granted. Details of the restricted shares granted and cancelled and the number of unvested restricted shares outstanding as at the end of the financial year are as follows:

Date of Grant	Balance As At 1.4.17 ('000)	Share Awards Granted ('000)	Share Awards Vested ('000)	Share Awards Cancelled ('000)	Balance As At 31.3.18 ('000)
18.01.18	–	1,355	–	37	1,318
Total	–	1,355	–	37	1,318

Of the outstanding options (including Performance Share Option Plan but excluding Restricted Share Plan) for 23,549,000 (2017: 39,431,000) shares, 16,182,000 (2017: 17,219,000) options are exercisable as at 31 March 2018. Options exercised in the financial year ended 31 March 2018 resulted in 5,000 (2017: 4,529,000) new ordinary shares being issued for options with average exercise price of S$1.070 (2017: S$1.247), rounded to 3 decimal places. Options were exercised throughout the year. The weighted average share price during the financial year was S$1.31 (2017: S$1.49).

Following is 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)	Restricted Share Awards (UNP)
2018			
Total fair value of options granted during financial year	S$99,755	S$213,889	S$1,568,575
Valuation Model	Black-Scholes & Monte Carlo Simulation	Discounted Cashflow	Discounted Cashflow
Weighted average share price at the grant dates	S$1.26	S$1.26	S$1.26
Expected volatility	19%	–	–
Expected option life	3 years	3 years	3 years
Expected dividend yield	2.5%	2.5%	2.5%

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FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

28. SHARE CAPITAL AND TREASURY SHARES (continued)

(b) Share options (continued)

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.

Type of Share Options	**Singapore Post Share Option Scheme 2012**	**Restricted Share Plan**
2017		
Total fair value of options granted during financial year	S$989,225	S$2,840,681
Valuation Model	Trinomial Option Pricing Model	Adjusted Share Price Model
Weighted average share price at the grant dates	S$1.58	S$1.58
Weighted average exercise price	S$1.57	S$1.55
Expected volatility	14%	–
Expected option life	10 years	3 years
Annual risk-free interest rate (per annum)	1.6%	0.9%
Expected dividend yield	4.5%	4.5%

The volatility measured was based on the historical volatility of the rate of returns of the Company's shares since listing date of 13 May 2003.

The fair value is within Level 3 of the fair value hierarchy.

29. OTHER RESERVES

	Group		**Company**	
	2018 S$'000	2017 S$'000	**2018 S$'000**	2017 S$'000
(a) Composition:				
Share option reserve	**9,422**	8,990	**9,422**	8,990
Fair value reserve	**(236)**	(659)	**(236)**	(659)
Currency translation reserve	**(25,145)**	(17,841)	**–**	–
Other capital reserve	**35,935**	37,447	**–**	–
Asset valuation reserve	**43,850**	43,850	**28,918**	28,918
	63,826	71,787	**38,104**	37,249

Other reserves are non-distributable.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

29. OTHER RESERVES (continued)

	Group 2018 S$'000	Group 2017 S$'000	Company 2018 S$'000	Company 2017 S$'000
(b) Movements:				
(i) ***Share option reserve***				
Beginning of financial year	**8,990**	6,904	**8,990**	6,904
Employee share option scheme:				
– Value of employee services (Note 5)	**1,359**	3,351	**1,359**	3,351
– Issue of shares	**–**	(376)	**–**	(376)
– Re-issuance of treasury shares	**(927)**	(889)	**(927)**	(889)
End of financial year	**9,422**	8,990	**9,422**	8,990
(ii) ***Fair value reserve***				
Beginning of financial year	**(659)**	(1,105)	**(659)**	(1,105)
Fair value gain	**423**	446	**423**	446
End of financial year	**(236)**	(659)	**(236)**	(659)
(iii) ***Currency translation reserve***				
Beginning of financial year	**(17,841)**	(25,042)	**–**	–
Acquisition of non-controlling interests (Note 20)	**–**	23	**–**	–
Partial divestment of a subsidiary	**–**	405	**–**	–
Reclassification on disposal of subsidiaries and associated companies	**–**	73	**–**	–
Net currency translation differences of financial statements of foreign subsidiaries and associated companies	**(7,298)**	6,797	**–**	–
Less: Non-controlling interests	**(6)**	(97)	**–**	–
End of financial year	**(25,145)**	(17,841)	**–**	–
(iv) ***Other capital reserve***				
Beginning of financial year	**37,447**	37	**–**	–
Acquisition of non-controlling interests (Note 20)	**(433)**	(1,622)	**–**	–
Adjustment	**(1,139)**	–	**–**	–
Partial divestment of a subsidiary	**–**	39,032	**–**	–
Transfer of non-controlling interests of subsidiary to capital reserve	**60**	–	**–**	–
End of financial year	**35,935**	37,447	**–**	–

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

	Group 2018 S$'000	Group 2017 S$'000	Company 2018 S$'000	Company 2017 S$'000
(v) ***Asset valuation reserve***				
Beginning of financial year	**43,850**	26,464	**28,918**	28,914
Revaluation gain on property, plant and equipment upon transfer to investment property (Note 22, 27)	**–**	17,386	**–**	4
End of financial year	**43,850**	43,850	**28,918**	28,918

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For the financial year ended 31 March 2018

30. PERPETUAL SECURITIES

On 2 March 2012, the Company issued senior perpetual cumulative securities (the "perpetual securities") with an aggregate principal amount of S$350,000,000. Incremental cost incurred amounting to S$4,397,000 were recognised in equity as a deduction from proceeds.

Such perpetual securities bear distributions at a rate of 4.25% per annum, payable semi-annually. Subject to the relevant terms and conditions in the offering memorandum, the 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 Company is 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 FRS 32 *Financial Instruments: Presentation*. The whole instrument is presented within equity, and distributions are treated as dividends.

During the financial year, distributions amounting to S$14,875,000 (2017: S$14,875,000) were made to perpetual securities holders.

31. DIVIDENDS

	Group and Company	
	2018	2017
	S$'000	S$'000
Ordinary dividends paid		
Final exempt (one-tier) dividend paid in respect of the previous financial year of 0.5 cent per share (2017: 2.5 cents)	**11,357**	54,075
Interim exempt (one-tier) dividend paid in respect of the first quarter of current financial year of 0.5 cent per share (2017: 1.5 cents)	**11,356**	32,457
Interim exempt (one-tier) dividend paid in respect of the second quarter of current financial year of 0.5 cent per share (2017: 1.0 cent)	**11,337**	21,648
Interim exempt (one-tier) dividend paid in respect of the third quarter of current financial year of 0.5 cent per share (2017: 0.5 cent)	**11,323**	11,368
	45,373	119,548

At the Annual General Meeting on 11 July 2018, a final exempt (one-tier) dividend of 2.0 cents per share amounting to S$45.3 million will be recommended. 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 2019.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

32. POST-EMPLOYMENT BENEFITS

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

	Group	
	2018	2017
	S$'000	S$'000
The amount recognised in the statement of financial position is determined as follows:		
Present value of unfunded obligations	**1,893**	2,068
The amounts recognised in profit or loss are as follows:		
Current service cost	**463**	187
Interest cost	**13**	14
	476	201
Beginning of financial year	**2,068**	1,796
Current service cost	**463**	187
Interest cost	**13**	14
Benefits paid	**(623)**	–
Currency translation differences	**(28)**	71
End of financial year	**1,893**	2,068
The significant actuarial assumptions used were as follows:		
Discount rate	**0.60%**	0.87%
Retirement age	**60**	60
Salary growth rates	**2.5%**	2.5%
Withdrawal	**0%**	0%
The cumulative actuarial losses recognised for the defined benefit pension plans was as follows:		
Beginning and end of financial year	**(11)**	(11)

33. CONTINGENT LIABILITIES

A foreign subsidiary has tax-related contingent liabilities arising from certain tax compliance issues which, due to inherent uncertainties, is not possible to make an accurate quantification of such liability at this juncture. The Company had notified the relevant regulatory authorities regarding these tax compliance issues. These tax-related contingent liabilities are subject to an indemnity claim by the Group against the vendor under the sale and purchase agreement entered into between the Company and the vendor for which the acquisition of the foreign subsidiary was made.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

34. COMMITMENTS

(a) Capital commitments

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

	Group		Company	
	2018	2017	**2018**	2017
	S$'000	S$'000	**S$'000**	S$'000
Property, plant and equipment	**84,233**	111,762	**70,673**	103,286

(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.

The future minimum lease payables under non-cancellable operating leases contracted for at the end of the reporting period but not recognised as liabilities, are as follows:

	Group		Company	
	2018	2017	**2018**	2017
	S$'000	S$'000	**S$'000**	S$'000
Not later than one year	**35,110**	38,776	**6,835**	9,413
Between one and five years	**61,177**	65,278	**11,512**	11,307
Later than five years	**21,610**	43,513	**1,131**	2,209
	117,897	147,567	**19,478**	22,929

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

The Group and Company lease out various retail and office space under non-cancellable operating leases. The leases have varying terms, escalation clauses and renewal rights.

The future minimum lease receivables under non-cancellable operating leases contracted for at the end of the reporting period but not recognised as receivables, are as follows:

	Group		Company	
	2018	2017	**2018**	2017
	S$'000	S$'000	**S$'000**	S$'000
Not later than one year	**26,518**	44,214	**24,248**	39,575
Between one and five years	**46,141**	58,558	**45,225**	55,143
Later than five years	**12,029**	3,750	**12,029**	3,750
	84,688	106,522	**81,502**	98,468

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

35. 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") and United States Dollar ("USD"). 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 usually in 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.

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FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

35. 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$'000	Others S$'000	Total S$'000
Group									
As at 31 March 2018									
Financial assets									
Cash and cash equivalents	**266,956**	**–**	**2,435**	**7,322**	**4,657**	**12,392**	**2,599**	**17,689**	**314,050**
Trade and other receivables	**179,530**	**4,681**	**8,750**	**40,830**	**2,632**	**21,637**	**1,250**	**19,360**	**278,670**
Other financial assets	**3,222**	**–**	**3,230**	**595**	**1,305**	**224**	**127**	**2,691**	**11,394**
Financial assets	**37,122**	**–**	**–**	**–**	**–**	**–**	**–**	**259**	**37,381**
Derivative financial instruments	**–**	**–**	**–**	**1,293**	**–**	**–**	**18,546**	**17**	**19,856**
	486,830	**4,681**	**14,415**	**50,040**	**8,594**	**34,253**	**22,522**	**40,016**	**661,351**
Financial liabilities									
Derivative financial instruments	**–**	**–**	**(146)**	**–**	**–**	**–**	**(186)**	**(133)**	**(465)**
Borrowings	**(226,814)**	**–**	**–**	**(12,405)**	**–**	**–**	**(4,617)**	**(142)**	**(243,978)**
Trade and other payables	**(183,395)**	**(235,716)**	**(4,844)**	**(49,235)**	**(1,865)**	**(15,051)**	**(1,474)**	**(22,219)**	**(513,799)**
	(410,209)	**(235,716)**	**(4,990)**	**(61,640)**	**(1,865)**	**(15,051)**	**(6,277)**	**(22,494)**	**(758,242)**
Net financial assets/(liabilities)	**76,621**	**(231,035)**	**9,425**	**(11,600)**	**6,729**	**19,202**	**16,245**	**17,522**	
Less: Net financial assets/ (liabilities) denominated in the respective entities' functional currencies	**76,621**	**–**	**6,563**	**(16,816)**	**5,875**	**17,461**	**(1,637)**	**19,400**	
Add/(less): Currency forwards	**–**	**115,664**	**–**	**(37,449)**	**–**	**–**	**–**	**–**	
Currency exposure	**–**	**(115,371)**	**2,862**	**(32,233)**	**854**	**1,741**	**17,882**	**(1,878)**	
As at 31 March 2017									
Financial assets									
Cash and cash equivalents	259,026	–	4,926	59,105	8,834	12,319	2,144	20,260	366,614
Trade and other receivables	102,197	5,710	5,009	37,129	8,936	21,859	1,436	23,822	206,098
Other financial assets	3,639	–	3,879	333	1,251	183	137	2,130	11,552
Financial assets	40,049	–	–	–	–	–	–	262	40,311
Derivative financial instruments	–	–	–	–	–	–	16,079	–	16,079
	404,911	5,710	13,814	96,567	19,021	34,361	19,796	46,474	640,654
Financial liabilities									
Derivative financial instruments	–	–	(357)	(597)	–	–	–	(101)	(1,055)
Borrowings	(346,805)	–	–	(11,497)	–	–	(4,809)	(874)	(363,985)
Trade and other payables	(169,327)	(145,249)	(3,412)	(45,971)	(1,826)	(15,163)	(1,287)	(20,957)	(403,192)
	(516,132)	(145,249)	(3,769)	(58,065)	(1,826)	(15,163)	(6,096)	(21,932)	(768,232)
Net financial assets/(liabilities)	**(111,221)**	**(139,539)**	**10,045**	**38,502**	**17,195**	**19,198**	**13,700**	**24,542**	
Less: Net financial assets/ (liabilities) denominated in the respective entities' functional currencies	(111,221)	–	5,284	(17,804)	13,651	17,682	(2,379)	19,216	
Add/(less): Currency forwards	–	79,565	–	(85,340)	–	–	–	–	
Currency exposure	–	(59,974)	4,761	(29,034)	3,544	1,516	16,079	5,326	

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35. 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	AUD S$'000	MYR S$'000	Others S$'000	Total S$'000
Company								
As at 31 March 2018								
Financial assets								
Cash and cash equivalents	**257,442**	**–**	**33**	**601**	**5**	**–**	**31**	**258,112**
Trade and other receivables	**573,979**	**4,681**	**–**	**38,574**	**–**	**6,570**	**–**	**623,804**
Other financial assets	**2,323**	**–**	**–**	**–**	**–**	**–**	**–**	**2,323**
Financial assets	**37,122**	**–**	**–**	**–**	**–**	**–**	**–**	**37,122**
Derivative financial instruments	**–**	**–**	**–**	**1,293**	**–**	**18,546**	**17**	**19,856**
	870,866	**4,681**	**33**	**40,468**	**5**	**25,116**	**48**	**941,217**
Financial liabilities								
Derivative financial instruments	**–**	**–**	**(146)**	**–**	**–**	**(172)**	**(133)**	**(451)**
Borrowings	**(201,569)**	**–**	**–**	**–**	**–**	**–**	**–**	**(201,569)**
Trade and other payables	**(206,412)**	**(235,716)**	**–**	**–**	**–**	**–**	**–**	**(442,128)**
	(407,981)	**(235,716)**	**(146)**	**–**	**–**	**(172)**	**(133)**	**(644,148)**
Net financial assets/(liabilities)	**462,885**	**(231,035)**	**(113)**	**40,468**	**5**	**24,944**	**(85)**	
Less: Net financial assets/(liabilities) denominated in the respective entities' functional currencies	**462,885**	**–**	**–**	**–**	**–**	**–**	**–**	
Add/(less): Currency forwards	**–**	**115,664**	**–**	**(37,449)**	**–**	**–**	**–**	
Currency exposure	**–**	**(115,371)**	**(113)**	**3,019**	**5**	**24,944**	**(85)**	
As at 31 March 2017								
Financial assets								
Cash and cash equivalents	245,017	–	972	54,510	25	–	2,655	303,179
Trade and other receivables	534,448	5,710	–	32,437	–	5,831	–	578,426
Other financial assets	2,359	–	–	–	–	–	–	2,359
Financial assets	39,702	–	–	–	–	–	–	39,702
Derivative financial instruments	–	–	–	–	–	16,142	–	16,142
	821,526	5,710	972	86,947	25	21,973	2,655	939,808
Financial liabilities								
Derivative financial instruments	–	–	(357)	(597)	–	–	(101)	(1,055)
Borrowings	(320,061)	–	–	–	–	–	–	(320,061)
Trade and other payables	(191,977)	(145,249)	–	–	–	–	–	(337,226)
	(512,038)	(145,249)	(357)	(597)	–	–	(101)	(658,342)
Net financial assets/(liabilities)	**309,488**	**(139,539)**	**615**	**86,350**	**25**	**21,973**	**2,554**	
Less: Net financial assets/(liabilities) denominated in the respective entities' functional currencies	309,488	–	–	–	–	–	–	
Add/(less): Currency forwards	–	79,565	–	(85,340)	–	–	–	
Currency exposure	–	(59,974)	615	1,010	25	21,973	2,554	

35. FINANCIAL RISK MANAGEMENT (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

If the SDR changes against the SGD by 2% (2017: 3%) 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	
	2018 S$'000	2017 S$'000
Group		
SDR against SGD		
– strengthened	**(2,307)**	(1,799)
– weakened	**2,307**	1,799
Company		
SDR against SGD		
– strengthened	**(2,307)**	(1,799)
– weakened	**2,307**	1,799

If the EUR changes against the SGD by 2% (2017: 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	
	2018 S$'000	2017 S$'000
Group		
EUR against SGD		
– strengthened	**57**	190
– weakened	**(57)**	(190)
Company		
EUR against SGD		
– strengthened	**(2)**	25
– weakened	**2**	(25)

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35. FINANCIAL RISK MANAGEMENT (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

If the USD changes against the SGD by 4% (2017: 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	
	2018	2017
	S$'000	S$'000
Group		
USD against SGD		
– strengthened	**(1,289)**	(1,161)
– weakened	**1,289**	1,161
Company		
USD against SGD		
– strengthened	**121**	40
– weakened	**(121)**	(40)

(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 25) which bear interest ranging from 0.88% to 3.5% (2017: 0.58% to 3.5%).

As at 31 March 2018 and 2017, if the interest rate had increased/decreased by 1% with all other variables, being held constant, it would have insignificant impact on the profit before tax for the year.

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For the financial year ended 31 March 2018

35. FINANCIAL RISK MANAGEMENT (continued)

(b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. 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 an 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. Trade receivables from an associated company represented 46% (2017: 24%) and 60% (2017: 29%) of the Group's and Company's trade receivables respectively. Revenues of S$278,168,000 (2017: S$161,198,000) are derived from the associated company. These revenues are attributable to the Logistics segment.

Bank deposits are placed in banks which are regulated. The Group limits its credit risk exposure in respect of investments in financial assets and derivative financial instruments by dealing with counterparties with high credit quality.

The maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the statement of financial position.

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

	Group		**Company**	
	2018	2017	**2018**	2017
	S$'000	S$'000	**S$'000**	S$'000
By geographical areas				
Singapore	**53,950**	56,373	**84,457**	104,466
Other countries	**207,478**	134,757	**117,237**	53,714
	261,428	191,130	**201,694**	158,180
By types of customers				
Related parties	**122,241**	47,891	**161,168**	112,159
Non-related parties:				
– Government bodies	**3,610**	6,321	**3,610**	6,321
– Banks	**7,582**	6,360	**7,307**	6,109
– Overseas postal administrations	**4,562**	5,615	**4,562**	5,615
– Other companies	**123,433**	124,943	**25,047**	27,976
	261,428	191,130	**201,694**	158,180

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For the financial year ended 31 March 2018

35. FINANCIAL RISK MANAGEMENT (continued)

(b) Credit risk (continued)

(i) Financial assets that are neither past due nor impaired

Bank deposits, investments in financial assets and financial instruments used in hedging activities that are neither past due nor impaired are mainly deposited and transacted with high credit-ratings counterparties. Trade receivables that are neither past due nor impaired are substantially companies with a good collection track record with the Group.

(ii) Financial assets that are past due and/or impaired

There is no other class of financial assets that is past due and/or impaired except for trade receivables.

The age analysis of trade receivables past due but not impaired is as follows:

	Group		**Company**	
	2018	2017	**2018**	2017
	S$'000	S$'000	**S$'000**	S$'000
Past due up to 3 months	**60,897**	69,076	**39,258**	42,459
Past due over 3 months	**20,111**	5,143	**15,715**	1,058
	81,008	74,219	**54,973**	43,517

The carrying amount of trade receivables individually and collectively determined to be impaired and the movement in the related allowance for impairment are as follows:

	Group		**Company**	
	2018	2017	**2018**	2017
	S$'000	S$'000	**S$'000**	S$'000
Gross amount	**10,053**	5,665	**775**	951
Less: Allowance for impairment	**(10,053)**	(5,665)	**(775)**	(951)
	–	–	**–**	–
Beginning of financial year	**5,665**	5,390	**951**	1,741
Allowance made	**5,528**	1,356	**(142)**	–
Allowance utilised	**(1,140)**	(1,081)	**(34)**	(790)
End of financial year	**10,053**	5,665	**775**	951

The impaired trade receivables arise mainly from sales to certain customers that are in significant financial difficulty.

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For the financial year ended 31 March 2018

35. FINANCIAL RISK MANAGEMENT (continued)

(c) 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 both committed and uncommitted 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				
At 31 March 2018				
Trade and other payables	**(495,002)**	**(8,407)**	**(2,450)**	**(7,940)**
Borrowings	**(30,475)**	**(223,281)**	**(5,677)**	**–**
	(525,477)	**(231,688)**	**(8,127)**	**(7,940)**
At 31 March 2017				
Trade and other payables	(363,372)	(25,602)	(6,171)	(8,047)
Borrowings	(155,786)	(8,561)	(221,112)	–
	(519,158)	(34,163)	(227,283)	(8,047)
Company				
At 31 March 2018				
Trade and other payables	**(440,770)**	**(709)**	**(394)**	**(255)**
Borrowings	**(7,000)**	**(208,569)**	**–**	**–**
	(447,770)	**(209,278)**	**(394)**	**(255)**
At 31 March 2017				
Trade and other payables	(335,156)	(577)	(943)	(550)
Borrowings	(124,743)	(7,000)	(209,318)	–
	(459,899)	(7,577)	(210,261)	(550)

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35. FINANCIAL RISK MANAGEMENT (continued)

(c) 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 anticipates 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				
At 31 March 2018				
Cash and cash equivalents	**314,050**	**–**	**–**	**–**
Trade and other receivables	**271,937**	**4,552**	**2,407**	**128**
Other financial assets	**6,257**	**1,615**	**1,679**	**1,843**
Financial assets	**2,924**	**7,353**	**30,050**	**–**
	595,168	**13,520**	**34,136**	**1,971**
At 31 March 2017				
Cash and cash equivalents	366,614	–	–	–
Trade and other receivables	199,792	–	6,959	132
Other financial assets	6,354	920	3,048	1,230
Financial assets	5,321	977	29,828	8,161
	578,081	1,897	39,835	9,523
Company				
At 31 March 2018				
Cash and cash equivalents	**258,112**	**–**	**–**	**–**
Trade and other receivables	**237,084**	**392,086**	**1,457**	**128**
Other financial assets	**2,323**	**–**	**–**	**–**
Financial assets	**2,924**	**7,353**	**29,791**	**–**
	500,443	**399,439**	**31,248**	**128**
At 31 March 2017				
Cash and cash equivalents	303,179	–	–	–
Trade and other receivables	178,817	267,936	142,570	132
Other financial assets	2,821	–	–	–
Financial assets	4,974	977	29,566	8,161
	489,791	268,913	172,136	8,293

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For the financial year ended 31 March 2018

35. FINANCIAL RISK MANAGEMENT (continued)

(c) Liquidity risk (continued)

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.

	Group		Company	
	2018	2017	**2018**	2017
Less than 1 year	**S$'000**	S$'000	**S$'000**	S$'000
Net settled:				
Warrants	**18,521**	16,011	**18,521**	16,011
Gross settled:				
Foreign exchange forward				
Gross inflow	**199,171**	700,474	**199,185**	700,537
Gross outflow	**(198,301)**	(701,461)	**(198,301)**	(701,461)
	19,391	15,024	**19,405**	15,087

(d) 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 divided by total equity. Net debt/(cash) is calculated as borrowings less cash and cash equivalents.

	Group		Company	
	2018	2017	**2018**	2017
	S$'000	S$'000	**S$'000**	S$'000
Net (cash)/debt	**(70,072)**	(2,629)	**(56,543)**	16,882
Total equity	**1,789,896**	1,757,718	**1,748,703**	1,679,232
Gearing ratio	**(3.9%)**	(0.1%)	**(3.2%)**	1.0%

The Group and Company have no externally imposed capital requirements for the financial years ended 31 March 2018 and 2017.

35. FINANCIAL RISK MANAGEMENT (continued)

(e) 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 make 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 value of contingent consideration payable is estimated by using a valuation technique that is not based on observable market data and is accordingly classified as a Level 3 fair value measurement. Refer to Note 24 for details.

The fair values of current and non-current financial assets and liabilities carried at amortised cost approximate their carrying amounts.

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).

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35. FINANCIAL RISK MANAGEMENT (continued)

(e) 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				
2018				
Assets				
Available-for-sale financial assets	**1,921**	**–**	**4,820**	**6,741**
Held-to-maturity financial assets	**30,640**	**–**	**–**	**30,640**
Derivative financial instruments	**18,521**	**1,335**	**–**	**19,856**
Liabilities				
Derivative financial instruments	**–**	**465**	**–**	**465**
Contingent consideration payable	**–**	**–**	**17,980**	**17,980**
2017				
Assets				
Available-for-sale financial assets	3,954	–	5,170	9,124
Held-to-maturity financial assets	31,187	–	–	31,187
Derivative financial instruments	16,011	68	–	16,079
Liabilities				
Derivative financial instruments	–	1,055	–	1,055
Contingent consideration payable	–	–	23,363	23,363
Company				
2018				
Assets				
Available-for-sale financial assets	**1,921**	**–**	**4,561**	**6,482**
Held-to-maturity financial assets	**30,640**	**–**	**–**	**30,640**
Derivative financial instruments	**18,521**	**1,335**	**–**	**19,856**
Liabilities				
Derivative financial instruments	**–**	**451**	**–**	**451**
2017				
Assets				
Available-for-sale financial assets	3,954	–	4,561	8,515
Held-to-maturity financial assets	31,187	–	–	31,187
Derivative financial instruments	16,011	131	–	16,142
Liabilities				
Derivative financial instruments	–	1,055	–	1,055

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35. FINANCIAL RISK MANAGEMENT (continued)

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

The following table presents the changes in Level 3 instruments:

	Company	Group		
	Available-for-sale financial assets S$'000	Available-for-sale financial assets S$'000	Contingent consideration S$'000	Total S$'000
2018				
Beginning of financial year	**4,561**	**5,170**	**23,363**	**28,533**
Fair value losses recognised in				
– Profit or loss	**–**	**–**	**(452)**	**(452)**
– Other comprehensive income	**–**	**(347)**	**–**	**(347)**
Partial settlement of contingent consideration	**–**	**–**	**(4,635)**	**(4,635)**
Currency translation differences	**–**	**(3)**	**(296)**	**(299)**
End of financial year	**4,561**	**4,820**	**17,980**	**22,800**
Total losses for the year included in profit or loss for assets and liabilities held at the end of the financial year	**–**	**–**	**(452)**	**(452)**
2017				
Beginning of financial year	4,561	5,159	53,216	58,375
Fair value losses recognised in				
– Profit or loss	–	–	(196)	(196)
Partial settlement of contingent consideration	–	–	(2,588)	(2,588)
Write-down of contingent consideration	–	–	(27,816)	(27,816)
Currency translation differences	–	11	747	758
End of financial year	4,561	5,170	23,363	28,533
Total losses for the year included in profit or loss for assets and liabilities held at the end of the financial year	–	–	(196)	(196)

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

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35. **FINANCIAL RISK MANAGEMENT** (continued)

(f) Financial instruments by category

The carrying amount of the different categories of financial instruments is as disclosed on the face of the statements of financial position and in Notes 13, 15 and 25 to the financial statements, except for the following:

	Group		Company	
	2018	2017	**2018**	2017
	S$'000	S$'000	**S$'000**	S$'000
Loans and receivables	**604,114**	584,264	**884,239**	883,964
Financial liabilities at amortised cost	**513,799**	403,192	**442,128**	337,226

(g) Offsetting financial assets and financial liabilities

There were no financial instruments subject to enforceable master netting arrangement for the year ended 31 March 2018.

The Group and Company have the following financial instruments subject to enforceable master netting arrangements or similar agreement for the financial year ended 31 March 2017:

	(a)	(b)	(c)=(a)-(b)	(d)		(e)=(c)+(d)
	Related amounts set off in the statement of financial position			Related amounts not set off in the statement of financial position		
	Gross amounts of recognised financial assets S$'000	Gross amounts of recognised financial liabilities S$'000	Net amounts of financial assets/ (liabilities) presented in the statement of financial position S$'000	Financial instruments S$'000	Cash collateral pledged S$'000	Net amount S$'000
At 31 March 2017						
Currency forwards	724	(1,779)	(1,055)	–	–	(1,055)

36. 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	
	2018	2017
	S$'000	S$'000
Services rendered to an associated company	**278,168**	161,198
Services received from associated companies	**(968)**	(1,038)
Services rendered to related companies of a substantial shareholder	**19,478**	23,671
Services received from related companies of a substantial shareholder	**(11,429)**	(12,025)
Interest received from loans to associated companies	**86**	812

During the financial year ended 31 March 2018, the Company made payments on behalf of subsidiaries totalling S$50.2 million (2017: S$47.5 million) which were subsequently reimbursed.

Outstanding balances at 31 March 2018, 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 14 and 24 respectively.

(b) Key management personnel compensation is as follows:

	Group	
	2018	2017
	S$'000	S$'000
Salaries and other short-term employee benefits	**6,709**	6,534
Post-employment benefits – contribution to CPF	**98**	68
Share-based staff costs	**417**	540
	7,224	7,142

Included in the above is total compensation to non-executive directors of the Company amounting to S$1,235,000 (2017: S$1,525,000).

37. 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.

The CODM considers the business from a business segment perspective. The Group has reclassified the reporting of certain business units into four business segments, namely Postal, Logistics, eCommerce and Property. Management manages and monitors the business in these primary business areas:

- Postal – Postal segment provides comprehensive services for collecting, sorting, transporting and distributing domestic and international mail as well as sale of philatelic products, agency services and financial services. International mail service covers the handling of incoming international mail and outgoing international mail. Mail division also offers ePost hybrid mail service which integrates electronic data communication with traditional mail.

- Logistics – Logistics segment provides a diverse range of logistics solutions, comprising freight, warehousing, domestic and international distribution, and delivery services. The services include eCommerce logistics, warehousing, fulfilment and distribution, and other value-added services (Quantium Solutions), parcel delivery (SP Parcels), freight forwarding (Famous Group) and self-storage solutions (General Storage).

- eCommerce ("eCom") – eCommerce segment provides front-end eCommerce solutions.

- Property – Property segment provides commercial property rental.

Other operations include unallocated corporate overhead items and trade-related translation differences, as they are not included in the reports provided to the CODM. The results of these operations are included in the "All other segments" column.

In line with the change in reporting structure of the Group as set out above, segment information for the financial year ended 31 March 2017 has been restated to conform to current year's presentation.

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FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

37. SEGMENT INFORMATION (continued)

The segment information provided to the CODM for the reportable segments for the years ended 31 March 2018 and 2017 are as follows:

	Postal S$'000	Logistics S$'000	eCom S$'000	Property S$'000	All other segments S$'000	Eliminations S$'000	Total S$'000
2018							
Revenue:							
– External	609,782	588,716	265,601	–	–	–	1,464,099
– Inter-segment	16,118	75,175	10	–	–	(91,303)	–
	625,900	663,891	265,611	–	–	(91,303)	1,464,099
Other income and gains (net)							
– Rental, property-related and miscellaneous income							
– External	1,046	990	2,758	49,656	4,395	–	58,845
– Inter-segment	–	–	–	32,414	–	(32,414)	–
	1,046	990	2,758	82,070	4,395	(32,414)	58,845
Operating profit/(loss)	144,627	10,386	(16,696)	36,331	(31,142)	–	143,506
Depreciation and amortisation	9,088	11,587	20,508	15,843	3,723	–	60,749
Segment assets	225,865	623,000	159,595	1,315,208	93,802	–	2,417,470
Segment assets include:							
Investment in associated companies	–	52,984	–	–	61,941	–	114,925
Intangible assets	–	314,295	71,435	–	–	–	385,730
Additions to:							
– Property, plant and equipment	6,349	4,465	4,941	6,133	12,265	–	34,153
– Investment property	–	–	–	32,691	–	–	32,691

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37. SEGMENT INFORMATION (continued)

	Postal S$'000	Logistics S$'000	eCom S$'000	Property S$'000	All other segments S$'000	Eliminations S$'000	Total S$'000
2017 (Restated)							
Revenue:							
– External	518,637	562,785	266,342	–	–	–	1,347,764
– Inter-segment	25,504	74,016	2	–	–	(99,522)	–
	544,141	636,801	266,344	–	–	(99,522)	1,347,764
Other income and gains (net)							
– Rental, property-related and miscellaneous income							
– External	1,105	2,900	317	41,188	841	–	46,351
– Inter-segment	–	–	–	30,326	–	(30,326)	–
	1,105	2,900	317	71,514	841	(30,326)	46,351
Operating profit/(loss)	150,707	23,596	(33,790)	31,097	(24,600)	–	147,010
Depreciation and amortisation	9,249	9,419	15,857	13,383	3,110	–	51,018
Segment assets	148,449	667,109	183,743	1,282,089	81,604	–	2,362,994
Segment assets include:							
Investment in associated companies	–	62,367	–	–	55,416	–	117,783
Intangible assets	–	321,074	79,609	–	–	–	400,683
Additions to:							
– Property, plant and equipment	6,693	13,595	21,171	52,877	11,289	–	105,625
– Investment property	–	–	–	97,818	–	–	97,818

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37. SEGMENT INFORMATION (continued)

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.

(a) 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 before tax is provided as follows:

	2018 S$'000	2017 S$'000 (Restated)
Operating profit for reportable segments	**174,648**	171,610
Other segments operating loss	**(31,142)**	(24,600)
Exceptional items	**14,522**	(88,653)
Finance expenses	**(13,411)**	(5,674)
Interest income	**4,686**	3,439
Share of loss of associated companies and joint venture	**(3,099)**	(1,177)
Profit before tax	**146,204**	54,945

(b) 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.

	2018 S$'000	2017 S$'000 (Restated)
Segment assets for reportable segments	**2,323,668**	2,281,390
Other segments assets	**93,802**	81,604
Unallocated:		
Cash and cash equivalents	**250,259**	297,808
Financial assets	**37,122**	39,702
Derivative financial instruments	**19,856**	16,079
Total assets	**2,724,707**	2,716,583

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

37. SEGMENT INFORMATION (continued)

(c) Revenue from major products and services

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

	2018	2017
	S$'000	S$'000
		(Restated)
Domestic and International Mail services	**609,782**	518,637
Domestic and International distribution and delivery services	**588,716**	562,785
Retail and eCommerce sale of products and services	**265,601**	266,342
Revenue	**1,464,099**	1,347,764

(d) Geographical information

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

- Singapore – the Company is headquartered and has operations in Singapore where 53% (2017: 50%) 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.
- The United States – the operations in this area are principally front-end related e-commerce businesses.
- 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.

	Revenue	
	2018	2017
	S$'000	S$'000
		(Restated)
Singapore	**770,369**	667,474
The United States	**235,811**	235,599
Australia	**194,241**	188,087
Other countries	**263,678**	256,604
	1,464,099	1,347,764

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

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FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

38. PRONOUNCEMENTS ISSUED BUT NOT YET EFFECTIVE

(a) Adoption of a new financial reporting framework

In December 2017, the Accounting Standards Council (ASC) has issued a new financial reporting framework - Singapore Financial Reporting Standards (International) (SFRS(I)), which is to be adopted by Singapore-incorporated companies listed on the Singapore Exchange (SGX), for annual periods beginning on or after 1 January 2018. SFRS(I) is identical to the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). The Group and the Company will be adopting the new framework for the first time for financial year ending 31 March 2019 and SFRS(I) 1 *First-time Adoption of Singapore Financial Reporting Standards (International)* will be applied in the first set of SFRS(I) financial statements.

(b) SFRS(I) 1 First-time Adoption of Singapore Financial Reporting Standards (International)

As a first-time adopter, the Group and the Company are to apply retrospectively, accounting policies based on each SFRS(I) effective as at end of the first SFRS(I) reporting period (31 March 2019), except for areas of exceptions and optional exemptions set out in SFRS(I) 1. In the first set of SFRS(I) financial statements for the financial year ending 31 March 2019, an additional opening statement of financial position as at date of transition (1 April 2017) will be presented, together with related notes. Reconciliation statements from previously reported FRS amounts and explanatory notes on transition adjustments are required for equity as at date of transition (1 April 2017) and as at end of last financial period under FRS (31 March 2018), and for total comprehensive income and cash flows reported for the last financial period under FRS (for the year ended 31 March 2018). Additional disclosures may also be required for specific transition adjustments if applicable.

Management has performed a detailed analysis of the transition options and other requirements of SFRS(I) and does not expect the adoption of the new accounting framework to have a material impact on the financial statements, other than the effects arising from implementing certain new SFRS(I) pronouncements effective at the same time (see below), and electing the following transition options:

(i) The currency translation loss of the Group as at 1 April 2017 of S$17.8 million will be reset to nil upon its transfer to retained earnings as at 1 April 2017.

(ii) Both the assets and retained earnings of the Group will be lower by S$50.0 million following the use of fair value as the "deemed cost" as at 1 April 2017 for certain property, plant and equipment.

(c) New SFRS(I) that may have impact

The following SFRS(I) pronouncements are expected to have an impact to the Group and the Company in the periods of their initial application under the new SFRS(I) framework:

- SFRS(I) 9 *Financial Instruments*

  SFRS(I) 9 introduces new requirements for (i) the classification and measurement of financial assets and financial liabilities (ii) general hedge accounting and (iii) impairment requirements for financial assets. This will take effect from financial year beginning on 1 April 2018, with retrospective application.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

38. PRONOUNCEMENTS ISSUED BUT NOT YET EFFECTIVE (continued)

(c) New SFRS(I) that may have impact (continued)

Key requirements of SFRS(I) 9:

- All recognised financial assets that are within the scope of SFRS(I) 9 are required to be subsequently measured at amortised cost or fair value. Financial assets are classified according to their contractual cash flow characteristics and the business model under which they are held. In addition, under SFRS(I) 9, entities may make an irrevocable election, at initial recognition, to measure an equity investment (that is not held for trading) at fair value through other comprehensive income ("FVTOCI"), with only dividend income generally recognised in profit or loss.

- With some exceptions, financial liabilities are generally subsequently measured at amortised cost. With regard to the measurement of financial liabilities designated as at FVTPL, SFRS(I) 9 requires that the amount of change in fair value of such financial liability that is attributable to changes in the credit risk be presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch to profit or loss. Changes in fair value attributable to the financial liability's credit risk are not subsequently reclassified to profit or loss.

- In relation to the impairment of financial assets, SFRS(I) 9 requires an expected credit loss model to be applied. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

- In respect of hedge accounting, SFRS(I) 9 provides a greater flexibility to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been overhauled and replaced with the principle of an 'economic relationship'. Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.

Management anticipates that the initial application of SFRS(I) 9 will not have a material impact on the financial statements of the Group in the period of their initial adoption.

NOTES TO THE
FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

38. PRONOUNCEMENTS ISSUED BUT NOT YET EFFECTIVE (continued)

(c) New SFRS(I) that may have impact (continued)

- SFRS(I) 15 *Revenue from Contracts with Customers*

  SFRS(I) 15 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. This will take effect from financial year beginning on 1 April 2018, with retrospective application.

  The core principle of SFRS(I) 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition:

  - Step 1: Identify the contract(s) with a customer.
  - Step 2: Identify the performance obligations in the contract.
  - Step 3: Determine the transaction price.
  - Step 4: Allocate the transaction price to the performance obligations in the contract.
  - Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

  Under SFRS(I) 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in SFRS(I) 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by SFRS(I) 15.

  The Group received upfront payments from certain financial services contracts which were recognised in profit or loss over the contract period (Note 26). Management has determined that a significant financing component may exist arising from these upfront payments received. As a result, finance expenses will be recognised and the retained earnings as at 31 March 2018 is estimated to decrease by S$2.8 million.

- SFRS(I) 16 *Leases*

  The standard provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements of both lessees and lessors. The identification of leases, distinguishing between leases and service contracts, are determined on the basis of whether there is an identified asset controlled by the customer. This will take effect from financial year beginning on 1 April 2019, with retrospective application. Management does not plan to early adopt SFRS(I) 16 for the financial year ending 31 March 2019.

  Significant changes to lessee accounting are introduced, with the distinction between operating and finance leases removed and assets and liabilities recognised in respect of all leases (subject to limited exemptions for short-term leases and leases of low value assets). The standard maintains substantially the lessor accounting approach under the existing framework.

38. PRONOUNCEMENTS ISSUED BUT NOT YET EFFECTIVE (continued)

(c) New SFRS(I) that may have impact (continued)

- SFRS(I) 16 *Leases* (continued)

  The standard will affect primarily the accounting for the Group's operating leases as a lessee. As at the reporting date, the Group has non-cancellable operating lease commitments of S$117.9 million (Note 34(b)). Upon adoption of SFRS(I) 16, all non-cancellable lease obligations other than those which fall within the above exemptions, will be recognised as liabilities concurrently with the recognition of right of use of assets.

39. RESTATEMENTS AND COMPARATIVES

(a) Consolidated income statement

The following adjustments have been made to the prior year's consolidated income statement and related notes to the financial statements:

(i) Revenue from merchant of record service is presented on a net basis; and

(ii) Labour costs from contract hires are reclassified from "Labour and related expenses" to "Volume – related expenses".

	Previously reported 2017 S$'000	After restatement 2017 S$'000
Revenue	1,348,502	1,347,764
Labour and related expenses	(345,099)	(328,559)
Volume-related expenses	(688,653)	(704,455)

NOTES TO THE
FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

39. RESTATEMENTS AND COMPARATIVES (continued)

(b) Consolidated statement of cash flows

Certain adjustments have been made to the prior year's consolidated statement of cash flows to enhance comparability with the current year's consolidated statement of cash flows to reclass associated cash flows from changes in ownership interests in subsidiaries that do not result in a loss of control from investing activities to financing activities.

	Previously reported 2017 S$'000	After restatement 2017 S$'000
Consolidated Statement of Cash Flows		
Investing activities		
Acquisition of non-controlling interests	(2,375)	–
Proceeds from partial divestment of interest in a subsidiary	85,643	–
Net cash used in investing activities	(89,599)	(172,867)
Financing activities		
Acquisition of non-controlling interests	–	(2,375)
Proceeds from partial divestment of interest in a subsidiary	–	85,643
Net cash provided by financing activities	129,507	212,775

(c) Trade and other payables

In addition, comparative figures for certain line items of trade and other payables for the Group (Note 24) have been adjusted to conform to the current year's presentation following the separate disclosure of post-employment benefits (Note 32).

	Previously reported 2017 S$'000	After restatement 2017 S$'000
Trade and Other Payables		
Current		
Accrual for other operating expenses	105,681	104,193
Provision for reinstatement costs	–	1,488
	105,681	105,681
Non-current		
Accrual for other operating expenses	1,805	1,225
Provision for reinstatement costs	16,720	15,232
Post-employment benefits	–	2,068
	18,525	18,525

As the amounts are reclassifications within current and non-current trade and other payables, this reclassification did not have any effect on the statement of financial position. Accordingly, a third statement of financial position is not presented.

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FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

40. LISTING OF COMPANIES IN THE GROUP

Name	Principal activities	Country of incorporation	Percentage of effective equity held by the Group		by the NCI	
			2018 **%**	2017 %	**2018** **%**	2017 %
SUBSIDIARIES						
Held by the Company						
SingPost eCommerce II Pte Ltd.	Online sale of luxury products	Singapore	**100**	100	**–**	–
SingPost eCommerce Pte. Ltd.	eCommerce specialising in the provision of online sale of products	Singapore	**100**	100	**–**	–
SingPost Logistics Holdings Pte Ltd	Investment holding	Singapore	**100**	100	**–**	–
Singapore Post Enterprise Private Limited	Investment holding	Singapore	**100**	100	**–**	–
SingPost Investments Pte Ltd	Investment holding	Singapore	**100**	100	**–**	–
SingPost Logistics Investments Pte. Ltd.	Investment holding	Singapore	**100**	100	**–**	–
Held by subsidiaries						
SP Jagged Peak LLC [1]	Investment holding	United States	**100**	100	**–**	–
Jagged Peak, Inc [1]	eCommerce logistics enabler for high-velocity consumer products	United States	**100**	100	**–**	–
Jagged Peak Canada, Inc [1]	eCommerce logistics enabler for high-velocity consumer products	Canada	**100**	100	**–**	–
Jagged Peak UK Limited [1]	End-to-end eCommerce Solutions including software and fulfillment services	United Kingdom	**100**	–	**–**	–
SingPost Distribution Pte. Ltd.	Provision of business mail solutions and distribution of mail	Singapore	**100**	100	**–**	–

NOTES TO THE

FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

40. LISTING OF COMPANIES IN THE GROUP (continued)

Name	Principal activities	Country of incorporation	Percentage of effective equity held by the Group		by the NCI	
			2018 %	2017 %	**2018** %	2017 %
SUBSIDIARIES (continued)						
Held by subsidiaries (continued)						
SP Commerce Holdings, Inc [1]	Investment holding	United States	**100**	100	**–**	–
SP Commerce, Inc [1]	Provision of global sale & marketing services	United States	**100**	100	**–**	–
TG Acquisition Corporation [1]	Investment holding	United States	**97.3**	97.3	**2.7**	2.7
TradeGlobal Holdings, Inc [1]	eCommerce enablement provider	United States	**97.3**	97.3	**2.7**	2.7
TradeGlobal North America Holding, Inc. [1]	eCommerce enablement provider	United States	**97.3**	97.3	**2.7**	2.7
TradeGlobal LLC [1]	eCommerce enablement provider	United States	**97.3**	97.3	**2.7**	2.7
TradeGlobal Asia Holdings Limited [1]	eCommerce enablement provider	Hong Kong	**97.3**	97.3	**2.7**	2.7
Trade Global Europe GmbH [1]	eCommerce enablement provider	Germany	**97.3**	97.3	**2.7**	2.7
Netrada Trade and Consulting (Shanghai) Co Ltd [1]	eCommerce enablement provider	China	**97.3**	97.3	**2.7**	2.7
SingPost Logistics Enterprise Pte Ltd	Investment holding	Singapore	**100**	100	**–**	–
SingPost Logistics Australia Holdings Pty Ltd	Investment holding	Australia	**100**	100	**–**	–
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

NOTES TO THE

FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

40. LISTING OF COMPANIES IN THE GROUP (continued)

Name	Principal activities	Country of incorporation	Percentage of effective equity held by the Group		by the NCI	
			2018 %	2017 %	**2018 %**	2017 %
SUBSIDIARIES (continued)						
Held by subsidiaries (continued)						
Quantium Mail Logistics Solutions (India) Private Limited	Provision of delivery services and eCommerce logistics solutions	India	**66**	66	**34**	34
Quantium Express Solutions (India) Private Limited	Provision of delivery services and eCommerce logistics solutions	India	**66**	66	**34**	34
Quantium Solutions (Australia) Pty Limited	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 Solutions (Japan) Inc.	Provision of delivery services and eCommerce logistics solutions	Japan	**66**	66	**34**	34
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 (Philippines) Inc +	Provision of delivery services and eCommerce logistics solutions	Philippines	**26.4**	26.4	**73.6**	73.6

NOTES TO THE

FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

40. LISTING OF COMPANIES IN THE GROUP (continued)

Name	Principal activities	Country of incorporation	Percentage of effective equity held by the Group		by the NCI	
			2018 %	2017 %	**2018 %**	2017 %
SUBSIDIARIES (continued)						
Held by subsidiaries (continued)						
Quantium Solutions (Taiwan) Co., Ltd	Provision of delivery services and eCommerce logistics solutions	Taiwan	**66**	66	**34**	34
Quantium Solutions (Thailand) Co., Ltd.	Provision of delivery services and eCommerce logistics solutions	Thailand	**66**	66	**34**	34
PT Quantium Solutions Logistics Indonesia +	Provision of delivery services and eCommerce logistics solutions	Indonesia	**44.22**	32.34	**55.78**	67.66
Couriers Please Holdings Pty Limited	Provision of delivery services and eCommerce logistics solutions	Australia	**100**	100	**–**	–
Couriers Please Australia Pty Limited	Provision of delivery services and eCommerce logistics solutions	Australia	**100**	100	**–**	–
Couriers Please Pty Limited	Provision of delivery services and eCommerce logistics solutions	Australia	**100**	100	**–**	–
SingPost Storage Company Ltd	Investment holding	Mauritius	**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	**–**	–

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

40. LISTING OF COMPANIES IN THE GROUP (continued)

Name	Principal activities	Country of incorporation	Percentage of effective equity held by the Group		by the NCI	
			2018	2017	**2018**	2017
			%	%	**%**	%
SUBSIDIARIES (continued)						
Held by subsidiaries (continued)						
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	**–**	–
General Storage Company Pte Ltd	Investment holding & provision of management services	Singapore	**100**	100	**–**	–
Lock + Store (Chai Chee) Pte Ltd	Self storage solutions and warehousing	Singapore	**100**	100	**–**	–
Lock + Store (Tanjong Pagar) Pte Ltd	Self storage solutions	Singapore	**100**	100	**–**	–
Lock + Store (Ayer Rajah) Pte Ltd	Self storage solutions	Singapore	**100**	100	**–**	–
The Store House Limited	Self storage solutions	Hong Kong	**100**	100	**–**	–
The Store House Operating Company Limited	Self storage management services	Hong Kong	**100**	75	**–**	25
Lock and Store (Glenmarie) Sdn. Bhd.	Self storage solutions and warehousing	Malaysia	**100**	100	**–**	–
L+S Self Storage Pte Ltd	Self storage solutions	Singapore	**100**	100	**–**	–
SP Parcels Pte Ltd	Courier activities other than national post activities	Singapore	**100**	100	**–**	–
Famous Holdings Pte Ltd	Investment holding and provision of management services	Singapore	**100**	100	**–**	–

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FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

40. LISTING OF COMPANIES IN THE GROUP (continued)

Name	Principal activities	Country of incorporation	Percentage of effective equity held by the Group 2018 %	by the Group 2017 %	by the NCI 2018 %	by the NCI 2017 %
SUBSIDIARIES (continued)						
Held by subsidiaries (continued)						
Famous Air & Sea Services Pte Ltd	Freight forwarding	Singapore	**100**	100	**–**	–
FPS Global Logistics Pte Ltd	Freight forwarding	Singapore	**100**	100	**–**	–
FPS Famous Pacific Shipping Sdn Bhd	Freight forwarding	Malaysia	**100**	100	**–**	–
Famous Pacific Shipping (WA) Pty Ltd	Freight collections transhipments	Australia	**100**	100	**–**	–
F.S. Mackenzie Limited	Freight forwarding	United Kingdom	**100**	100	**–**	–
Famous Pacific Shipping (NZ) Limited	Freight forwarding	New Zealand	**100**	90	**–**	10
Mercury Worldwide (NZ) Limited (1)	Freight forwarding	New Zealand	**100**	90	**–**	10
Eazyshipping (NZ) Limited (1)	Freight forwarding	New Zealand	**50**	45	**50**	55
FPS Logistics (USA) Inc. (1)	Logistics management and services	United States	**100**	100	**–**	–
Sino Famous Intertrans Co Ltd	Freight forwarding	China	**100**	100	**–**	–
Famous Container Lines Co Ltd	Freight forwarding	China	**100**	100	**–**	–
Shinyei Shipping Co Ltd	Freight forwarding	Japan	**89**	89	**11**	11
Tras – Inter Co. Ltd (1)	Customs brokerage and freight forwarding	Japan	**89**	89	**11**	11
Rotterdam Harbour Holding B.V. (2)	Investment holdings	Netherlands	**80**	80	**20**	20
FPS Famous Pacific Shipping B.V. (1)	Logistics services	Netherlands	**80**	80	**20**	20
Trans Ocean Pacific Forwarding B.V. (1)	Logistics services	Netherlands	**80**	80	**20**	20

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

40. LISTING OF COMPANIES IN THE GROUP (continued)

Name	Principal activities	Country of incorporation	Percentage of effective equity held by the Group		by the NCI	
			2018 %	2017 %	**2018 %**	2017 %
SUBSIDIARIES (continued)						
Held by subsidiaries (continued)						
EWC East Way Commodities B.V. (1)	Trading company and purchase organisation for oceanfreight services	Netherlands	**80**	80	**20**	20
FPS Famous Pacific Shipping Germany GmbH (1)	Sales company for logistics services	Germany	**80**	80	**20**	20
FPS Famous Pacific Shipping s.r.o. (1) +	Logistics services	Netherlands	**–**	40.8	**–**	59.2
SP eCommerce (Thailand) Co Ltd (1)	eCommerce specialising in the provision of online shopping platforms and services	Thailand	**100**	100	**–**	–
SP eCommerce (Korea) Co Ltd (1)	eCommerce specialising in the provision of online shopping platforms and services	Korea	**100**	100	**–**	–
SP eCommerce (Malaysia) Sdn. Bhd	eCommerce specialising in the provision of online shopping platforms and services	Malaysia	**100**	100	**–**	–

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FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

40. LISTING OF COMPANIES IN THE GROUP (continued)

Name	Principal activities	Country of incorporation	Percentage of effective equity held by the Group	
			2018	2017
			%	%
ASSOCIATED COMPANIES				
Held by the Company				
GD Express Carrier Berhad *	Provision of express delivery and customised logistics services	Malaysia	**11.22**	11.22
Held by subsidiaries				
Postea, Inc. (1)	Provision of technology and support in postal, courier and other distribution markets	United States	**27**	27
Indo Trans Logistics Corporation (4)	Provision of integrated logistics, freight and transport management and aviation services	Vietnam	**30**	30
Dash Logistics Company Ltd (3) *	Provision of integrated logistics, freight and transport management and aviation services	Vietnam	**51**	51
Shenzhen 4PX Information and Technology Co Ltd.	Provision of international express delivery services, international freight forwarding, import and export of goods and technology	China	**20.14**	20.14
Efficient E-Solutions Berhad (5)	Provision of data print, record management, data and document processing	Malaysia	**20.81**	20.81
Hubbed Holdings Pty Ltd (6)	eCommerce and logistics retail network	Australia	**30**	30
Morning Express & Logistics Holding Ltd (7)	Provision of courier services and provision of management services to its related company	Hong Kong	**33**	33
E Link Station Ltd (7)	Provision of redemption services	Hong Kong	**50**	50

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40. LISTING OF COMPANIES IN THE GROUP (continued)

Name	Principal activities	Country of incorporation	Percentage of effective equity held by the Group	
			2018 **%**	2017 %
JOINT VENTURE				
Held by subsidiary				
PT Trio Specommerce Indonesia [1]	Dormant	Indonesia	**33**	33

Notes
All companies as at 31 March 2018 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 2018
(2) Audited by Crowe Horwath Peak, The Netherlands
(3) Audited by local statutory auditors in the countries of incorporation
(4) Audited by KPMG Limited, Vietnam
(5) Audited by PKF International, Malaysia
(6) Audited by Assura Group
(7) Audited by HKCMCPA Company Limited
\+ 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 associated company of the Company as the Company can exercise significant influence over its financial and operating policies and voting rights.