DIRECTORS' STATEMENT AND FINANCIAL STATEMENTS

CONTENTS

DIRECTORS' STATEMENT

For the financial year ended 31 March 2022

The directors present their statement to the members together with the audited consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company for the financial year ended 31 March 2022.

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 112 to 231 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 2022, and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year ended on that date; and

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

DIRECTORS

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

Mr Simon Claude Israel (Chairman)
Mr Phang Heng Wee, Vincent (Group Chief Executive Officer) (Appointed on 1 September 2021)
Mr Bob Tan Beng Hai
Mr Chen Jun
Ms Elizabeth Kong Sau Wai
Mrs Fang Ai Lian
Mr Steven Robert Leonard
Ms Lim Cheng Cheng
Ms Chu Swee Yeok

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

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, other than as disclosed under "Share Options" and "Restricted Share Plan" on pages 101 to 104 of this statement.

DIRECTORS' STATEMENT

For the financial year ended 31 March 2022

DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

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

	Holdings registered in name of director or nominee		Holdings in which director is deemed to have an interest	
	At 31.3.2022	At 1.4.2021	**At 31.3.2022**	At 1.4.2021
Company				
Singapore Post Limited				
(4.25% Senior Perpetual Cumulative securities)				
Mrs Fang Ai Lian	**–**	250,000	**–**	–

(b) According to the register of directors' shareholdings kept by the Company under Section 164 of the Singapore Companies Act 1967, certain directors holding office at the end of the financial year had interests in the options to subscribe for ordinary shares of the Company granted pursuant to the Singapore Post Share Option Scheme and unvested restricted shares of the Company granted pursuant to Singapore Post Restricted Share Plan 2013 as set out below and under "Share Options" and "Restricted Share Plan" on pages 101 to 104 of this statement.

	Number of unvested restricted shares held by director	
	At 31.3.2022	At 1.4.2021 or date of appointment, if later,
Unvested performance share awards		
Phang Heng Wee, Vincent	**669,264**	400,117
Unvested restricted shares awards		
Phang Heng Wee, Vincent	**371,763**	237,116

(c) The directors' interests in the shares and convertible securities of the Company as at 21 April 2022 were the same as those as at 31 March 2022.

DIRECTORS' STATEMENT

For the financial year ended 31 March 2022

SHARE OPTIONS

The Singapore Post Share Option Scheme was adopted on 21 March 2003, and a new scheme, known as Singapore Post Share Option Scheme 2012 was adopted on 29 June 2012; collectively known as the "Scheme". The Scheme is administered by the Compensation Committee comprising Mr Bob Tan Beng Hai (Chairman), Mr Simon Claude Israel and Mrs Fang Ai Lian during the financial year ended 31 March 2022.

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

The principal terms of the Scheme are as follows:

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

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

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

- 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

DIRECTORS' STATEMENT

For the financial year ended 31 March 2022

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 2021, a total of 178,687,936 share options have been granted. Detail of the options are set out in the Directors' Statement for the respective financial years.

During the financial year ended 31 March 2022, 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 1.4.21 ('000)	Granted during financial year ('000)	Options exercised ('000)	Options forfeited ('000)	Balance At 31.3.22 ('000)
Options Granted Under Singapore Post Share Options Scheme							
For employees (including executive directors)							
26.07.11	27.07.12 to 26.07.21	S$1.100	400	–	–	400	–
11.05.12	19.05.14 to 11.05.22	S$1.030	482	–	–	–	482
10.08.12	11.08.13 to 10.08.22	S$1.070	827	–	–	138	689
17.01.14	18.01.17 to 17.01.24	S$1.350	1,683	–	–	460	1,223
07.03.14	08.03.17 to 07.03.24	S$1.330	375	–	–	–	375
20.05.14	21.05.15 to 20.05.24	S$1.450	2,598	–	–	1,989	609
07.08.14	08.08.15 to 07.08.24	S$1.760	259	–	–	197	62
19.05.15	20.05.16 to 19.05.25	S$1.890	3,527	–	–	1,652	1,875
20.05.16	21.05.17 to 20.05.26	S$1.570	1,965	–	–	473	1,492
Total Share Options			12,116	–	–	5,309	6,807

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

DIRECTORS' STATEMENT

For the financial year ended 31 March 2022

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

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

Vesting Period	Vesting Date	Percentage of Shares that will be 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 2021, a total of 5,839,118 restricted shares were granted.

During the financial year ended 31 March 2022, no restricted shares were granted under the Plan. There are no outstanding unvested restricted shares as at the start of the financial year.

Enhanced Plan

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

a) Performance Share Award; and
b) Restricted Share Award.

DIRECTORS' STATEMENT

For the financial year ended 31 March 2022

RESTRICTED SHARE PLAN (continued)

Enhanced Plan (continued)

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

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

Performance Share Awards

Since the adoption of the Enhanced Plan to 31 March 2021, a total of 5,751,141 shares have been granted.

During the financial year ended 31 March 2022, 269,147 shares were granted. Details of the grants are as follows:

Date of Grant	Balance As At 1.4.21 ('000)	Share Awards Granted ('000)	Share Awards Vested ('000)	Share Awards Cancelled ('000)	Balance As At 31.3.22 ('000)
18.01.18	359	–	–	359	–
31.05.18	2,278	–	–	2,278	–
31.05.19	1,292	–	–	701	591
01.06.20	1,571	–	–	1,116	455
20.01.22	–	269	–	–	269
Total	**5,500**	**269**	**–**	**4,454**	**1,315**

Restricted Share Awards

Since the adoption of the Enhanced Plan to 31 March 2021, a total of 9,903,706 restricted shares have been granted.

During the financial year ended 31 March 2022, 1,140,317 shares were granted. Details of the grants are as follows:

Date of Grant	Balance As At 1.4.21 ('000)	Share Awards Granted ('000)	Share Awards Vested ('000)	Share Awards Cancelled ('000)	Balance As At 31.3.22 ('000)
18.01.18	798	–	–	798	–
31.05.18	969	–	–	969	–
31.05.19	2,369	–	–	1,226	1,143
01.06.20	3,955	–	–	2,011	1,944
20.01.22	–	1,140	–	–	1,140
Total	**8,091**	**1,140**	**–**	**5,004**	**4,227**

DIRECTORS' STATEMENT

For the financial year ended 31 March 2022

AUDIT COMMITTEE

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

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

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

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

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

The Audit Committee has also reviewed the statement of financial position and statement of changes in equity of the Company and the consolidated financial statements of the Group for the financial year ended 31 March 2022 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 Phang Heng Wee, Vincent
Director

Singapore

1 June 2022

INDEPENDENT AUDITOR'S REPORT

To the Members of Singapore Post Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Singapore Post Limited (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 March 2022, 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 112 to 231.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Act"), Singapore Financial Reporting Standards (International) ("SFRS(I)s") and International Financial Reporting Standards ("IFRSs") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 March 2022, and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and of the changes in equity of the Company for the year ended on that date.

Basis for Opinion

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

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

INDEPENDENT AUDITOR'S REPORT

To the Members of Singapore Post Limited

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements for the financial year ended 31 March 2022. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	Our audit performed and responses thereon
Assessment of impairment of goodwill and other intangible assets *Refer to Notes 3(a) and 26 to the financial statements.* As at 31 March 2022, the goodwill and other intangible assets amounted to S$430.1 million and S$99.3 million respectively. There is no impairment in the current year. Besides goodwill and other intangible assets arising from Freight Management Holdings Pty Ltd which is discussed in key audit matter- 'Acquisition of controlling interest in Freight Management Holdings Pty Ltd', management has determined the recoverable amounts of respective cash-generating units ("CGUs") based on value-in-use calculations. Management's assessment of the recoverable amounts of the CGUs involves significant judgement about the future cash flow projections of the business and the appropriate terminal growth rates and discount rates applied to these future cash flow projections. In arriving at the recoverable amounts, management has considered strategies and plans that have been approved by the Board and are in the process of being implemented. The geopolitical tensions coupled with ongoing and evolving COVID-19 pandemic around the world impact macroeconomic conditions globally. There remains significant uncertainty as to the duration and future impact on those economies which the Group operates in. Management has considered the performance of the different CGUs during the current financial year to develop the future cash flow projections. Overall, management has assessed that there is no impairment of goodwill and other intangible assets as the recoverable amount is higher than the carrying value as at 31 March 2022.	Our audit procedures focused on evaluating the key assumptions used by management in performing the impairment review. These procedures included: • evaluating the appropriateness of allocation of goodwill and other intangible assets to the different CGUs; • challenging management's future cash flow projections through comparison with recent performance, historical trend analyses, expectations of future development of the business and market conditions and publicly available industry and economic data; • involving our specialists to evaluate the appropriateness of management's assumptions, which include terminal growth rates and discount rates, by developing an independent expectation using economic and industry forecasts and rates of comparable companies with consideration for specific jurisdiction factors; • comparing current year's actual results against prior year's forecasts to assess whether assumptions made in prior year on hindsight had been reasonable; and • performing sensitivity analysis over the recoverable amounts of the Group's CGUs, based on reasonably possible changes in the key assumptions as set out above. Based on the procedures performed, we noted management's key estimates and assumptions used in the impairment assessment of goodwill and other intangible assets to be within a reasonable range of our expectations. We have evaluated the adequacy of the Group's disclosures made in relation to goodwill and other intangible assets and found them to be adequate.

INDEPENDENT AUDITOR'S REPORT

To the Members of Singapore Post Limited

Key Audit Matter	Our audit performed and responses thereon
Acquisition of controlling interest in Freight Management Holdings Pty Ltd *Refer to Notes 3(b), 9, 26, 27 and 40 to the financial statements.* On 30 November 2021 ("date of acquisition"), the Group acquired an additional 23% shareholding by completing its Tranche 2 acquisition of 10% and exercising its call option for an additional 13% interest in Freight Management Holdings Pty Ltd ("FMH"). Consequently, the Group's shareholding in FMH increased to 51% and it obtained a controlling interest over its previously 28% held associated company before the acquisition. At the date of acquisition, the Group performed a purchase price allocation ("PPA") exercise, where the purchase consideration (including contingent consideration) and the fair value of the 28% shareholding amounting to S$115.7 million and S$93.9 million respectively were allocated to the fair values of the identifiable assets (including trademarked brands, customer relationships and software license) acquired and liabilities assumed, resulting in the recognition of goodwill of S$181.8 million for FMH CGU. Gain on deemed disposal of the previously 28% held associated company amounting to S$32.4 million was recognised. The Group has granted put options to the remaining 49% non-controlling interests which are exercisable from 30 June 2022 to 30 December 2026, subject to the terms of the shareholders agreement. Significant management judgment is required in estimating the underlying assumptions to be applied in determining the fair values of the identifiable assets acquired and liabilities assumed, including the valuation of intangible assets, the fair value of the previously held interest, and assessment of the gross liability of the put options at acquisition date and end of the reporting period. Management has engaged an external valuation specialist to (i) assess the fair value of the previously held 28% interest; (ii) perform the valuation of certain intangible assets of FMH for the purpose of PPA exercise; and (iii) assess the gross liability of the put options as at 30 November 2021 and subsequent measurement as at 31 March 2022. An impairment assessment was performed on the goodwill and trademarked brands with indefinite life amounting to S$189.4 million and S$13.2 million respectively as at 31 March 2022. Management has determined the recoverable amount of FMH CGU based on value-in-use calculation and concluded that there is no impairment.	Our audit procedures focused on evaluating the key assumptions and methodologies used by management in performing the PPA, including the fair value of the previously held 28% shareholding and assessment of the gross liability for the put options, and impairment assessment of the goodwill and trademarked brands with indefinite life arising from the acquisition. These procedures included: • We obtained and read the relevant agreements and identified critical terms with accounting impact, including validating the purchase consideration and determining the acquisition date to be 30 November 2021. • We engaged our internal valuation specialists in assessing the methodology applied in the PPA exercise and the appropriateness of the key assumptions used in determining the valuation of intangible assets, including trademarked brands, customer relationships and software license. • With the involvement of our internal valuation specialists, we also assessed the appropriateness of the methodologies and key assumptions applied in determining the fair value of the previously held 28% shareholding and measurement of the gross liability for the put options. • In respect of the impairment assessment of goodwill and trademarked brands, we have considered the equity value used in the measurement model for the gross liability for the put options as a proxy for the recoverable amount of FMH CGU. • In respect of the external valuation specialist engaged by the Group, we found that they possessed the requisite competency and experience to assist management in performing the required valuations for FMH. We further read the engagement terms to determine whether there were any matters that might have affected their independence and objectivity or imposed a limitation on the scope of their work. Based on the procedures performed, we found management's basis of estimating (i) the fair values of certain intangible assets of FMH, (ii) the fair value of the previously held 28% interest and (iii) measurement of the put options to be within a reasonable range of our expectations. We also assessed the appropriateness of the disclosures in the financial statements in respect of this matter and found them to be adequate.

INDEPENDENT AUDITOR'S REPORT

To the Members of Singapore Post Limited

Key Audit Matter	Our audit performed and responses thereon
Valuation of investment properties *Refer to Notes 3(c) and 23 to the financial statements.* As at 31 March 2022, the Group's investment properties amounted to S$956.6 million, representing 35.7% of the Group's total assets. These investment properties are stated at their fair values based on independent external valuations. The net fair value gain on investment properties recognised during the year amounted to S$1.3 million. The valuation of these investment properties (primarily Singapore Post Centre) located in Singapore is inherently subjective as it involves judgement in determining the appropriate valuation methodologies to be used, the underlying assumptions to be applied and consideration of terms and conditions and restrictions in the property agreements. The assumptions on which the property values are based, are influenced by the tenure and tenancy details for each property, prevailing market yields, comparable market transactions and market conditions during the year.	We obtained an understanding of the Group's process for selection of the external valuer. We evaluated the qualifications and competence of the external valuer and read the engagement terms to determine whether there were any matters that might have affected their independence and objectivity or imposed a limitation on the scope of their work. We held discussions with the valuer to understand the basis of valuation techniques, assumptions applied and the impact of COVID-19 on the properties' valuations. With the involvement of our internal valuation specialists, we evaluated the appropriateness of the valuation techniques used by the external valuer for the key investment properties. We benchmarked and challenged the key assumptions used in their valuation by reference to externally published industry data, where available, and we also considered whether these assumptions are consistent with the current market environment. Based on the procedures performed, the valuation methodologies used are in line with generally accepted market practices and the estimates and assumptions used are within a reasonable range of our expectations. We also considered the adequacy of the disclosures in the financial statements regarding the key assumptions used in the valuation and the relationships between the key unobservable inputs and fair values and found them to be adequate.

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

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

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

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

INDEPENDENT AUDITOR'S REPORT

To the Members of Singapore Post Limited

Responsibilities of Management and Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

INDEPENDENT AUDITOR'S REPORT

To the Members of Singapore Post Limited

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

The engagement partner on the audit resulting in this independent auditor's report is Mr. Shariq Barmaky.

Deloitte & Touche LLP

Public Accountants and
Chartered Accountants

Singapore

1 June 2022

CONSOLIDATED INCOME STATEMENT

For the financial year ended 31 March 2022

	Note	Group **2022** **S$'000**	Group 2021 S$'000
Revenue	4	**1,665,579**	1,404,681
Labour and related expenses	5	**(309,916)**	(304,215)
Volume-related expenses	6	**(1,051,023)**	(842,225)
Administrative and other expenses	7	**(115,267)**	(108,677)
Depreciation and amortisation	8	**(74,424)**	(68,725)
Selling-related expenses		**(7,363)**	(9,389)
Impairment loss on trade and other receivables		**(2,211)**	(1,856)
Operating expenses		**(1,560,204)**	(1,335,087)
Other income		**6,699**	9,738
Operating profit		**112,074**	79,332
Share of profit of associated companies and joint venture	21	**4,847**	989
Exceptional items	9	**1,858**	(12,491)
Earnings before interest and tax		**118,779**	67,830
Interest income and investment income (net)	10	**3,366**	3,470
Finance expenses	11	**(14,779)**	(11,031)
Profit before income tax		**107,366**	60,269
Income tax expense	12	**(19,623)**	(13,259)
Profit after tax		**87,743**	47,010
Profit attributable to:			
Equity holders of the Company		**83,112**	47,620
Non-controlling interests		**4,631**	(610)
		87,743	47,010
Earnings per share attributable to ordinary shareholders of the Company			
– Basic and diluted	13	**3.09 cents**	1.46 cents

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 March 2022

	Group	
	2022	2021
	S$'000	S$'000
Profit after tax	**87,743**	47,010
Other comprehensive income (net of tax):		
Items that may be reclassified subsequently to profit or loss:		
Currency translation differences:		
– (Loss) / gain on translation of foreign operations	**(2,131)**	16,706
– Disposal / liquidation of foreign subsidiaries	**(246)**	–
– Transfer to profit or loss arising from change in ownership interest from an associated company to a subsidiary	**(63)**	–
Items that will not be reclassified subsequently to profit or loss:		
Equity investments at fair value through other comprehensive income		
– Fair value (loss) / gain	**(10,992)**	20,367
Revaluation gain on property, plant and equipment upon transfer to investment properties	**6,412**	672
Other comprehensive (loss) / income for the year (net of tax)	**(7,020)**	37,745
Total comprehensive income for the year	**80,723**	84,755
Total comprehensive income attributable to:		
Equity holders of the Company	**76,845**	78,728
Non-controlling interests	**3,878**	6,027
	80,723	84,755

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

STATEMENTS OF FINANCIAL POSITION

As at 31 March 2022

	Note	Group		Company	
		2022	2021	**2022**	2021
		S$'000	S$'000	**S$'000**	S$'000
ASSETS					
Current assets					
Cash and cash equivalents	14	**280,438**	501,212	**200,598**	418,831
Financial assets	15	**8,006**	6,505	**8,006**	6,505
Trade and other receivables	16	**234,060**	166,411	**101,776**	124,048
Derivative financial instruments	17	**391**	40	**391**	40
Inventories		**523**	558	**16**	83
Other current assets	18	**35,335**	18,669	**8,909**	7,338
		558,753	693,395	**319,696**	556,845
Assets classified as held for sale	19	**5,499**	–	**–**	–
		564,252	693,395	**319,696**	556,845
Non-current assets					
Financial assets	15	**90,631**	111,124	**–**	12,581
Trade and other receivables	20	**4,945**	8,626	**212,920**	245,919
Investments in associated companies and joint venture	21	**34,072**	97,469	**21,891**	21,891
Investments in subsidiaries	22	**–**	–	**361,313**	322,397
Investment properties	23	**956,610**	1,010,804	**945,274**	956,362
Property, plant and equipment	24	**412,454**	405,448	**245,818**	251,953
Right-of-use assets	25	**71,266**	70,163	**19,647**	21,816
Intangible assets	26	**529,441**	314,532	**–**	–
Deferred income tax assets	30	**8,657**	4,248	**–**	–
Other non-current assets	18	**7,076**	5,958	**–**	–
		2,115,152	2,028,372	**1,806,863**	1,832,919
Total assets		**2,679,404**	2,721,767	**2,126,559**	2,389,764
LIABILITIES					
Current liabilities					
Trade and other payables	27	**667,500**	506,011	**392,352**	447,532
Current income tax liabilities		**24,542**	19,752	**13,161**	9,380
Contract liabilities	29	**29,397**	34,759	**23,597**	22,342
Lease liabilities	28	**29,833**	23,656	**8,288**	12,911
Derivative financial instruments	17	**552**	1,173	**552**	1,173
Borrowings	28	**77,527**	9,466	**50,000**	–
		829,351	594,817	**487,950**	493,338
Liabilities directly associated with assets classified as held for sale	19	**2,082**	–	**–**	–
		831,433	594,817	**487,950**	493,338
Non-current liabilities					
Trade and other payables	27	**148,567**	22,308	**354,948**	254,715
Borrowings	28	**439,481**	312,846	**–**	–
Contract liabilities	29	**15,394**	23,319	**15,394**	23,319
Lease liabilities	28	**53,612**	60,189	**12,115**	9,649
Deferred income tax liabilities	30	**48,816**	36,865	**22,478**	21,971
		705,870	455,527	**404,935**	309,654
Total liabilities		**1,537,303**	1,050,344	**892,885**	802,992
NET ASSETS		**1,142,101**	1,671,423	**1,233,674**	1,586,772
EQUITY					
Capital and reserves attributable to the Company's equity holders					
Share capital	31	**638,762**	638,762	**638,762**	638,762
Treasury shares	31	**(29,724)**	(29,724)	**(29,724)**	(29,724)
Other reserves	32	**81,841**	103,005	**37,308**	46,836
Retained earnings		**616,527**	564,708	**587,328**	584,072
Ordinary equity		**1,307,406**	1,276,751	**1,233,674**	1,239,946
Perpetual securities	33	**–**	346,826	**–**	346,826
		1,307,406	1,623,577	**1,233,674**	1,586,772
Non-controlling interests	22	**(165,305)**	47,846	**–**	–
Total equity		**1,142,101**	1,671,423	**1,233,674**	1,586,772

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

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 March 2022

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

Notes

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

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

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

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 March 2022

Group	Note	Attributable to ordinary shareholders of the Company Share capital S$'000	Treasury shares S$'000	Retained earnings S$'000	Other reserves S$'000	Total S$'000	Perpetual securities S$'000	Total S$'000	Non-controlling interests S$'000	Total equity S$'000
Balance at 1 April 2020		638,762	(29,724)	570,206	73,310	1,252,554	346,826	1,599,380	42,938	1,642,318
Total comprehensive income for the year		–	–	47,620	31,108	78,728	–	78,728	6,027	84,755
Transactions with owners, recognised directly in equity										
Acquisition of non-controlling interests		–	–	–	(1,867)	(1,867)	–	(1,867)	(429)	(2,296)
Adjustment to other reserves		–	–	–	(2,498)	(2,498)	–	(2,498)	–	(2,498)
Distribution of perpetual securities	33	–	–	(14,875)	–	(14,875)	14,875	–	–	–
Distribution paid on perpetual securities	33	–	–	–	–	–	(14,875)	(14,875)	–	(14,875)
Dividends paid to shareholders	34	–	–	(38,243)	–	(38,243)	–	(38,243)	–	(38,243)
Dividends paid to non-controlling interests in a subsidiary		–	–	–	–	–	–	–	(690)	(690)
Employee share option scheme:										
– Value of employee services	32(b)(i)	–	–	–	2,952	2,952	–	2,952	–	2,952
Total		–	–	(53,118)	(1,413)	(54,531)	–	(54,531)	(1,119)	(55,650)
Balance at 31 March 2021		638,762	(29,724)	564,708	103,005	1,276,751	346,826	1,623,577	47,846	1,671,423

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 March 2022

Company	Note	Attributable to ordinary shareholders of the Company						
		Share capital S$'000	Treasury shares S$'000	Retained earnings S$'000	Other reserves S$'000	Total S$'000	Perpetual securities S$'000	Total S$'000
Balance at 1 April 2021		**638,762**	**(29,724)**	**584,072**	**46,836**	**1,239,946**	**346,826**	**1,586,772**
Total comprehensive income for the year		**–**	**–**	**40,566**	**491**	**41,057**	**–**	**41,057**
Transactions with owners, recognised directly in equity								
Redemption of perpetual securities	33	**–**	**–**	**(4,397)**	**–**	**(4,397)**	**(345,603)**	**(350,000)**
Distribution on perpetual securities	33	**–**	**–**	**(13,652)**	**–**	**(13,652)**	**13,652**	**–**
Distribution paid on perpetual securities	33	**–**	**–**	**–**	**–**	**–**	**(14,875)**	**(14,875)**
Dividends paid to shareholders	34	**–**	**–**	**(24,745)**	**–**	**(24,745)**	**–**	**(24,745)**
Employee share option scheme:								
– Value of employee services	32(b)(i)	**–**	**–**	**5,484**	**(10,019)**	**(4,535)**	**–**	**(4,535)**
Total		**–**	**–**	**(37,310)**	**(10,019)**	**(47,329)**	**(346,826)**	**(394,155)**
Balance at 31 March 2022		**638,762**	**(29,724)**	**587,328**	**37,308**	**1,233,674**	**–**	**1,233,674**
Balance at 1 April 2020		638,762	(29,724)	592,989	42,859	1,244,886	346,826	1,591,712
Total comprehensive income for the year		–	–	44,201	1,025	45,226	–	45,226
Transactions with owners, recognised directly in equity								
Distribution on perpetual securities	33	–	–	(14,875)	–	(14,875)	14,875	–
Distribution paid on perpetual securities	33	–	–	–	–	–	(14,875)	(14,875)
Dividends paid to shareholders	34	–	–	(38,243)	–	(38,243)	–	(38,243)
Employee share option scheme:								
– Value of employee services	32(b)(i)	–	–	–	2,952	2,952	–	2,952
Total		–	–	(53,118)	2,952	(50,166)	–	(50,166)
Balance at 31 March 2021		638,762	(29,724)	584,072	46,836	1,239,946	346,826	1,586,772

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 March 2022

	Group	
	2022	2021
	S$'000	S$'000
Cash flows from operating activities		
Profit after tax	**87,743**	47,010
Adjustments for:		
Income tax expense	**19,623**	13,259
Impairment loss on trade and other receivables	**2,211**	1,856
Amortisation of contract liabilities	**(7,754)**	(9,075)
Amortisation of intangible assets	**3,148**	456
Depreciation	**71,276**	68,269
Fair value loss on put option redemption liability	**1,945**	3,501
Gain on change of ownership interest from an associated company to a subsidiary	**(32,427)**	–
Fair value (gain) / loss on investment properties	**(1,279)**	6,670
Loss / (gain) on disposal of property, plant and equipment	**574**	(17)
Gain on disposal of warrants from an associated company	**–**	(3,356)
(Reversal of provision) / Provision for restructuring of overseas operations	**(101)**	480
Net loss on disposal / liquidation of subsidiaries	**6,317**	–
(Reversal of) / Share-based staff costs	**(4,535)**	2,952
Finance expenses	**14,779**	11,031
Interest income	**(1,760)**	(2,927)
Impairment of property, plant and equipment	**4,374**	1,209
Impairment of associated companies	**2,700**	115
Impairment of loans to associated companies	**1,644**	1,103
Impairment of disposal group classified as held for sale	**5,469**	–
Share of profit of associated companies and joint venture	**(4,847)**	(989)
	81,357	94,537
Operating cash flow before working capital changes	**169,100**	141,547
Changes in working capital, net of effects from acquisition and disposal of subsidiaries		
Inventories	**21**	(227)
Trade and other receivables	**(21,016)**	87,868
Trade and other payables	**(34,839)**	17,222
Contract liabilities	**297**	4,484
Cash generated from operations	**113,563**	250,894
Income tax paid	**(24,037)**	(35,461)
Net cash provided by operating activities	**89,526**	215,433

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 March 2022

	Group	
	2022	2021
	S$'000	S$'000
Cash flows from investing activities		
Acquisition of subsidiaries, net of cash acquired (Note 40)	**(111,484)**	–
Disposal / liquidation of subsidiaries, net of cash disposed (Note 41)	**71,814**	–
Additions to property, plant and equipment, investment properties and intangible assets	**(24,258)**	(21,861)
Dividends received from associated companies	**1,788**	430
Interest received	**1,881**	3,147
Investment in an associated company	**–**	(59,407)
Loan to an associated company	**–**	(108)
Proceeds from disposal of property, plant and equipment	**448**	399
Proceeds on sale / maturity of financial assets	**6,500**	9,500
Repayment of loans by an associated company	**8**	383
Net cash used in investing activities	**(53,303)**	(67,517)
Cash flows from financing activities		
Acquisition of non-controlling interests	**–**	(2,296)
Distribution paid to perpetual securities	**(14,875)**	(14,875)
Dividends paid to shareholders	**(24,745)**	(38,243)
Dividends paid to non-controlling interests in a subsidiary	**(2,309)**	(690)
Finance expenses paid	**(13,544)**	(9,105)
Repayment of principal portion of lease liabilities	**(31,841)**	(32,588)
Redemption of perpetual securities	**(350,000)**	–
Proceeds from bank loans and notes	**288,286**	409,869
Repayment of bank loans and notes	**(106,739)**	(451,773)
Net cash used in financing activities	**(255,767)**	(139,701)
Net (decrease) / increase in cash and cash equivalents	**(219,544)**	8,215
Cash and cash equivalents at beginning of financial year	**501,212**	492,997
Changes in cash and cash equivalents transferred to assets held for sale (Note 19)	**(1,230)**	–
Cash and cash equivalents at end of financial year	**280,438**	501,212

Significant non-cash transactions

2022

There were no significant non-cash transactions during the current financial year ended 31 March 2022.

2021

(a) Contingent consideration amounting to S$1,508,000 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.

(b) There was an additional investment in an associated company amounting to S$3,356,000 which was settled with proceeds from the disposal of warrants from the associated company amounting to S$3,356,000.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

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

1. GENERAL INFORMATION

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

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

These financial statements were authorised for issue on 1 June 2022 in accordance with a resolution of the Board of Directors of Singapore Post Limited.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of accounting

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

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

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

2.2 Adoption of new and revised standards

On 1 April 2021, the Group and the Company adopted all the new and revised SFRS(I) pronouncements that are relevant to its operations. Pronouncements issued, but not yet effective, as at 31 March 2022 have not been early adopted in the financial statements except for the amendment to SFRS(I) 16 which has been applied by the Group and Company in advance of its effective date. The adoption of these new and revised SFRS(I) pronouncements does not result in changes to the Group's and the Company's accounting policies and has no material effect on the amounts reported for the current or prior years.

Impact of the initial application of Interest Rate Benchmark Reform

In the prior year, the Group adopted the Phase 1 amendments *Interest Rate Benchmark Reform: Amendments to SFRS(I) 9, SFRS(I) 1-39 and SFRS(I) 7*. These amendments modify specific hedge accounting requirements to allow hedge accounting to continue for affected hedges during the period of uncertainty before the hedged items or hedging instruments are amended as a result of the interest rate benchmark reform.

In the current year, the Group adopted the Phase 2 amendments *Interest Rate Benchmark Reform: Amendments to SFRS(I) 9, SFRS(I) 1-39, SFRS(I) 7, SFRS(I) 4 and SFRS(I) 16*. Adopting these amendments enables the Group to reflect the effects of transitioning from interbank offered rates ('IBOR') to alternative benchmark interest rates (also referred to as 'risk free rates' or RFRs) without giving rise to accounting impacts that would not provide useful information to users of financial statements. The Group has not restated the prior period. Since the Group had no transactions for which the benchmark rate had been replaced with an alternative benchmark as at 31 March 2022, there is no impact on opening equity balances as a result of the retrospective application.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Adoption of new and revised standards (continued)

Impact of the initial application of Interest Rate Benchmark Reform *(continued)*

Details of the derivative and non-derivative financial instruments affected by the interest rate benchmark reform together with a summary of the actions taken by the Group to manage the risks relating to the reform and the accounting impact are included in Note 37(a)(ii).

The Group will continue to apply the Phase 1 amendments to SFRS(I) 9/SFRS(I) 1-39 until the uncertainty arising from the interest rate benchmark reform with respect to the timing and the amount of the underlying cash flows to which the Group is exposed ends. The Group expects this uncertainty will continue until the Group's contracts that reference IBORs are amended to specify the date on which the interest rate benchmark will be replaced and the basis for the cash flows of the alternative benchmark rate are determined including any fixed spread.

As a result of the Phase 2 amendments:

- when the contractual terms of the Group's bank borrowings are amended as a direct consequence of the interest rate benchmark reform and the new basis for determining the contractual cash flows is economically equivalent to the basis immediately preceding the change, the Group changes the basis for determining the contractual cash flows prospectively by revising the effective interest rate. If additional changes are made, which are not directly related to the reform, the applicable requirements of SFRS(I) 9 are applied to the other changes.

- when a lease is modified as a direct consequence of the interest rate benchmark reform and the new basis for determining the lease payments is economically equivalent to the previous basis, the Group remeasures the lease liability to reflect the revised lease payments discounted using a revised discount rate that reflects the change in the basis for determining the contractual cash flows; and

- when changes are made to the hedging instruments, hedged item and hedged risk as a result of the interest rate benchmark reform, the Group updates the hedge documentation without discontinuing the hedging relationship and, in the case of a cash flow hedge, the amount accumulated in the cash flow hedge reserve is deemed to be based on Singapore Overnight Rate Average ('SORA').

Impact of the initial application of COVID-19-Related Rent Concessions beyond 30 June 2021-Amendment to SFRS(I) 16

In the prior year, the Group early adopted COVID-19-Related Rent Concessions (Amendment to SFRS(I) 16) that provided practical relief to lessees in accounting for rent concessions occurring as a direct consequence of COVID-19, by introducing a practical expedient to SFRS(I) 16. This practical expedient was available to rent concessions for which any reduction in lease payments affected payments originally due on or before 30 June 2021.

In March 2021, ASC issued COVID-19-Related Rent Concessions beyond 30 June 2021 (Amendment to SFRS(I) 16) that extends the practical expedient to apply to reduction in lease payments originally due on or before 30 June 2022.

In the current financial year, the Group has applied the amendment to SFRS(I) 16 in advance of its effective date.

The practical expedient permits a lessee to elect not to assess whether a COVID-19-related rent concession is a lease modification. A lessee that makes this election shall account for any change in lease payments resulting from the COVID-19- related rent concession applying SFRS(I) 16 as if the change were not a lease modification.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Adoption of new and revised standards (continued)

Impact of the initial application of COVID-19-Related Rent Concessions beyond 30 June 2021-Amendment to SFRS(I) 16 *(continued)*

The practical expedient applies only to rent concessions occurring as a direct consequence of COVID-19 and only if all of the following conditions are met:

- The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- Any reduction in lease payments affects only payments originally due in on or before 30 June 2022 (a rent concession meets this condition if it results in reduced lease payments on or before 30 June 2022 and increased lease payments that extend beyond 30 June 2022); and
- There is no substantive change to other terms and conditions of the lease.

The Group has applied the practical expedient retrospectively to all rent concessions that became eligible for the practical expedient as a result of March 2021 amendment. There is no material impact to the financial statements arising from adoption of the amendment.

2.3 Group accounting

(a) Subsidiaries

(i) Consolidation

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

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

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

(ii) Acquisitions

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 Group accounting (continued)

(a) Subsidiaries (continued)

(ii) Acquisitions (continued)

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

Acquisition-related costs are expensed as incurred.

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

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

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

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

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

(iii) Disposals of subsidiaries or businesses

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

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

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

(b) Transactions with non-controlling interests

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 Group accounting (continued)

(c) Put option with non-controlling interests

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

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

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

(d) Associated companies and joint ventures

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

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

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 is included in the carrying amount of the investments.

In applying the equity method of accounting, the Group's share of its associated companies' and joint venture's post-acquisition profits or losses is recognised in profit or loss and its share of post-acquisition other comprehensive income is recognised in other comprehensive income. These post-acquisition movements and distributions received from associated companies and joint 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 Group accounting (continued)

(d) Associated companies and joint ventures (continued)

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

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

2.4 Leases

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

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

(a) When the Group is the lessee:

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.4 Leases (continued)

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

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

- the lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;

- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used); or

- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

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

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

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.4 Leases (continued)

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

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

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

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

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

2.5 Revenue recognition

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

(a) *Post and Parcel*

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.5 Revenue recognition (continued)

(a) Post and Parcel (continued)

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

(b) Logistics

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

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

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

(c) Property

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

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

2.6 Employee compensation

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

(a) Defined contribution plans

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

(b) Defined benefit plans

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.6 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 the share capital account, when new ordinary shares are issued, or to the "treasury shares" account, when treasury shares are re-issued to the employees.

2.7 Government grants

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

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

2.8 Borrowing costs

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

2.9 Exceptional items

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

2.10 Income taxes

Income tax expense comprises current and deferred tax.

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.10 Income taxes (continued)

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 outside profit or loss (either in other comprehensive income or directly in equity), in which case the tax is also recognised outside profit or loss (either in other comprehensive income or directly in equity, respectively). Deferred tax arising from a business combination is adjusted against goodwill on acquisition.

2.11 Currency translation

(a) Functional and presentation currency

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

(b) Transactions and balances

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.11 Currency translation (continued)

(b) Transactions and balances (continued)

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

(c) Translation of Group entities' financial statements

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

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

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

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

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

2.12 Cash and cash equivalents

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

2.13 Financial assets

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

Financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition of financial assets (other than financial assets at fair value through profit or loss) are added to or deducted from the fair value of the financial assets, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets at fair value through profit or loss are recognised immediately in profit or loss.

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

(i) Classification of financial assets

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.13 Financial assets (continued)

(i) Classification of financial assets (continued)

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

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

- the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met; and

- the Group may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

Amortised cost and effective interest method

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

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

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

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

Interest income is recognised in profit or loss.

Equity instruments designated as at FVTOCI

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.13 Financial assets (continued)

(i) Classification of financial assets (continued)

Equity instruments designated as at FVTOCI (continued)

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

(ii) Impairment of financial assets

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

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

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

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

Significant increase in credit risk

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.13 Financial assets (continued)

(ii) Impairment of financial assets (continued)

Significant increase in credit risk (continued)

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

Credit-impaired financial assets

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

Measurement and recognition of expected credit losses

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

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

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

Derecognition of financial assets

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

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

2.14 Inventories

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.15 Assets classified as held for sales

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

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

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

2.16 Investments in subsidiaries, associated companies and joint ventures

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

2.17 Investment property

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

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

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

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

2.18 Property, plant and equipment

(a) Measurement

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.18 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 to 99 years
Buildings	5 to 50 years
Postal equipment	3 to 20 years
Plant and machinery	3 to 20 years
Motor vehicles	5 to 15 years

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

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

(c) Subsequent expenditure

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

(d) Disposal

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

(e) Transfer

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

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

2.19 Intangible assets

(a) Goodwill on acquisitions

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.19 Intangible assets (continued)

(a) Goodwill on acquisitions (continued)

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

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

(b) Customer relationships

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

(c) Acquired software licence

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

(d) Trademarked brands

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

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

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

2.20 Impairment of non-financial assets

(a) Goodwill

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

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

2.20 Impairment of non-financial assets (continued)

(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.

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

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

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

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

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

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

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

2.21 Trade and other payables

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.22 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.

2.23 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.

2.24 Financial guarantee contracts

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

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

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

2.25 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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.26 Derecognition of financial liabilities

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

2.27 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.

2.28 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 issued and the perpetual securities are presented within equity. Distributions are treated as dividends which will be directly debited from equity. Incremental costs directly attributable to the issue of the perpetual securities are deducted against the proceeds from the issue.

2.29 Dividends to Company's shareholders

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

2.30 Segment reporting

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

3. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

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

(a) Estimated impairment of goodwill and other intangible assets

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

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

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

When value-in-use calculations are undertaken, the Group uses discounted cash flow projections based on approved financial budgets covering a five-year period. Significant judgements are used to estimate the terminal growth rates and discount rates applied in computing the recoverable amounts of the different CGUs. In making these estimates, management has relied on past performance, its expectations of the future developments of the various businesses and market (including the impact arising from geopolitical tensions and COVID-19) and publicly available industry and economic data. Details of these key assumptions applied in the impairment assessment of goodwill and trademarked brands are provided in Note 26.

No impairment charge is recognised on its goodwill and other intangible assets during the financial years ended 31 March 2022 and 2021.

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

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

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

(b) *Controlling interests in Freight Management Holdings Pty Ltd*

During the year, the Group acquired a further 23% equity interest in Freight Management Holdings Pty Ltd ("FMH"), a company which provides freight services. Consequently, the Group's shareholdings in FMH increased to 51% and it obtained controlling interest in FMH, a 28% held associated company as at 31 March 2021.

At the date of acquisition, previously held interest of 28% was measured at fair value and the Group performed a purchase price allocation ("PPA") exercise for the acquisition. The Group has further granted put options to the remaining 49% non-controlling shareholders which are exercisable from 30 June 2022 to 30 December 2026 subject to the terms of the shareholders agreement.

Significant management judgment is required in estimating the underlying assumptions to be applied in determining the fair values of the identifiable assets acquired and liabilities assumed, including the identification of intangible assets, the fair value of the previously held interest, and gross liability of the put options at acquisition date and at end of the reporting period.

Goodwill and other intangible assets arising from the purchase price allocation exercise and the fair value of the previously held interest are disclosed in Note 40.

The gross liability of the put options is disclosed in Note 27.

(c) *Valuation of investment properties*

As at 31 March 2022, the Group's investment properties of S$956.6 million (2021: S$1,010.8 million) (Note 23) are stated at their estimated fair values determined by independent professional valuers. These estimated fair values may differ significantly from the prices at which these properties can be sold due to the actual negotiations between willing buyers and sellers as well as changes in assumptions and conditions arising from ongoing development of COVID-19 and other unforeseen events. Consequently, the actual results and the realisation of these properties could differ significantly from the estimates disclosed in these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

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

(d) *Valuation of investment in Shenzhen 4PX Information and Technology Co., Limited ("4PX")*

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

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

As at 31 March 2022, the carrying value of the investment in 4PX measured at FVTOCI was S$90.4 million (2021: S$96.8 million).

(e) *Estimated impairment of other non-financial assets*

Property, plant and equipment, right-of-use assets and investments in subsidiaries, associated companies and joint venture 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.

The Group recognised impairment charges on assets classified as held for sale, investment in associated companies and property, plant and equipment amounting to S$5.5 million (2021: S$Nil), S$2.7 million (2021: S$0.1 million) and S$4.4 million (2021: S$1.2 million) respectively during the financial year. Details are provided in Notes 19, 21 and 24.

The Company recognised impairment charges on investments in subsidiaries amounting to S$6,624,000 (2021: S$Nil) (Note 22) during the financial year.

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.

Other than those disclosed above, no impairment charge was recognised on the Group's other non-financial assets during the preceding and current financial years. The carrying values of assets classified as held for sale, investments in associated companies and joint venture, investments in subsidiaries, property, plant and equipment and right-of-use assets are disclosed in Notes 19, 21, 22, 24 and 25 respectively.

(f) *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 2022 was S$412.5 million (2021: S$405.4 million). There were no significant revisions to the estimated residual values and useful lives during the financial year ended 31 March 2022.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

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

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

When measuring ECL, the Group uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers with consideration on the impact of COVID-19 and how these drivers will affect each other.

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

Impairment loss on trade and other receivables charged to profit or loss amounted to S$2.2 million (2021: S$1.9 million) for the financial year ended 31 March 2022.

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

4. REVENUE

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

	Group	
	2022	2021
	S$'000	S$'000
Domestic and International Mail services	**604,784**	721,475
Domestic and International distribution and delivery services	**988,450**	608,347
Property[1]	**72,345**	74,859
	1,665,579	1,404,681

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

	Group					
	2022			2021		
	Revenue from services rendered S$'000	**Sale of products S$'000**	**Total S$'000**	Revenue from services rendered S$'000	Sale of products S$'000	Total S$'000
Post and Parcel	**602,498**	**2,286**	**604,784**	718,603	2,872	721,475
Logistics	**988,450**	**–**	**988,450**	608,347	–	608,347
Property	**72,345**	**–**	**72,345**	74,859	–	74,859
	1,663,293	**2,286**	**1,665,579**	1,401,809	2,872	1,404,681
Timing of revenue recognition in respect of revenue from contracts with customers [2]						
At a point in time	**5,097**	**2,286**	**7,383**	4,403	2,872	7,275
Over time	**1,616,234**	**–**	**1,616,234**	1,358,936	–	1,358,936
	1,621,331	**2,286**	**1,623,617**	1,363,339	2,872	1,366,211

(1) The Group is required to waive certain number of months of contractual rent for eligible tenants of its properties under the Rental Relief Framework as mandated by the Government. Consequently, the Group recognised variable lease payment of S$0.3 million (2021: S$3.2 million) as a reduction to property revenue in profit or loss during the financial year ended 31 March 2022 and offset the obligation for rental reliefs against the receivables.

(2) These disclosures under SFRS(I) 15 are not applicable to revenue from lease contracts amounting to S$41,962,000 (2021: S$38,470,000).

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

4. REVENUE (continued)

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

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

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

5. LABOUR AND RELATED EXPENSES

	Group	
	2022	2021
	S$'000	S$'000
Wages and salaries	**204,492**	213,241
Employer's contribution to defined contribution plans including Central Provident Fund	**27,150**	26,785
Share-based (credit) / expense (Note 32(b)(i))	**(4,535)**	2,952
Other benefits	**9,995**	16,038
Temporary and contract staff cost	**74,798**	73,840
Government grant	**(1,984)**	(28,641)
	309,916	304,215

6. VOLUME-RELATED EXPENSES

	Group	
	2022	2021
	S$'000	S$'000
Traffic expenses	**825,051**	597,159
Outsourcing services and delivery expenses	**225,972**	245,066
	1,051,023	842,225

7. ADMINISTRATIVE AND OTHER EXPENSES

	Group	
	2022	2021
	S$'000	S$'000
Included in administrative and other expenses[1] are the following:		
Professional services	**10,642**	10,777
Repair and maintenance expenses	**26,307**	26,167
Rental expenses[2]	**6,114**	5,102
Supplies and services	**30,236**	26,294

(1) In 2021, the Group received property tax rebate from the Singapore Government as part of the Government's relief measures to help businesses deal with the impact from COVID-19. Consequently, the Group recognised government grant income of S$1.0 million as a reduction to property tax expense in the profit or loss for the year.

(2) In 2021, the Group received rental rebate of S$1.3 million for the leased properties under the Rental Relief Framework as mandated by the Government. The rental rebate has been accounted for as rent concessions in profit or loss as negative variable rent.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

8. DEPRECIATION AND AMORTISATION

	Group	
	2022	2021
	S$'000	S$'000
Depreciation – property, plant and equipment (Note 24)	**40,163**	40,452
Depreciation – right-of-use assets (Note 25)	**31,113**	27,817
Amortisation (Note 26)	**3,148**	456
	74,424	68,725

9. EXCEPTIONAL ITEMS

	Group	
	2022	2021
	S$'000	S$'000
Disposals:		
– Gain on change in ownership interest from an associated company to a subsidiary	**32,427**	–
– Gain on disposal of warrants from an associated company	**–**	3,356
– (Loss) / gain on disposal of property, plant and equipment	**(574)**	17
– Net loss on disposal / liquidation of subsidiaries (Note 41) [1]	**(6,317)**	–
Fair value gain / (loss):		
– Investment properties (Note 23)	**1,279**	(6,670)
– Put option redemption liability	**(1,945)**	(3,501)
Impairment charges [2]:		
– Property, plant and equipment	**(4,374)**	(1,209)
– Associated company	**(2,700)**	(115)
– Disposal group classified as held for sale [3]	**(5,469)**	–
– Loans to associated companies	**(1,644)**	(1,103)
M&A related expenses	**(8,926)**	(2,786)
Restructuring of overseas operations	**101**	(480)
	1,858	(12,491)

[1] Before considering the effect of transfer of revaluation gain on property, plant and equipment and other capital reserve of S$6,017,000 (Note 32(iv) and (v)) directly to retained earnings.
[2] Total impairment charges amounted to S$14,187,000 (2021: S$2,427,000).
[3] Before considering the effect of the reversal of tax provision of S$5,200,000 (Note 12).

10. INTEREST INCOME AND INVESTMENT INCOME (NET)

	Group	
	2022	2021
	S$'000	S$'000
Interest income		
– Bank deposits	**1,113**	1,921
– Bonds at amortised cost	**436**	526
– Others	**211**	480
	1,760	2,927
Currency exchange gains – net	**1,598**	531
Others	**8**	12
	3,366	3,470

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For the financial year ended 31 March 2022

11. FINANCE EXPENSES

	Group	
	2022	2021
	S$'000	S$'000
Interest expense:		
– Fixed rate notes	**6,352**	2,305
– Bank borrowings	**2,036**	2,937
– Interest on lease liabilities	**4,043**	4,080
– Significant financing component from contracts with customers	**996**	1,286
Other borrowing costs	**1,352**	423
	14,779	11,031

12. INCOME TAX EXPENSE

	Group	
	2022	2021
	S$'000	S$'000
Tax expense attributable to profit is made up of:		
– Current income tax	**24,486**	14,723
– Deferred income tax (Note 30)	**462**	225
	24,948	14,948
Over provision in preceding financial years:		
– Current income tax	**(5,325)**	(522)
– Deferred income tax (Note 30)	**–**	(1,167)
	19,623	13,259

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	
	2022	2021
	S$'000	S$'000
Profit before tax	**107,366**	60,269
Tax calculated at a tax rate of 17% (2021: 17%)	**18,252**	10,246
Effects of:		
– Tax effect of share of results of associated companies and joint venture	**(824)**	(168)
– Different tax rates in other countries	**10,451**	1,578
– Withholding tax deducted at source	**642**	308
– Singapore statutory stepped income exemption	**(160)**	(141)
– Tax incentive	**(170)**	(17)
– Income not subject to tax	**(12,012)**	(6,776)
– Expenses not deductible for tax purposes	**7,044**	7,384
– Utilisation of tax losses and capital allowances	**(743)**	(208)
– Deferred income tax assets not recognised	**2,468**	2,742
– Overprovision in preceding financial years	**(5,325)**	(1,689)
Tax charge	**19,623**	13,259

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

13. EARNINGS PER SHARE

(a) *Basic earnings per share*

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

	Group	
	2022	2021
Net profit attributable to equity holders of the Company (S$'000)	**83,112**	47,620
Less: Net profit attributable to perpetual securities holders of the Company (S$'000)	**(13,652)**	(14,875)
Net profit attributable to ordinary shareholders of the Company (S$'000)	**69,460**	32,745
Weighted average number of ordinary shares outstanding for basic earnings per share ('000)	**2,249,577**	2,249,577
Basic earnings per share (cents per share)	**3.09**	1.46

(b) *Diluted earnings per share*

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

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

There is no dilution of earnings per share for the financial years ended 31 March 2022 and 2021.

14. CASH AND CASH EQUIVALENTS

	Group		Company	
	2022	2021	**2022**	2021
	S$'000	S$'000	**S$'000**	S$'000
Cash at bank and on hand	**176,101**	196,279	**97,945**	115,982
Deposits with financial institutions	**104,337**	304,933	**102,653**	302,849
	280,438	501,212	**200,598**	418,831

Deposits with financial institutions earn interest ranging from 0.13% to 1.07% (2021: 0.21% to 0.44%) per annum. Tenure for these deposits range from 15 to 92 days (2021: 14 to 152 days).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

15. FINANCIAL ASSETS

	Group		Company	
	2022	2021	**2022**	2021
	S$'000	S$'000	**S$'000**	S$'000
Current				
Financial assets at amortised cost				
– Bonds – quoted in Singapore	**8,006**	6,505	**8,006**	6,505
	8,006	6,505	**8,006**	6,505
Non-current				
Financial assets at amortised cost				
– Bonds – quoted in Singapore	**–**	8,020	**–**	8,020
Financial assets designated as FVTOCI				
– Equity instrument – unquoted	**90,631**	101,645	**–**	4,561
Financial assets at FVTPL				
– Call option (Note 21(a)(i))	**–**	1,459	**–**	–
	90,631	111,124	**–**	12,581

The debt securities are corporate bonds at fixed rates between 3.2% to 3.7% (2021: 3.1% to 3.7%) per annum and due between 3 June 2022 and 29 August 2022 (2021: 11 February 2022 and 29 August 2022).

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

	Group		Company	
	2022	2021	**2022**	2021
	S$'000	S$'000	**S$'000**	S$'000
Current				
Financial assets at amortised cost				
– Bonds – quoted in Singapore	**8,170**	6,590	**8,170**	6,590
	8,170	6,590	**8,170**	6,590
Non-current				
Financial assets at amortised cost				
– Bonds – quoted in Singapore	**–**	8,261	**–**	8,261
Financial assets designated as FVTOCI				
– Equity instrument – unquoted	**90,631**	101,645	**–**	4,561
Financial assets at FVTPL				
– Call option	**–**	1,459	**–**	–
	90,631	111,365	**–**	12,822

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

16. TRADE AND OTHER RECEIVABLES – CURRENT

	Group		Company	
	2022	2021	**2022**	2021
	S$'000	S$'000	**S$'000**	S$'000
Trade receivables				
– Subsidiaries	**–**	–	**14,802**	11,166
– Companies related by a substantial shareholder	**1,406**	2,287	**1,406**	2,287
– Non-related parties	**227,148**	165,773	**82,234**	97,218
	228,554	168,060	**98,442**	110,671
Less: Allowance for impairment of receivables – non-related parties	**(5,282)**	(3,172)	**(4,436)**	(2,552)
Trade receivables – net	**223,272**	164,888	**94,006**	108,119
Non-trade receivables from subsidiaries	**–**	–	**4,845**	13,620
Loans to associated companies	**5,633**	4,737	**–**	–
Less: Allowance for impairment of loan to associated companies	**(2,390)**	(746)	**–**	–
Less: Asset held for sale (Note 19) (2021: Non-current portion (Note 20))	**(2,928)**	(3,675)	**–**	–
	315	316	**4,845**	13,620
Staff loans (Note 20(a))	**8**	16	**8**	16
Interest receivable	**71**	192	**66**	183
Grant receivables	**356**	444	**356**	373
Other receivables	**10,038**	555	**2,495**	1,737
	234,060	166,411	**101,776**	124,048

(i) A loan of S$Nil (2021: S$746,000) to an associated company is unsecured, repayable in full on 15 June 2021 and bears interest at 1.14% above the 1 month bank bill swap rate per annum. During the financial year ended 31 March 2021, the Group provided impairment amounting to S$746,000.

(ii) A loan of S$Nil (2021: S$3,675,000) to an associated company bears interest at 1.14% above the 1 month bank bill swap rate per annum, and is secured by the shareholdings held by the shareholders of the associated company. S$1,712,000 was repayable on 29 June 2021, while S$2,007,000 was repayable on 5 November 2021 and convertible to shares in the associated company. During the financial year ended 31 March 2022, the Group provided impairment amounting to S$1,644,000 (2021: S$746,000) and reclassified the loan to assets held for sale.

(iii) A loan of S$315,000 (2021: S$316,000) to an associated company is unsecured and repayable on demand. Interest is fixed at 2.15% per annum.

(iv) 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 2022

17. DERIVATIVE FINANCIAL INSTRUMENTS

	Contract notional amount 2022 S$'000	**Fair value liabilities 2022 S$'000**	Contract notional amount 2021 S$'000	Fair value assets 2021 S$'000
Group and Company				
Other non-hedging derivatives				
Currency forwards	**146,309**	**(161)**	150,116	(1,133)
Total derivative financial instruments	**146,309**	**(161)**	150,116	(1,133)

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.

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

	Group and Company	
	2022 S$'000	2021 S$'000
Assets:		
– Current	**391**	40
Liabilities		
– Current	**(552)**	(1,173)

18. OTHER ASSETS

	Group		Company	
	2022 S$'000	2021 S$'000	**2022 S$'000**	2021 S$'000
Current				
Deposits	**4,431**	5,642	**1,689**	1,647
Prepayments	**30,904**	13,027	**7,220**	5,691
	35,335	18,669	**8,909**	7,338
Non-current				
Deposits	**7,076**	4,226	**–**	–
Prepayments	**–**	1,732	**–**	–
	7,076	5,958	**–**	–

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

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

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

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

Impairment loss of S$5,469,000 (Note 9) has been recognised to write down the above disposal groups to fair value less costs to sell.

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

20. TRADE AND OTHER RECEIVABLES – NON-CURRENT

	Group		Company	
	2022 **S$'000**	2021 S$'000	**2022** **S$'000**	2021 S$'000
Loans to subsidiaries	**–**	–	**259,265**	297,220
Less: Allowance for impairment	**–**	–	**(46,480)**	(51,442)
	–	–	**212,785**	245,778
Loan to an associated company (Note 16)	**–**	3,675	**–**	–
Claimant Loan (Note 22)	**4,810**	4,810	**–**	–
Staff loans (Note 20(a))	**135**	141	**135**	141
	4,945	8,626	**212,920**	245,919

Loans to subsidiaries of S$11,999,000 (2021: S$35,609,000) are non-trade related, unsecured, interest bearing at Singapore interbank offered rate (SIBOR) plus 1.2% per annum and are not expected to be repayable within the next twelve months. The carrying amount of these loans approximate their fair value.

Loan to a subsidiary of S$Nil (2021: S$5,978,000) is non-trade related, unsecured, interest bearing at Kuala Lumpur interbank offered rate (KLIBOR) plus 1.2% per annum and is repayable in full on demand. In 2021, the settlement of the loan was not foreseeable within the next twelve months. The loan was repaid during the current financial year ended 31 March 2022 following the disposal of the subsidiary (Note 41).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

20. TRADE AND OTHER RECEIVABLES – NON-CURRENT (continued)

Loan to a subsidiary of S$1,749,000 (2021: S$1,767,000) is non-trade related, unsecured, interest bearing at 1.94% to 2.20% per annum and not expected to be repayable in the next twelve months. The carrying amount of the loan approximates its fair value.

Loan to a subsidiary of S$35,902,000 (2021: S$Nil) is non-trade related, unsecured, interest bearing at bank bill swap bid rate (BBSY) plus 1.38% per annum and will be repaid in full on 29 March 2026. The carrying amount of the loan approximates its fair value.

Loans to subsidiaries of S$163,135,000 (2021: S$202,424,000) are non-trade related, unsecured, interest bearing at 2.52% to 3.07% per annum and not expected to be repayable in the next twelve months. The fair value of the loans is S$157,631,000 (2021: S$200,753,000). The fair value of the loans is computed based on cash flows discounted at the difference between market and existing borrowing rates of 1.501% to 2.088% (2021: 0.378% to 0.504%). The fair value is within Level 2 of the fair value hierarchy.

The Claimant Loan (Note 22) is unsecured, interest bearing at 1.1% to 1.5% per annum (2021: 1.2% to 1.4% per annum). The carrying amount of the loan approximates its fair value. Management is of the view that the loan is recoverable and the settlement of the loan is not foreseeable within the next twelve months.

20(a). STAFF LOANS

	Group and Company	
	2022	2021
	S$'000	S$'000
Not later than one year (Note 16)	**8**	16
Later than one year (Note 20)	**135**	141
– Between one and five years	**1**	7
– Later than five years	**134**	134
	143	157

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

21. INVESTMENTS IN ASSOCIATED COMPANIES AND JOINT VENTURE

	Group		Company	
	2022	2021	**2022**	2021
	S$'000	S$'000	**S$'000**	S$'000
Investments in associated companies (Note (a))	**34,072**	97,469	**21,891**	21,891
Investment in a joint venture (Note (b))	**–**	–	**–**	–
	34,072	97,469	**21,891**	21,891

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

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

(a) Associated companies

	Group		Company	
	2022	2021	**2022**	2021
	S$'000	S$'000	**S$'000**	S$'000
Equity investment at cost			**21,891**	21,891
Beginning of financial year	**97,469**	35,334		
Acquisition of an associated company during the year (Note (i))	**–**	58,749		
Additional investment in an associated company	**–**	3,356		
Reclassification to assets held for sale (Note 19)	**(1,341)**	–		
Deemed disposal of an associated company	**(59,983)**	–		
Impairment of associated companies (Note (ii), 9)	**(2,700)**	(115)		
Share of profit	**4,847**	989		
Dividends received	**(1,796)**	(430)		
Currency translation differences	**(2,424)**	(414)		
End of financial year	**34,072**	97,469		

(i) On 31 December 2020, the Group acquired 28% equity interest at a cost of S$58.7 million in Freight Management Holdings Pty Ltd ("FMH"), a company which provides freight services.

Under the sale and purchase agreement ("S&P"), the Group will acquire additional 10% equity interest in FMH ("Tranche 2 Shares") by 31 December 2021 at a consideration of S$21.0 million (AUD 20.5 million), which was based on the estimated fair value of FMH as at 31 March 2021.

The Group was also granted a call option to acquire a further 13% equity interest in FMH ("Option Shares"), which is exercisable between 31 December 2022 to 31 December 2023. The call option was recorded at fair value as at 31 March 2021. Details of the valuation technique and inputs used are disclosed in Note 37(f).

During the current financial year, certain terms in the S&P were revised and the Group completed the acquisition of Tranche 2 Shares and Option Shares at a consideration of S$29.2 million (AUD29.6 million) and S$80.4 million (AUD81.5 million) respectively on 30 November 2021. Consequently, the Group holds 51% equity interest in FMH and FMH is now a subsidiary of the Group. Further details are disclosed in Note 40.

(ii) During the financial year ended 31 March 2022, the Group recognised an impairment loss of S$2,700,000 (2021: S$115,000) against the carrying amount of its investments in associated companies, being the difference between the carrying amount of the Group's investments and their recoverable amounts. The recoverable amounts are determined based on value-in-use or quoted market price of the associated companies.

The Group's investments in associated companies include investments in listed associated companies with a carrying value of S$30,627,000 (2021: S$30,288,000), for which the published price quotations are S$57,713,000 (2021: S$87,412,000) 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 45.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

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

(b) Joint venture

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

22. INVESTMENTS IN SUBSIDIARIES

	Company	
	2022	2021
	S$'000	S$'000
Equity investments at cost		
Beginning of financial year	**371,455**	368,429
Additional capital injection into a subsidiary	**45,540**	3,026
Investment written off	**(37,628)**	–
	379,367	371,455
Less: Allowance for impairment	**(18,054)**	(49,058)
End of financial year	**361,313**	322,397

Details of the subsidiaries are included in Note 45. The proportion of ownership interest held by the Group does not differ from the proportion of voting rights held by the Group.

During the financial year ended 31 March 2022, the Company has written off allowance for impairment amounting to S$37,628,000 (2021: S$Nil) against the cost of investment in a subsidiary.

Additional impairment loss of S$6,624,000 (2021: S$Nil) has been recognised. This primarily arises from a subsidiary which is the holding company of General Storage Company Pte Ltd (Note 41) and various property holding companies.

Carrying value of non-controlling interests

	2022	2021
	S$'000	S$'000
Quantium Solutions International Pte Ltd ("QSI")	**38,276**	42,896
Freight Management Holdings Pty Ltd ("FMH")	**31,097**	–
Other subsidiaries with immaterial non-controlling interests	**6,707**	4,950
	76,080	47,846
Less: Put option liability to acquire non-controlling interests	**(241,385)**	–
Total	**(165,305)**	47,846

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

22. INVESTMENTS IN SUBSIDIARIES (continued)

Summarised financial information of subsidiaries with material non-controlling interests

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

Summarised statement of financial position

	QSI	
	2022	2021
	S$'000	S$'000
Current		
Assets	**43,132**	44,023
Liabilities	**(30,939)**	(23,469)
Total current net assets	**12,193**	20,554
Non-current		
Assets	**103,355**	109,991
Liabilities	**(2,971)**	(4,380)
Total non-current net assets	**100,384**	105,611
Net assets	**112,577**	126,165

Summarised income statement

	QSI	
	2022	2021
	S$'000	S$'000
Revenue	**102,360**	107,119
Loss before income tax	**(7,908)**	(5,788)
Income tax expense	**(546)**	(950)
Post-tax loss	**(8,454)**	(6,738)
Other comprehensive (loss) / income	**(5,132)**	19,260
Total comprehensive (loss) / income	**(13,586)**	12,522
Total comprehensive (loss) / income allocated to non-controlling interests	**(4,620)**	4,257

Summarised cash flows

	QSI	
	2022	2021
	S$'000	S$'000
Cash flows from operating activities		
Cash generated from operations	**2,757**	15,462
Income tax paid	**(321)**	(369)
Net cash provided by operating activities	**2,436**	15,093
Net cash used in investing activities	**(2,334)**	(77)
Net cash used in financing activities	**(2,806)**	(8,146)
Net (decrease) / increase in cash and cash equivalents	**(2,704)**	6,870
Cash and cash equivalents at beginning of year	**17,271**	10,401
Cash and cash equivalents at end of year	**14,567**	17,271

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

22. INVESTMENTS IN SUBSIDIARIES (continued)

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

Summarised statement of financial position

	FMH	
	2022	2021
	S$'000	S$'000
Current		
Assets	**88,955**	–
Liabilities	**(119,762)**	–
Total current net liabilities	**(30,807)**	–
Non-current		
Assets	**125,212**	–
Liabilities	**(30,942)**	–
Total non-current net assets	**94,270**	–
Net assets	**63,463**	–

Summarised income statement

	FMH	
	2022	2021
	S$'000	S$'000
Revenue	**178,662**	–
Profit before income tax	**11,523**	–
Income tax expense	**(4,158)**	–
Post-tax profit	**7,365**	–
Other comprehensive income	**1,680**	–
Total comprehensive income	**9,045**	–
Total comprehensive income allocated to non-controlling interests	**4,432**	–

Summarised cash flows

	FMH	
	2022	2021
	S$'000	S$'000
Cash flows from operating activities		
Cash generated from operations	**13,512**	–
Income tax paid	**(6,304)**	–
Net cash provided by operating activities	**7,208**	–
Net cash used in investing activities	**(7,846)**	–
Net cash provided by financing activities	**745**	–
Net increase in cash and cash equivalents	**107**	–
Cash and cash equivalents at beginning of year	**–**	–
Cash and cash equivalents at end of year	**107**	–

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

22. INVESTMENTS IN SUBSIDIARIES (continued)

Exercise of put option in a subsidiary

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

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

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

In addition to the 1st Arbitration, a second arbitration was subsequently commenced by the Claimant against FHPL and SingPost Logistics Investments Pte Ltd ("SPLI"), the Group's investment holding company of FHPL, on 15 and 16 September 2021 (the "2nd Arbitration"), and a third arbitration was separately commenced by the Claimant against SPLI on 22 February 2022 (the "3rd Arbitration"). The potential financial impact of the other claims of the Claimant in the 2nd Arbitration and 3rd Arbitration cannot yet be quantified as the claims were lacking in particulars and no quantification of the claims was provided in any of the notices of the new arbitrations. Refer to Note 42 for further details on the new arbitration proceedings commenced by the Claimant against SPLI and FHPL.

Apart from the above, the Group has an outstanding loan to the Claimant amounting to S$4,810,000 (2021: S$4,810,000) (Note 20) as at 31 March 2022 (the "Claimant Loan"). Management is of the view that the Claimant Loan is recoverable.

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

23. INVESTMENT PROPERTIES

	Group		Company	
	2022	2021	**2022**	2021
	S$'000	S$'000	**S$'000**	S$'000
Beginning of financial year	**1,010,804**	1,008,020	**956,362**	951,501
Additions	**70**	–	**70**	–
Reclassification (to) / from property, plant and equipment (net) (Note 24)	**(3,172)**	9,658	**(12,417)**	11,689
Reclassification from right-of-use (Note 25)	**950**	–	**–**	–
Loss of control of a subsidiary (Note 41)	**(53,321)**	–	**–**	–
Fair value gain / (loss) recognised in profit or loss (Note 9)	**1,279**	(6,670)	**1,259**	(6,828)
Currency translation differences	**–**	(204)	**–**	–
End of financial year	**956,610**	1,010,804	**945,274**	956,362

As at 31 March 2022, certain investment properties of the Group with carrying amounts of S$Nil (2021: S$50.4 million) are mortgaged to secure bank borrowings (Note 28).

As at 31 March 2022, the right-of-use asset presented as investment properties has carrying amount of S$2.3 million (2021: S$1.7 million).

The following amounts are recognised in profit or loss:

	Group		Company	
	2022	2021	**2022**	2021
	S$'000	S$'000	**S$'000**	S$'000
Rental and property-related income	**61,139**	60,006	**55,964**	53,950
Direct operating expenses arising from:				
– Investment properties that generated income	**(15,416)**	(14,073)	**(13,409)**	(12,574)

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

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

Location	**Description / existing use**	**Tenure**
10 Eunos Road 8, Singapore Post Centre	Building for commercial and retail.	Leasehold of 99 years expiring on 30 August 2081
502 Chai Chee Lane [(1)]	Building for warehousing and self-storage.	Leasehold of 30 years expiring on 30 April 2041
No. 5, Jalan Penyair U1/44, Off Jalan Glenmarie, Temasya Industrial Park, 40150 Shah Alam, Selangor Darul Ehsan, Malaysia [(1)]	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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

23. INVESTMENT PROPERTIES (continued)

Location	Description / existing use	Tenure
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 [(1)]	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 1 April 2076
447 Geylang Road	Building for commercial and retail.	Leasehold of 99 years expiring on 31 March 2091
1 Lim Ah Pin Road	Building for commercial and retail.	Leasehold of 99 years expiring on 31 March 2091
70 Macpherson Road	Building for commercial and retail.	Leasehold of 99 years expiring on 31 March 2091
54 Serangoon Garden Way	Building for commercial and retail.	Leasehold of 99 years expiring on 31 March 2091
3B Toh Guan Road East	Building for warehousing.	Leasehold of 30 + 30 years expiring on 31 August 2049
29 Tampines Street 92	Building for warehousing.	Leasehold of 30 + 30 years expiring on 1 January 2052

(1) Disposed during the financial year ended 31 March 2022 (Note 41).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

23. INVESTMENT PROPERTIES (continued)

	Fair value measurements using		
	Quoted prices in active markets for identical assets (Level 1) S$'000	**Significant other observable inputs (Level 2) S$'000**	**Significant unobservable inputs (Level 3) S$'000**
2022			
– Commercial and retail / warehousing			
– Singapore	**–**	**2,484**	**954,126**
2021			
– Commercial and retail / warehousing			
– Singapore	–	2,484	996,377
– Warehousing – Malaysia	–	–	11,943

<u>Valuation techniques used to derive Level 2 fair values</u>

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.

<u>Valuation techniques used to derive Level 3 fair values</u>

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

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

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

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

There were no transfers in or out of fair value hierarchy levels for the financial years ended 31 March 2022 and 2021.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

23. INVESTMENT PROPERTIES (continued)

Valuation techniques and inputs used in Level 3 fair value measurements

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

Description	Fair value (S$'000) 2022	Valuation techniques	Unobservable inputs	Range of unobservable inputs 2022	Relationship of unobservable inputs to fair value
Group					
Building for commercial and retail (Singapore Post Centre)	**831,754** (2021: 849,071)	Capitalisation / income approach	Capitalisation rate	**3.75-6.00%** (2021: 4.00-6.00%)	The higher the capitalisation rate, the lower the valuation
		Discounted cash flow approach	Discount rate	**7.00-7.50%** (2021: 7.00-7.50%)	The higher the discount rate, the lower the valuation
Building for commercial and retail (14 SLA Properties)	**105,279** (2021: 96,687)	Capitalisation / income approach	Capitalisation rate	**4.25-4.75%** (2021: 4.25-4.75%)	The higher the capitalisation rate, the lower the valuation
		Discounted cash flow approach	Discount rate	**7.25-7.50%** (2021: 7.25-7.50%)	The higher the discount rate, the lower the valuation
Warehousing – Singapore	**17,093** (2021: 9,241)	Capitalisation / income approach	Capitalisation rate	**6.25-6.50%** (2021: 6.50%)	The higher the capitalisation rate, the lower the valuation
		Discounted cash flow approach	Discount rate	**7.50-7.75%** (2021: 7.75%)	The higher the discount rate, the lower the valuation

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

23. INVESTMENT PROPERTIES (continued)

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

Description	Fair value (S$'000) 2022	Valuation techniques	Unobservable inputs	Range of unobservable inputs 2022	Relationship of unobservable inputs to fair value
Group (continued)					
Building for warehousing and self-storage- Singapore	– (2021: 41,378)	Capitalisation / income approach	Capitalisation rate	**N/A** (2021: 6.25-7.50%)	The higher the capitalisation rate, the lower the valuation
		Discounted cash flow approach	Discount rate	**N/A** (2021: 7.50%)	The higher the discount rate, the lower the valuation
Warehousing – Malaysia	– (2021: 11,943)	Sales comparison approach	Comparable price per square metre	**N/A** (2021: N/A)	The higher the comparable price, the higher the valuation
		Cost approach	Comparable price per square metre of land component	**N/A** (2021: 7.50%)	The higher the comparable price, the higher the valuation
			Estimated cost of constructing similar new buildings per square metre		The higher the estimated cost of construction, the higher the valuation
	954,126				
Company					
Building for commercial and retail (Singapore Post Centre)	**837,511** (2021: 857,191)	Capitalisation / income approach	Capitalisation rate	**3.75-6.00%** (2021: 4.00-6.00%)	The higher the capitalisation rate, the lower the valuation
		Discounted cash flow approach	Discount rate	**7.00-7.50%** (2021: 7.00-7.50%)	The higher the discount rate, the lower the valuation
Building for commercial and retail (14 SLA Properties)	**105,279** (2021: 96,687)	Capitalisation / income approach	Capitalisation rate	**4.25-4.75%** (2021: 4.25-4.75%)	The higher the capitalisation rate, the lower the valuation
		Discounted cash flow approach	Discount rate	**7.25-7.50%** (2021: 7.25-7.50%)	The higher the discount rate, the lower the valuation
	942,790				

N/A: Not applicable

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

23. INVESTMENT PROPERTIES (continued)

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 2022 and 2021, the fair values of the Group's investment properties have been determined by Colliers International Consultancy & Valuation (Singapore) Pte. Ltd.

24. PROPERTY, PLANT AND EQUIPMENT

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

24. PROPERTY, PLANT AND EQUIPMENT (continued)

	Leasehold land S$'000	Buildings S$'000	Postal equipment S$'000	Plant and machinery S$'000	Motor Vehicles S$'000	Capital work-in-progress S$'000	Total S$'000
Group							
2021							
Cost							
Beginning of financial year	79,596	378,274	47,047	181,685	30,829	12,177	729,608
Additions	–	120	10	7,029	1,067	5,360	13,586
Reclassifications from / (to) investment properties							
– At fair value (Note 23)	579	(10,237)	–	–	–	–	(9,658)
– Transfer (to) / from valuation reserve (Note 32)	(285)	957	–	–	–	–	672
Disposals	–	(240)	(345)	(8,517)	(1,590)	–	(10,692)
Transfers	–	–	–	6,285	–	(6,285)	–
Currency translation differences	–	16	–	3,079	141	–	3,236
End of financial year	79,890	368,890	46,712	189,561	30,447	11,252	726,752
Accumulated depreciation and accumulated Impairment losses							
Beginning of financial year	24,673	133,621	17,936	95,427	16,477	–	288,134
Depreciation charge	1,663	9,004	6,105	20,916	2,764	–	40,452
Disposals	–	(89)	(255)	(8,547)	(1,419)	–	(10,310)
Impairment	–	–	–	1,209	–	–	1,209
Currency translation differences	–	–	–	1,730	89	–	1,819
End of financial year	26,336	142,536	23,786	110,735	17,911	–	321,304
Net book value							
End of financial year	53,554	226,354	22,926	78,826	12,536	11,252	405,448

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

24. PROPERTY, PLANT AND EQUIPMENT (continued)

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

24. PROPERTY, PLANT AND EQUIPMENT (continued)

	Leasehold land S$'000	Buildings S$'000	Postal equipment S$'000	Plant and machinery S$'000	Motor Vehicles S$'000	Capital work-in-progress S$'000	Total S$'000
Company							
2021							
Cost							
Beginning of financial year	58,991	223,035	63,583	139,066	26,189	7,270	518,134
Additions	–	120	10	7,219	811	5,335	13,495
Reclassifications from / (to) investment properties							
– At fair value (Note 23)	188	(11,877)	–	–	–	–	(11,689)
– Transfer from valuation reserve (Note 32)	71	954	–	–	–	–	1,025
Disposals	–	(240)	(345)	(1,332)	(193)	–	(2,110)
Transfers	–	–	–	6,215	–	(6,215)	–
End of financial year	59,250	211,992	63,248	151,168	26,807	6,390	518,855
Accumulated depreciation and accumulated impairment losses							
Beginning of financial year	20,188	93,346	17,936	94,904	14,350	–	240,724
Depreciation charge	832	4,463	6,105	13,886	2,764	–	28,050
Disposals	–	(89)	(255)	(1,335)	(193)	–	(1,872)
End of financial year	21,020	97,720	23,786	107,455	16,921	–	266,902
Net book value							
End of financial year	38,230	114,272	39,462	43,713	9,886	6,390	251,953

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

25. RIGHT-OF-USE ASSETS

	Properties S$'000	Motor vehicles S$'000	Equipment S$'000	Total S$'000
Group				
2022				
Cost				
Beginning of financial year	**139,854**	**3,193**	**2,281**	**145,328**
Additions	**29,543**	**365**	**345**	**30,253**
Reclassifications to investment properties				
– At fair value (Note 23)	**(950)**	**–**	**–**	**(950)**
– Transfer to valuation reserve (Note 32)	**(4)**	**–**	**–**	**(4)**
Disposals	**(31,467)**	**(1,021)**	**(932)**	**(33,420)**
Acquisition of subsidiaries (Note 40)	**24,640**	**–**	**–**	**24,640**
Loss of control of subsidiary (Note 41)	**(49,271)**	**–**	**(26)**	**(49,297)**
Currency translation differences	**(313)**	**(47)**	**(64)**	**(424)**
End of financial year	**112,032**	**2,490**	**1,604**	**116,126**
Accumulated depreciation				
Beginning of financial year	**72,224**	**1,682**	**1,259**	**75,165**
Depreciation charge	**29,409**	**970**	**734**	**31,113**
Disposals	**(30,475)**	**(993)**	**(695)**	**(32,163)**
Loss of control of subsidiary (Note 41)	**(28,363)**	**–**	**(12)**	**(28,375)**
Currency translation differences	**(796)**	**(59)**	**(25)**	**(880)**
End of financial year	**41,999**	**1,600**	**1,261**	**44,860**
Net book value				
End of financial year	**70,033**	**890**	**343**	**71,266**
2021				
Cost				
Beginning of financial year	124,628	2,564	1,265	128,457
Additions	21,592	1,557	1,220	24,369
Disposals	(12,357)	(934)	(265)	(13,556)
Currency translation differences	5,991	6	61	6,058
End of financial year	139,854	3,193	2,281	145,328
Accumulated depreciation				
Beginning of financial year	53,305	1,364	570	55,239
Depreciation charge	25,656	1,254	907	27,817
Disposals	(9,450)	(924)	(222)	(10,596)
Currency translation differences	2,713	(12)	4	2,705
End of financial year	72,224	1,682	1,259	75,165
Net book value				
End of financial year	67,630	1,511	1,022	70,163

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

25. RIGHT-OF-USE ASSETS (continued)

	Properties S$'000	Motor vehicles S$'000	Equipment S$'000	Total S$'000
Company				
2022				
Cost				
Beginning of financial year	**41,242**	**2,134**	**376**	**43,752**
Additions	**12,663**	**238**	**345**	**13,246**
Disposals	**(23,028)**	**(828)**	**(358)**	**(24,214)**
End of financial year	**30,877**	**1,544**	**363**	**32,784**
Accumulated depreciation				
Beginning of financial year	**20,436**	**1,207**	**293**	**21,936**
Depreciation charge	**14,510**	**697**	**188**	**15,395**
Disposals	**(23,009)**	**(828)**	**(357)**	**(24,194)**
End of financial year	**11,937**	**1,076**	**124**	**13,137**
Net book value				
End of financial year	**18,940**	**468**	**239**	**19,647**
2021				
Cost				
Beginning of financial year	30,793	2,249	424	33,466
Additions	14,310	626	75	15,011
Disposals	(3,861)	(741)	(123)	(4,725)
End of financial year	41,242	2,134	376	43,752
Accumulated depreciation				
Beginning of financial year	11,061	1,081	223	12,365
Depreciation charge	13,236	867	193	14,296
Disposals	(3,861)	(741)	(123)	(4,725)
End of financial year	20,436	1,207	293	21,936
Net book value				
End of financial year	20,806	927	83	21,816

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

25. RIGHT-OF-USE ASSETS (continued)

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

	Group		Company	
	Carrying amount S$'000	Depreciation during the year S$'000	Carrying amount S$'000	Depreciation during the year S$'000
2022				
Leasehold land	**54,039**	**1,636**	**40,104**	**805**
Plant and machinery	**4,197**	**193**	**101**	**12**
Total	**58,236**	**1,829**	**40,205**	**817**
2021				
Leasehold land	53,554	1,662	38,230	831
Plant and machinery	4,388	194	111	13
Total	57,942	1,856	38,341	844

There is no addition to the above right-of-use assets for the years ended 31 March 2022 and 2021.

26. INTANGIBLE ASSETS

	Group	
	2022 S$'000	2021 S$'000
Composition:		
Goodwill on acquisitions (Note (a))	**430,120**	270,903
Customer relationships (Note (b))	**28,357**	–
Preferential rent (Note (c))	**–**	2,665
Acquired software licences (Note (d))	**15,028**	–
Trademarked brands (Note (e))	**55,936**	40,964
	529,441	314,532

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

26. INTANGIBLE ASSETS (continued)

(a) Goodwill on acquisitions

	Group	
	2022	2021
	S$'000	S$'000
Cost		
Beginning of financial year	**291,503**	280,102
Acquisition of subsidiaries (Note 40)	**184,202**	–
Loss of control of subsidiary (Note 41)	**(28,336)**	–
Currency translation differences	**3,351**	11,401
End of financial year	**450,720**	291,503
Accumulated impairment		
Beginning and end of financial year	**(20,600)**	(20,600)
Net book value	**430,120**	270,903

Impairment tests for goodwill

Goodwill arising from acquisition of subsidiaries is allocated to the Group's four (2021: four) cash-generating units or groups of cash-generating units as follows:

	Group	
	2022	2021
	S$'000	S$'000
Quantium Solutions International group	**77,858**	77,858
General Storage Company group	**–**	28,202
Famous Holdings group	**88,305**	89,521
Couriers Please Holdings group	**74,595**	75,322
Freight Management Holdings group	**189,362**	–
	430,120	270,903

The recoverable amounts of the CGUs are determined based on value-in-use calculations using cash flow projections based on financial budgets covering a five-year period (2021: five-year period). Cash flows beyond the five-year period were extrapolated using the estimated growth rates stated below.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

26. INTANGIBLE ASSETS (continued)

(a) Goodwill on acquisitions (continued)

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

	Quantium Solutions International group	General Storage Company group	Famous Holdings group	Couriers Please Holdings group	Freight Management Holdings Group
2022					
Terminal growth rate	2.3%	–	1.4%	2.6%	2.6%
Discount rate	7.9%	–	7.7%	7.1%	6.0%
2021					
Terminal growth rate	2.3%	2.8%	1.4%	2.5%	–
Discount rate	6.9%	5.3%	6.4%	6.3%	–

For the impairment tests carried out as at 31 March 2022 for the Quantium Solutions International group and Couriers Please group CGUs, which comprised 18% and 17% of the goodwill recognised on the statement of financial position respectively, a further decrease in the terminal growth rate to 0.7% or an increase in the discount rate by 1.3% would result in the recoverable amount of the Quantium Solutions International group CGU being equal to its carrying amount, and a further decrease in terminal growth rate by 3.6% or an increase in the discount rate by 3.5% would result in the recoverable amount of the Couriers Please Holdings group CGU being equal to its carrying amount (comprising goodwill and trademarked brand with indefinite useful life (Note 26(e)). For the remaining CGUs, management believes that any reasonably possible change in the key assumptions on which the recoverable amounts of the CGUs were based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the related group of CGUs as at 31 March 2022.

For the previous financial year ended 31 March 2021, the Group had conducted an analysis of the sensitivity of the impairment test to changes in the key assumptions used to determine the recoverable amount for the CGU to which goodwill is allocated. Management believed that any reasonably possible change in the key assumptions on which the recoverable amounts of the CGU were based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the related group of CGUs as at 31 March 2021.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

26. INTANGIBLE ASSETS (continued)

(b) Customer relationships

	Group 2022 S$'000	2021 S$'000
Cost		
Beginning of financial year	**–**	–
Acquisition of subsidiaries (Note 40)	**29,106**	–
Currency translation differences	**786**	–
End of financial year	**29,892**	–
Accumulated amortisation and impairment		
Beginning of financial year	**–**	–
Amortisation charge	**(1,535)**	–
End of financial year	**(1,535)**	–
Net book value	**28,357**	–

(c) Preferential rent

	Group 2022 S$'000	2021 S$'000
Cost		
Beginning financial year	**7,501**	7,501
Loss of control of subsidiary (Note 41)	**(7,501)**	–
End of financial year	**–**	7,501
Accumulated amortisation		
Beginning of financial year	**(4,836)**	(4,380)
Loss of control of subsidiary (Note 41)	**5,140**	–
Amortisation charge	**(304)**	(456)
End of financial year	**–**	(4,836)
Net book value	**–**	2,665

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

26. INTANGIBLE ASSETS (continued)

(d) Acquired software licences

	Group	
	2022	2021
	S$'000	S$'000
Cost		
Beginning of financial year	**51**	51
Acquisition of subsidiaries (Note 40)	**13,419**	–
Additions	**2,404**	–
Write-off	**(51)**	–
Currency translation differences	**368**	–
End of financial year	**16,191**	51
Accumulated amortisation and impairment		
Beginning of financial year	**(51)**	(51)
Write-off	**51**	–
Amortisation charge	**(1,163)**	–
End of financial year	**(1,163)**	(51)
Net book value	**15,028**	–

(e) Trademarked brands

	Group	
	2022	2021
	S$'000	S$'000
Cost		
Beginning of financial year	**40,964**	34,740
Acquisition of subsidiaries (Note 40)	**15,095**	–
Currency translation differences	**23**	6,224
End of financial year	**56,082**	40,964
Accumulated amortisation and impairment		
Beginning of financial year	**–**	–
Amortisation charge	**(146)**	–
End of financial year	**(146)**	–
Net book value	**55,936**	40,964

Trademarked brands amounting to S$40,568,000 (2021: S$40,964,000) and S$13,185,000 (2021: S$Nil) have indefinite useful lives and are included in the Couriers Please Holdings group CGU and Freight Management Holdings group CGU respectively.

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

27. TRADE AND OTHER PAYABLES

	Group		Company	
	2022	2021	**2022**	2021
	S$'000	S$'000	**S$'000**	S$'000
Current				
Trade payables				
– Subsidiaries	**–**	–	**15,384**	23,134
– Companies related by a substantial shareholder	**363**	483	**352**	465
– Non-related parties	**371,006**	351,061	**279,718**	310,779
	371,369	351,544	**295,454**	334,378
Accrual for other operating expenses	**107,545**	101,931	**52,564**	70,430
Contingent consideration payable (Note (a))	**6,272**	–	**–**	–
Provision for restructuring (Note (b))	**379**	480	**–**	–
Provision for reinstatement costs (Note (c))	**1,193**	1,918	**472**	990
Put option redemption liabilities (Note (e))	**117,647**	–	**–**	–
Customers' deposits	**6,852**	6,725	**6,852**	6,725
Collections on behalf of third parties	**4,796**	6,383	**4,796**	6,383
Deposits	**14,133**	16,408	**13,268**	13,225
Other creditors	**37,314**	20,622	**18,946**	15,401
	667,500	506,011	**392,352**	447,532
Non-current				
Loans from a subsidiary (Note (d))	**–**	–	**353,058**	253,088
Accrual for operating expenses	**4,310**	4,929	**–**	–
Contingent consideration payable (Note (a))	**1,699**	–	**–**	–
Provision for reinstatement costs (Note (c))	**9,265**	9,596	**1,890**	1,627
Put option redemption liabilities (Note (e))	**131,568**	5,966	**–**	–
Post-employment benefits (Note 35)	**1,725**	1,817	**–**	–
	148,567	22,308	**354,948**	254,715
Total trade and other payables	**816,067**	528,319	**747,300**	702,247

(a) Contingent consideration payable

As at 31 March 2022, the fair value of contingent consideration payable arising from the acquisition of subsidiaries amounted to S$7,971,000 (2021: S$Nil). Refer to Note 40 for further details.

(b) Provision for restructuring

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

(c) Provision for reinstatement costs

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

27. TRADE AND OTHER PAYABLES (continued)

(c) Provision for reinstatement costs (continued)

Movement in this provision is as follows:

	Group		Company	
	2022	2021	**2022**	2021
	S$'000	S$'000	**S$'000**	S$'000
Beginning of financial year	**11,514**	11,150	**2,617**	2,738
Loss of control of subsidiaries	**(2,224)**	–	**–**	–
Acquisition of subsidiaries	**122**	–	**–**	–
Additions	**1,046**	364	**(255)**	(121)
End of financial year	**10,458**	11,514	**2,362**	2,617

(d) Loans from a subsidiary

Loans from a subsidiary comprise:

(i) S$250,000,000 (2021: S$250,000,000) which is non-trade related, unsecured, interest bearing at 2.83% per annum and repayable by 19 November 2030;

(ii) S$3,058,000 (2021: S$3,088,000) which is non-trade related, unsecured, interest bearing at 2.29% per annum and repayable by 28 March 2026; and

(iii) S$100,000,000 (2021: S$Nil) which is non-trade related, unsecured, interest bearing at 3.53% per annum and repayable by 29 March 2027.

The fair value of the loans computed based on cash flows discounted at the difference between market and existing borrowing rates of 2.39% to 2.41% (2021: 1.77%) is S$295,449,000 (2021: S$214,232,000). The fair value is within Level 2 of the fair value hierarchy.

(e) Put option redemption liabilities

(i) A put option was granted to the non-controlling shareholders of FPS Rotterdam to sell the remaining 15% interest to the Group, which is exercisable at any time after 31 March 2025. The put option redemption liability is recorded at fair value as at 31 March 2022 and 2021. Details of the valuation technique and inputs used are disclosed in Note 37(f).

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

28. LEASE LIABILITIES / BORROWINGS

		Group		Company	
		2022	2021	**2022**	2021
		S$'000	S$'000	**S$'000**	S$'000
(a)	Lease liabilities				
	– Current	**29,833**	23,656	**8,288**	12,911
	– Non-current	**53,612**	60,189	**12,115**	9,649
		83,445	83,845	**20,403**	22,560
(b)	Borrowings [1]				
	– Other borrowings	**517,008**	322,312	**50,000**	–

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

	Group		Company	
	2022	2021	**2022**	2021
	S$'000	S$'000	**S$'000**	S$'000
Current				
– Borrowings (secured)	**27,527**	4,166	**–**	–
– Borrowings (unsecured)	**50,000**	5,300	**50,000**	–
	77,527	9,466	**50,000**	–
Non-current				
– Borrowings (secured)	**–**	3,233	**–**	–
– Borrowings (unsecured)	**439,481**	309,613	**–**	–
	439,481	312,846	**–**	–
	517,008	322,312	**50,000**	–

Secured borrowings comprise external bank loans and are secured over investment properties with carrying amount of S$Nil (2021: S$50.4 million) (Note 23), or trade receivables with carrying amount of S$64.8 million (2021: S$Nil), or property, plant and equipment with carrying amount of S$36.4 million (2021: S$Nil) at the end of the reporting period.

During the financial year, a wholly-owned subsidiary of the Group issued S$100 million in aggregate principal amount of Notes due 2027 comprised in Series 002 under the S$1 billion Multicurrency Debt Issuance Programme. These Notes are guaranteed by the Company and bear interest at a fixed rate of 3.23% per annum and payable semi-annually.

During last financial year, a wholly-owned subsidiary of the Group issued S$250 million in aggregate principal amount of Notes due 2030 comprised in Series 001 under the S$1 billion Multicurrency Debt Issuance Programme. These Notes are guaranteed by the Company and bear interest at a fixed rate of 2.53% per annum and payable semi-annually.

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

As at 31 March 2021, the Group's unsecured borrowings consist of S$250 million 10-year Notes, A$59.4 million (S$60.8 million) 5-year term loan facility and short-term revolving credit facilities of S$5.3 million.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

28. LEASE LIABILITIES / BORROWINGS (continued)

Fair value of non-current borrowings

	Group		Company	
	2022	2021	**2022**	2021
	S$'000	S$'000	**S$'000**	S$'000
Non-current				
– Borrowings (secured)	**–**	3,233	**–**	–
– Borrowings (unsecured)	**423,988**	313,991	**–**	–
	423,988	317,224	**–**	–

The fair value of the Notes above is determined based on the over-the-counter quoted price. The fair value is classified within Level 1 of the fair value hierarchy.

The fair value of external bank loans is computed based on cash flows discounted at market borrowing rates. The fair value is classified within Level 2 of the fair value hierarchy.

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

Reconciliation of liabilities arising from financing activities

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

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

			Non-cash changes		
	1 April 2020	Financing cash flows [i]	Foreign exchange movement	Other changes [ii]	31 March 2021
	S$'000	S$'000	S$'000	S$'000	S$'000
Borrowings	364,424	(46,929)	(458)	5,275	322,312
Lease liabilities	86,166	(36,668)	8,634	25,713	83,845
	450,590	(83,597)	8,176	30,988	406,157

[i] The cash flows consist of interest paid, repayment of principal portion of lease liabilities, net amount of proceeds from borrowings and repayments of borrowings in the consolidated statement of cash flows.

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

29. CONTRACT LIABILITIES

	Group		Company	
	2022	2021	**2022**	2021
	S$'000	S$'000	**S$'000**	S$'000
Advances received for postassurance collaboration (Note (a))	**23,319**	30,962	**23,319**	30,962
Advance billings (Note (b))	**21,472**	27,005	**15,672**	14,699
Others	**–**	111	**–**	–
	44,791	58,078	**38,991**	45,661
Analysed as:				
Current	**29,397**	34,759	**23,597**	22,342
Non-current	**15,394**	23,319	**15,394**	23,319
	44,791	58,078	**38,991**	45,661

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

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

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

30. DEFERRED INCOME TAXES

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

	Group		Company	
	2022	2021	**2022**	2021
	S$'000	S$'000	**S$'000**	S$'000
Deferred income tax assets	**8,657**	4,248	**–**	–
Deferred income tax liabilities	**48,816**	36,865	**22,478**	21,971

Movement in the deferred income tax account is as follows:

	Group		Company	
	2022	2021	**2022**	2021
	S$'000	S$'000	**S$'000**	S$'000
Beginning of financial year	**32,617**	32,160	**21,971**	21,621
Acquisition of subsidiaries (Note 40)	**8,682**	–		
Loss of control of subsidiary (Note 41)	**(1,879)**	–	**–**	–
Currency translation differences	**277**	1,399	**–**	–
Tax charged / (credited) to profit or loss (Note 12)	**462**	(942)	**507**	350
End of financial year	**40,159**	32,617	**22,478**	21,971

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$133,821,000 (2021: S$130,721,000) 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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

30. 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
2022			
Beginning of financial year	**25,149**	**12,152**	**37,301**
Acquisition of subsidiaries (Note 40)	**–**	**13,768**	**13,768**
Loss of control of subsidiary (Note 41)	**(789)**	**(1,090)**	**(1,879)**
Currency translation differences	**22**	**260**	**282**
(Credited) / charged to profit or loss	**(326)**	**83**	**(243)**
End of financial year	**24,056**	**25,173**	**49,229**
2021			
Beginning of financial year	24,862	9,774	34,636
Currency translation differences	210	1,858	2,068
Charged to profit or loss	77	520	597
End of financial year	25,149	12,152	37,301

[1] Mainly arises from intangible assets.

Deferred income tax assets

	Provisions S$'000	Tax losses S$'000	Total S$'000
2022			
Beginning of financial year	**(2,088)**	**(2,596)**	**(4,684)**
Acquisition of subsidiaries (Note 40)	**(5,086)**	**–**	**(5,086)**
Currency translation difference	**(52)**	**47**	**(5)**
Charged to profit or loss	**646**	**59**	**705**
End of financial year	**(6,580)**	**(2,490)**	**(9,070)**
2021			
Beginning of financial year	(1,869)	(607)	(2,476)
Currency translation difference	34	(703)	(669)
Credited to profit or loss	(253)	(1,286)	(1,539)
End of financial year	(2,088)	(2,596)	(4,684)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

30. DEFERRED INCOME TAXES (continued)

Company

Deferred income tax liabilities

	Accelerated tax depreciation S$'000	Others S$'000	Total S$'000
2022			
Beginning of financial year	**22,427**	**(17)**	**22,410**
(Credited) / charged to profit or loss	**(454)**	**938**	**484**
End of financial year	**21,973**	**921**	**22,894**
2021			
Beginning of financial year	22,363	(540)	21,823
Charged to profit or loss	64	523	587
End of financial year	22,427	(17)	22,410

Deferred income tax assets

	Provisions S$'000
2022	
Beginning of financial year	**(439)**
Charged to profit or loss	**23**
End of financial year	**(416)**
2021	
Beginning of financial year	(202)
Credited to profit or loss	(237)
End of financial year	(439)

31. SHARE CAPITAL AND TREASURY SHARES

	Number of ordinary shares		Amount	
	Issued share capital '000	Treasury shares '000	Share capital S$'000	Treasury Shares S$'000
Group and Company				
As at 1 April 2020, 31 March 2021 and 31 March 2022	**2,275,089**	**(25,512)**	**638,762**	**(29,724)**

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

(a) Treasury shares

During the financial years ended 31 March 2022 and 2021, no treasury shares were re-issued pursuant to the Singapore Post Share Option Scheme.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

31. SHARE CAPITAL AND TREASURY SHARES (continued)

(b) Share options

The Singapore Post Share Option Scheme was adopted on 21 March 2003, and a new scheme, known as Singapore Post Share Option Scheme 2012 was adopted on 29 June 2012; collectively known as the "Scheme". The Scheme is administered by the Compensation Committee comprising Mr Bob Tan Beng Hai (Chairman), Mr Simon Claude Israel, and Mrs Fang Ai Lian during the financial year ended 31 March 2022.

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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

31. SHARE CAPITAL AND TREASURY SHARES (continued)

(b) Share options (continued)

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

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

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

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

- 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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

31. SHARE CAPITAL AND TREASURY SHARES (continued)

(b) Share options (continued)

Since the adoption of the Scheme to 31 March 2021, a total of 178,687,936 share options have been granted. Details of the options are set out in the Directors' Statement for the respective financial years.

During the financial year ended 31 March 2022, 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 1.4.21 ('000)**	**Granted during financial year ('000)**	**Options exercised ('000)**	**Options forfeited ('000)**	**Balance At 31.3.22 ('000)**
Options Granted Under Singapore Post Share Options Scheme							
For employees (including executive directors)							
26.07.11	27.07.12 to 26.07.21	S$1.100	400	–	–	400	–
11.05.12	19.05.14 to 11.05.22	S$1.030	482	–	–	–	482
10.08.12	11.08.13 to 10.08.22	S$1.070	827	–	–	138	689
17.01.14	18.01.17 to 17.01.24	S$1.350	1,683	–	–	460	1,223
07.03.14	08.03.17 to 07.03.24	S$1.330	375	–	–	–	375
20.05.14	21.05.15 to 20.05.24	S$1.450	2,598	–	–	1,989	609
07.08.14	08.08.15 to 07.08.24	S$1.760	259	–	–	197	62
19.05.15	20.05.16 to 19.05.25	S$1.890	3,527	–	–	1,652	1,875
20.05.16	21.05.17 to 20.05.26	S$1.570	1,965	–	–	473	1,492
Total Share Options			12,116	–	–	5,309	6,807

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

31. SHARE CAPITAL AND TREASURY SHARES (continued)

(b) Share options (continued)

Restricted Share Plan

The Singapore Post Restricted Share Plan 2013 (the "Plan") was implemented with the approval of shareholders at the Extraordinary General Meeting held on 28 June 2013. The 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") were subsequently designed to reinforce the delivery of long-term growth and shareholder value to drive an ownership culture and retain staff whose contributions are essential to the well-being of the Group. The Enhanced Plan allow fully paid shares to be granted to non-executive directors of the Group and associated companies.

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

Vesting Period	Vesting Date	Percentage of Shares that will be 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 2021, a total of 5,839,118 restricted shares were granted.

During the financial year ended 31 March 2022, no restricted shares were granted under the Plan. There are no outstanding unvested restricted shares as at the start of the financial year.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

31. SHARE CAPITAL AND TREASURY SHARES (continued)

(b) Share options (continued)

Enhanced Plan

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

a) Performance Share Award; and

b) Restricted Share Award.

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

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

Performance Share Awards

Since the adoption of the Enhanced Plan to 31 March 2021, a total of 5,751,141 restricted shares have been granted.

During the financial year ended 31 March 2022, 269,147 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 1.4.21 ('000)	Share Awards Granted ('000)	Share Awards Vested ('000)	Share Awards Cancelled ('000)	Balance As At 31.3.22 ('000)
18.01.18	359	–	–	359	–
31.05.18	2,278	–	–	2,278	–
31.05.19	1,292	–	–	701	591
01.06.20	1,571	–	–	1,116	455
20.01.22	–	269	–	–	269
Total	**5,500**	**269**	**–**	**4,454**	**1,315**

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

31. SHARE CAPITAL AND TREASURY SHARES (continued)

(b) Share options (continued)

Enhanced Plan (continued)

Restricted Share Awards

Since the adoption of the Enhanced Plan to 31 March 2021, a total of 9,903,706 restricted shares were granted.

During the financial year ended 31 March 2022, 1,140,317 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 1.4.21 ('000)	Share Awards Granted ('000)	Share Awards Vested ('000)	Share Awards Cancelled ('000)	Balance As At 31.3.22 ('000)
18.01.18	798	–	–	798	–
31.05.18	969	–	–	969	–
31.05.19	2,369	–	–	1,226	1,143
01.06.20	3,955	–	–	2,011	1,944
20.01.22	–	1,140	–	–	1,140
Total	**8,091**	**1,140**	**–**	**5,004**	**4,227**

Of the outstanding options (including Performance Share Option Plan but excluding Restricted Share Plan) for 6,807,000 (2021: 12,116,000) shares, 6,807,000 (2021: 12,116,000) options are exercisable as at 31 March 2022. The weighted average share price during the financial year was S$0.68 (2021: S$0.71).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

31. SHARE CAPITAL AND TREASURY SHARES (continued)

(b) Share options (continued)

Enhanced Plan (continued)

Restricted Share Awards *(continued)*

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

Type of Share Options	Performance Share Awards (TSR)	Performance Share Awards (ROE)	Performance Share Awards (CER)	Restricted Share Awards (UNP)
2022				
Total fair value of options granted during financial year	S$16,041	S$64,488	S$32,244	S$683,050
Valuation Model	Monte Carlo Simulation	Monte Carlo Simulation	Monte Carlo Simulation	Monte Carlo Simulation
Weighted average share price at the grant dates	S$0.65	S$0.65	S$0.65	S$0.65
Expected volatility	21.46%	21.46%	21.46%	21.46%
Expected option life	4 years	4 years	4 years	4 years
Expected dividend yield	2.41%	2.41%	2.41%	2.41%
2021				
Total fair value of options granted during financial year	S$245,869	S$503,521	–	S$2,687,619
Valuation Model	Monte Carlo Simulation	Monte Carlo Simulation	–	Monte Carlo Simulation
Weighted average share price at the grant dates	S$0.76	S$0.76	–	S$0.76
Expected volatility	21.1%	21.1%	–	21.1%
Expected option life	4 years	4 years	–	4 years
Expected dividend yield	4.3%	4.3%	–	4.3%

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

32. OTHER RESERVES

	Group		Company	
	2022	2021	**2022**	2021
	S$'000	S$'000	**S$'000**	S$'000
(a) Composition:				
Share option reserve	**6,115**	16,134	**6,115**	16,134
Fair value reserve	**4,863**	13,668	**(4,561)**	–
Currency translation reserve	**(8,925)**	(5,051)	**–**	–
Other capital reserve	**34,513**	33,192	**–**	–
Asset valuation reserve	**45,275**	45,062	**35,754**	30,702
	81,841	103,005	**37,308**	46,836

Other reserves are non-distributable.

	Group		Company	
	2022	2021	**2022**	2021
	S$'000	S$'000	**S$'000**	S$'000
(b) Movements:				
(i) Share option reserve				
Beginning of financial year	**16,134**	13,182	**16,134**	13,182
Employee share option scheme:				
– Value of employee services	**(10,019)**	2,952	**(10,019)**	2,952
– Profit and loss (Note 5)	**(4,535)**	2,952	**(4,535)**	2,952
– Retained earnings	**(5,484)**	–	**(5,484)**	–
End of financial year	**6,115**	16,134	**6,115**	16,134
(ii) Fair value reserve				
Beginning of financial year	**13,668**	227	**–**	–
Fair value (loss) / gain	**(10,992)**	20,367	**(4,561)**	–
Less: Non-controlling interests	**2,187**	(6,926)	**–**	–
End of financial year	**4,863**	13,668	**(4,561)**	–
(iii) Currency translation reserve				
Beginning of financial year	**(5,051)**	(22,046)	**–**	–
Disposal / liquidation of foreign subsidiaries	**(246)**	–	**–**	–
Transfer to profit or loss arising from change in ownership interest from an associated company to a subsidiary	**(63)**	–	**–**	–
Net currency translation differences of financial statements of foreign subsidiaries and associated companies	**(2,131)**	16,706	**–**	–
Adjusted for non-controlling interest	**(1,434)**	289	**–**	–
End of financial year	**(8,925)**	(5,051)	**–**	–

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

32. OTHER RESERVES (continued)

	Group		Company	
	2022	2021	**2022**	2021
	S$'000	S$'000	**S$'000**	S$'000
(b) Movements (continued):				
(iv) Other capital reserve				
Beginning of financial year	**33,192**	37,557	**–**	–
Additional interest in a subsidiary	**–**	(1,867)	**–**	–
Adjustment	**1,139**	(2,498)	**–**	–
Loss of control of subsidiary	**182**	–	**–**	–
End of financial year	**34,513**	33,192	**–**	–

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

	Group		Company	
	2022	2021	**2022**	2021
(v) Asset valuation reserve				
Beginning of financial year	**45,062**	44,390	**30,702**	29,677
Revaluation gain on property, plant and equipment and right-of-use assets upon transfer to investment property (Notes 24 and 25)	**6,412**	672	**5,052**	1,025
Loss of control of subsidiary	**(6,199)**	–	**–**	–
End of financial year	**45,275**	45,062	**35,754**	30,702

33. PERPETUAL SECURITIES

On 2 March 2012, the Company issued senior perpetual cumulative securities ("perpetual securities") with an aggregate principal amount of S$350,000,000. Incremental costs incurred amounting to S$4,397,000 were recognised in equity as a deduction from proceeds. The perpetual securities were fully redeemed on 2 March 2022.

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 SFRS(I) 1-32 *Financial Instruments: Presentation*. The whole instrument is presented within equity, and distributions are treated as dividends.

During the financial year, distributions to perpetual securities holders amounted to S$13,652,000 (2021: S$14,875,000).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

34. DIVIDENDS

	2022 S$'000	2021 S$'000
Ordinary dividends paid		
Final exempt (one-tier) dividend paid in respect of the previous financial year of 0.6 cent per share (2021: 1.2 cents)	**13,497**	26,995
Interim exempt (one-tier) dividend paid in respect of the first half of the current financial year of 0.5 cent per share (2021: 0.5 cent)	**11,248**	11,248
	24,745	38,243

At the Annual General Meeting on 21 July 2022, a final exempt (one-tier) dividend of 1.3 cents per ordinary share amounting to S$29.2 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 2023.

35. POST-EMPLOYMENT BENEFITS

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

	Group	
	2022 S$'000	2021 S$'000
The amount recognised in the statement of financial position is determined as follows:		
Present value of unfunded obligations (Note 27)	**1,725**	1,817
The amounts recognised in profit or loss are as follows:		
Current service cost	**749**	769
Interest cost	**10**	10
	759	779
Beginning of financial year	**1,817**	1,949
Current service cost	**749**	769
Interest cost	**10**	10
Benefits paid	**(693)**	(766)
Currency translation differences	**(158)**	(145)
End of financial year	**1,725**	1,817
The significant actuarial assumptions used were as follows:		
Discount rate	**0.60%**	0.60%
Retirement age	**60**	60
Salary growth rates	**2.50%**	2.60%
Withdrawal	**0%**	0%
The cumulative actuarial losses recognised for the defined benefit pension plans were as follows:		
Beginning and end of financial year	**(11)**	(11)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

36. COMMITMENTS

(a) Capital and investment commitments

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

	Group		Company	
	2022	2021	**2022**	2021
	S$'000	S$'000	**S$'000**	S$'000
Property, plant and equipment	**21,588**	5,622	**6,758**	5,530
Investment in an associated company (Note 21(a)(i))	**–**	20,994	**–**	–

Apart from the above, the Group is committed to purchase 100% of the entire issued and paid up share capital in Parcel Santa Pte. Ltd. for S$5,250,000 at 31 March 2022. The acquisition was completed in April 2022 (Note 43).

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

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

At 31 March 2022, the Group is committed to S$0.6 million (2021: S$0.2 million) for short-term leases.

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

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

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

Maturity analysis of operating lease income:

	Group	Company
	S$'000	**S$'000**
2022		
Maturity analysis:		
Year 1	**51,880**	**49,760**
Year 2	**36,306**	**35,348**
Year 3	**11,427**	**10,838**
Year 4	**2,688**	**2,481**
Year 5	**373**	**167**
Year 6 onwards	**154**	**–**
	102,828	**98,594**
2021		
Maturity analysis:		
Year 1	48,281	45,394
Year 2	39,554	38,345
Year 3	26,066	25,806
Year 4	4,288	4,174
Year 5	169	154
Year 6 onwards	56	–
	118,414	113,873

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

37. FINANCIAL RISK MANAGEMENT

Financial risk factors

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

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

(a) Market risk

(i) Currency risk

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

37. FINANCIAL RISK MANAGEMENT (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

37. FINANCIAL RISK MANAGEMENT (continued)

(a) Market risk (continued)

(i) *Currency risk* (continued)

	SGD S$'000	SDR S$'000	EUR S$'000	USD S$'000	HKD S$'000	AUD S$'000	MYR S$'000	RMB S$'000	Others S$'000	Total S$'000
Group										
2021										
Financial assets										
Cash and cash equivalents	437,190	–	3,111	7,347	5,218	17,177	1,785	715	28,669	501,212
Trade and other receivables	60,655	6,860	14,927	378	4,042	24,933	2,048	43,434	17,760	175,037
Other financial assets	2,606	–	–	16	1,368	70	350	–	5,458	9,868
Financial assets	19,086	–	–	–	–	1,459	–	96,829	255	117,629
Derivative financial instruments	–	–	–	10	–	–	–	–	30	40
	519,537	6,860	18,038	7,751	10,628	43,639	4,183	140,978	52,172	803,786
Financial liabilities										
Derivative financial instruments	–	–	(760)	(4)	–	–	–	–	(409)	(1,173)
Borrowings	(258,337)	–	–	–	–	(60,320)	(3,655)	–	–	(322,312)
Lease liabilities	(41,966)	–	(1,101)	–	(7,634)	(26,367)	(533)	–	(6,244)	(83,845)
Trade and other payables	(180,057)	(273,857)	(5,338)	(4,397)	(4,870)	(27,982)	(1,822)	(1,156)	(27,023)	(526,502)
	(480,360)	(273,857)	(7,199)	(4,401)	(12,504)	(114,669)	(6,010)	(1,156)	(33,676)	(933,832)
Net financial assets / (liabilities)	**39,177**	**(266,997)**	**10,839**	**3,350**	**(1,876)**	**(71,030)**	**(1,827)**	**139,822**	**18,496**	
Less: Net financial assets / (liabilities) denominated in the respective entities' functional currencies	39,177	–	10,559	(3,457)	(1,341)	(11,568)	(1,108)	3,506	16,964	
Less: Currency forwards	–	(1,193)	–	–	–	–	–	–	–	
Currency exposure	**–**	**(268,190)**	**280**	**6,807**	**(535)**	**(59,462)**	**(719)**	**136,316**	**1,532**	

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

37. FINANCIAL RISK MANAGEMENT (continued)

(a) Market risk (continued)

(i) *Currency risk* (continued)

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

37. FINANCIAL RISK MANAGEMENT (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

	SGD S$'000	SDR S$'000	EUR S$'000	USD S$'000	HKD S$'000	AUD S$'000	MYR S$'000	RMB S$'000	Others S$'000	Total S$'000
Company										
2021										
Financial assets										
Cash and cash equivalents	417,817	–	785	104	10	5	–	–	110	418,831
Trade and other receivables	314,126	6,860	–	–	–	1,870	7,157	39,954	–	369,967
Other financial assets	1,647	–	–	–	–	–	–	–	–	1,647
Financial assets	19,086	–	–	–	–	–	–	–	–	19,086
Derivative financial instruments	–	–	–	10	–	–	–	–	30	40
	752,676	6,860	785	114	10	1,875	7,157	39,954	140	809,571
Financial liabilities										
Derivative financial instruments	–	–	(760)	(4)	–	–	–	–	(409)	(1,173)
Lease liabilities	(22,560)	–	–	–	–	–	–	–	–	(22,560)
Trade and other payables	(428,390)	(273,857)	–	–	–	–	–	–	–	(702,247)
	(450,950)	(273,857)	(760)	(4)	–	–	–	–	(409)	(725,980)
Net financial assets / (liabilities)	**301,726**	**(266,997)**	**25**	**110**	**10**	**1,875**	**7,157**	**39,954**	**(269)**	
Less: Net financial assets / (liabilities) denominated in the respective entities' functional currencies	301,726	–	–	–	–	–	–	–	–	
Less: Currency forwards	–	(1,193)	–	–	–	–	–	–	–	
Currency exposure	**–**	**(268,190)**	**25**	**110**	**10**	**1,875**	**7,157**	**39,954**	**(269)**	

If the SDR changes against the SGD by 2% (2021: 2%) with all other variables being held constant, the effects arising from the net financial liability/asset position will be as follows:

	Increase / (decrease) Profit before tax	
	2022 S$'000	2021 S$'000
Group and Company		
SDR against SGD		
– strengthened	**(5,060)**	(5,364)
– weakened	**5,060**	5,364

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

37. FINANCIAL RISK MANAGEMENT (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

If the EUR changes against the SGD by 2% (2021: 2%) with all other variables being held constant, the effects arising from the net financial asset/liability position will be as follows:

	Increase / (decrease) Profit before tax	
	2022	2021
	S$'000	S$'000
Group		
EUR against SGD		
– strengthened	**(28)**	6
– weakened	**28**	(6)
Company		
EUR against SGD		
– strengthened	**(2)**	1
– weakened	**2**	(1)

If the USD changes against the SGD by 3% (2021: 3%) with all other variables being held constant, the effects arising from the net financial asset/liability position will be as follows:

	Increase / (decrease) Profit before tax	
	2022	2021
	S$'000	S$'000
Group		
USD against SGD		
– strengthened	**237**	204
– weakened	**(237)**	(204)
Company		
USD against SGD		
– strengthened	**17**	3
– weakened	**(17)**	(3)

If the AUD changes against the SGD by 4% (2021: 3%) with all other variables being held constant, the effects arising from the net financial asset/liability position will be as follows:

	Increase / (decrease) Profit before tax	
	2022	2021
	S$'000	S$'000
Group		
AUD against SGD		
– strengthened	**(3,624)**	(1,784)
– weakened	**3,624**	1,784
Company		
AUD against SGD		
– strengthened	**76**	56
– weakened	**(76)**	(56)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

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

(a) Market risk (continued)

(i) *Currency risk* (continued)

If the RMB changes against the SGD by 2% (2021: 3%) with all other variables being held constant, the effects arising from the net financial asset/liability position will be as follows:

	Increase / (decrease) Profit before tax	
	2022	2021
	S$'000	S$'000
Group		
RMB against SGD		
– strengthened	**591**	1,185
– weakened	**(591)**	(1,185)
Company		
RMB against SGD		
– strengthened	**596**	1,199
– weakened	**(596)**	(1,199)

	Increase / (decrease) Other comprehensive income	
	2022	2021
	S$'000	S$'000
Group		
RMB against SGD		
– strengthened	**1,808**	2,905
– weakened	**(1,808)**	(2,905)

(ii) *Interest rate risk*

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

The Group's policy is to minimise the interest expense consistent with maintaining an acceptable level of exposure to interest rate fluctuations. A target mix of fixed and floating debt based on the assessment of interest rate trends is used to achieve this objective. The Group was exposed to interest rate risk from its borrowings (Note 28) which bear interest ranging from 1.3% to 3.2% (2021: 1.35% to 3.28%).

For the financial year ended 31 March 2022, if the interest rate had increased / decreased by 1% (2021: 1%) with all other variables being held constant, profit before tax will decrease / increase by S$1.1 million (2021: S$0.7 million).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

37. FINANCIAL RISK MANAGEMENT (continued)

(a) Market risk (continued)

(ii) Interest rate risk (continued)

Managing interest rate benchmark reform and associated risks

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

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

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

Having reviewed the Group's exposures from any derivative or loan outstanding, no derivative instruments has been entered into nor loans outstanding for the Group is exposed to IBOR reform and does not require any modification in relation to the IBOR reform as at 31 March 2022.

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

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

(iii) Equity price risk management

The Group is exposed to equity risks arising from equity investments classified as at FVTOCI. Equity investments measured at FVTOCI are held for strategic rather than trading purposes. The Group does not actively trade such investments.

Further details of these equity investments can be found in Note 15.

The sensitivity analyses below have been determined based on the exposure to equity price risks at the end of the reporting period. In respect of equity investments at FVTOCI, if the inputs to the valuation model had been 10% higher/lower while all other variables were held constant, the Group's fair value reserve would increase/decrease by S$9.1 million (2021: S$10.2 million).

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

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. As at 31 March 2022, the Group's maximum exposure to credit risk without taking into account any collateral held or other credit enhancements, which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties arises from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

37. FINANCIAL RISK MANAGEMENT (continued)

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

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

	Group		Company	
	2022	2021	**2022**	2021
	S$'000	S$'000	**S$'000**	S$'000
By geographical areas				
Singapore	**44,923**	45,851	**46,401**	53,132
Other countries	**178,349**	119,037	**47,605**	54,987
	223,272	164,888	**94,006**	108,119
By types of customers				
Related parties	**1,406**	2,287	**16,208**	13,453
Non-related parties:				
– Government bodies	**1,992**	2,652	**1,992**	2,652
– Banks	**5,210**	5,149	**5,094**	4,908
– Overseas postal administrations	**9,147**	6,728	**9,147**	6,728
– Other companies	**205,517**	148,072	**61,565**	80,378
	223,272	164,888	**94,006**	108,119

(i) Trade receivables

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

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

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

(ii) Other financial assets at amortised cost

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

37. FINANCIAL RISK MANAGEMENT (continued)

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

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

	Note	External credit rating	Internal credit rating	12-month ("12m") or lifetime ECL	Gross carrying amount S$'000	Loss allowance S$'000	Net carrying amount S$'000
2022							
Group							
Trade receivables	16	N.A.	(i)	Lifetime ECL (simplified approach)	228,554	(5,282)	223,272
Other receivables	16,20	N.A.	(ii)	12m ECL and lifetime ECL	17,767	(2,390)	15,377
Other financial assets	18	N.A.	(ii)	12m ECL	11,507	–	11,507
Bonds	15	At least BBB-	N.A.	12m ECL	8,006	–	8,006
						(7,672)	
Company							
Trade receivables	16	N.A.	(i)	Lifetime ECL (simplified approach)	98,442	(4,436)	94,006
Other receivables	16,20	N.A.	(ii)	12m ECL and lifetime ECL	266,814	(46,480)	220,334
Other financial assets	18	N.A.	(ii)	12m ECL	1,689	–	1,689
Bonds	15	At least BBB-	N.A.	12m ECL	8,006	–	8,006
						(50,916)	
2021							
Group							
Trade receivables	16	N.A.	(i)	Lifetime ECL (simplified approach)	168,060	(3,172)	164,888
Other receivables	16,20	N.A.	(ii)	12m ECL and lifetime ECL	10,522	(746)	9,776
Other financial assets	18	N.A.	(ii)	12m ECL	9,868	–	9,868
Bonds	15	At least BBB-	N.A.	12m ECL	14,525	–	14,525
						(3,918)	
Company							
Trade receivables	16	N.A.	(i)	Lifetime ECL (simplified approach)	110,671	(2,552)	108,119
Other receivables	16,20	N.A.	(ii)	12m ECL and lifetime ECL	312,917	(51,442)	261,475
Other financial assets	18	N.A.	(ii)	12m ECL	1,647	–	1,647
Bonds	15	At least BBB-	N.A.	12m ECL	14,525	–	14,525
						(53,994)	

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

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

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

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

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

	Expected weighted credit loss rate %	Estimated total gross carrying amount at default S$'000	Lifetime ECL S$'000	Total S$'000
Trade receivables				
2022				
Group				
Current (not past due)	*	193,630	–	193,630
1 to 90 days past due	7.8%	30,290	(2,377)	27,913
More than 90 days past due	62.7%	4,634	(2,905)	1,729
		228,554	(5,282)	223,272
Company				
Current (not past due)	*	86,378	–	86,378
1 to 90 days past due	27.9%	8,528	(2,377)	6,151
More than 90 days past due	58.2%	3,536	(2,059)	1,477
		98,442	(4,436)	94,006
2021				
Group				
Current (not past due)	*	136,833	–	136,833
1 to 90 days past due	7.6%	29,304	(2,213)	27,091
More than 90 days past due	49.9%	1,923	(959)	964
		168,060	(3,172)	164,888
Company				
Current (not past due)	*	98,066	–	98,066
1 to 90 days past due	19.2%	11,514	(2,213)	9,301
More than 90 days past due	31.1%	1,091	(339)	752
		110,671	(2,552)	108,119

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

37. FINANCIAL RISK MANAGEMENT (continued)

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

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

Movements in loss allowance are as follows:

Group

	Trade receivables S$'000	Loans to associated companies S$'000
Balance as at 1 April 2020	1,843	–
Amount written off	(527)	(357)
Loss allowance recognised in profit or loss during the year	1,856	1,103
Balance as at 31 March 2021	3,172	746
Amount written off	(101)	–
Loss allowance recognised in profit or loss during the year	2,211	1,644
Reclassification to assets held for sale (Note 19)	–	(2,390)
Balance as at 31 March 2022	5,282	–

Company

	Trade receivables S$'000	Loans to subsidiaries S$'000
Balance as at 1 April 2020	856	51,442
Loss allowance recognised in profit or loss during the year	1,696	–
Balance as at 31 March 2021	2,552	51,442
Amount written off	(84)	–
Loss allowance recognised / (reversed) in profit or loss during the year	1,968	(4,962)
Balance as at 31 March 2022	4,436	46,480

(c) Credit risk management

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

Credit exposure to any individual counterparty is restricted by credit limits that are approved based on ongoing credit evaluation. The counterparty's payment profile and credit exposure are continuously monitored at the entity level by the respective management and at the Group level. As at 31 March 2022, trade receivables from a customer represented 13% and 32% (2021: 24% and 37%) of the Group's and Company's trade receivables respectively and contributed revenue of S$231,498,000 (2021: S$326,147,000). The revenue is attributable to the Post and Parcel segment.

Bank deposits are placed in banks which are regulated.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

37. FINANCIAL RISK MANAGEMENT (continued)

(d) Liquidity risk

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

As at 31 March 2022, the Group's and the Company's current liabilities exceeded their current assets by S$267,181,000 and S$168,254,000 respectively. This was largely due to the timing difference between the full redemption of the Company's perpetual securities with accrued distributions totalling S$360,478,000 during the year while the Company's wholly-owned subsidiary issued S$250 million SGD Subordinated Perpetual Securities (Note 43) in April 2022, which brought the Group back into a net cash position. Management is of the view that the Group and the Company are able to pay their debts when they fall due. The Group also maintains access to undrawn credit facilities and debt capital markets.

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				
2022				
Trade and other payables	**(667,500)**	**(7,113)**	**(1,653)**	**(6,508)**
Lease liabilities	**(33,096)**	**(25,924)**	**(22,776)**	**(8,515)**
Borrowings	**(90,851)**	**(12,821)**	**(225,547)**	**(272,978)**
	(791,447)	**(45,858)**	**(249,976)**	**(288,001)**
2021				
Trade and other payables	(504,283)	(11,844)	(1,456)	(7,192)
Lease liabilities	(26,805)	(20,429)	(31,878)	(20,488)
Borrowings	(16,752)	(10,511)	(82,374)	(279,303)
	(547,840)	(42,784)	(115,708)	(306,983)
Company				
2022				
Trade and other payables	**(403,072)**	**(11,068)**	**(135,777)**	**(276,589)**
Lease liabilities	**(8,677)**	**(6,647)**	**(5,803)**	**–**
Borrowings	**(50,035)**	**–**	**–**	**–**
	(461,784)	**(17,715)**	**(141,580)**	**(276,589)**
2021				
Trade and other payables	(452,940)	(7,466)	(24,722)	(283,752)
Lease liabilities	(13,388)	(4,151)	(5,951)	(70)
	(466,328)	(11,617)	(30,673)	(283,822)

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

37. FINANCIAL RISK MANAGEMENT (continued)

(d) Liquidity risk (continued)

	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				
2022				
Cash and cash equivalents	**280,438**	**–**	**–**	**–**
Trade and other receivables	**233,818**	**4,810**	**1**	**134**
Other financial assets	**5,008**	**1,539**	**–**	**4,960**
Financial assets	**8,089**	**–**	**–**	**–**
	527,353	**6,349**	**1**	**5,094**
2021				
Cash and cash equivalents	501,212	–	–	–
Trade and other receivables	166,174	8,485	7	134
Other financial assets	5,642	9	147	4,070
Financial assets	6,960	9,839	–	–
	679,988	18,333	154	4,204
Company				
2022				
Cash and cash equivalents	**200,598**	**–**	**–**	**–**
Trade and other receivables	**109,712**	**218,340**	**2,260**	**134**
Other financial assets	**1,689**	**–**	**–**	**–**
Financial assets	**8,089**	**–**	**–**	**–**
	320,088	**218,340**	**2,260**	**134**
2021				
Cash and cash equivalents	418,831	–	–	–
Trade and other receivables	133,545	251,728	7	134
Other financial assets	1,647	–	–	–
Financial assets	6,960	8,380	–	–
	560,983	260,108	7	134

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

37. FINANCIAL RISK MANAGEMENT (continued)

(d) Liquidity risk (continued)

	Group		Company	
	2022	2021	**2022**	2021
	S$'000	S$'000	**S$'000**	S$'000
Less than 1 year				
Gross settled:				
Foreign exchange contracts forward				
– Gross inflow	**145,757**	148,943	**145,757**	148,943
– Gross outflow	**(145,918)**	(150,076)	**(145,918)**	(150,076)
	(161)	(1,133)	**(161)**	(1,133)

(e) Capital risk

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

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

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

	Group		Company	
	2022	2021	**2022**	2021
	S$'000	S$'000	**S$'000**	S$'000
Net debt / (cash)	**236,570**	(178,900)	**(150,598)**	(418,831)
Total equity	**1,142,101**	1,671,423	**1,233,674**	1,586,772
Gearing ratio without perpetual securities	**20.7%**	(10.7%)	**(12.2%)**	(26.4%)
Net debt / (cash) plus perpetual securities	**236,570**	167,926	**(150,598)**	(72,005)
Total equity	**1,142,101**	1,671,423	**1,233,674**	1,586,772
Gearing ratio with perpetual securities	**20.7%**	10.0%	**(12.2%)**	(4.5%)

The capital structure of the Group and Company consists of equity attributable to owners of the parents comprising issued capital, perpetual securities, reserves, retained earnings and borrowings disclosed in Note 28. The Group is in compliance with externally imposed capital requirements for the financial years ended 31 March 2022 and 2021.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

37. FINANCIAL RISK MANAGEMENT (continued)

(f) Fair value estimation of financial assets and liabilities

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

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

37. FINANCIAL RISK MANAGEMENT (continued)

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

	Level 1 S$'000	Level 2 S$'000	Level 3 S$'000	Total S$'000
Group				
2022				
Assets				
Financial assets designated as at FVTOCI	**–**	**–**	**90,631**	**90,631**
Derivative financial instruments	**–**	**391**	**–**	**391**
Liabilities				
Derivative financial instruments	**–**	**552**	**–**	**552**
Contingent consideration payable	**–**	**–**	**7,971**	**7,971**
Put option redemption liabilities	**–**	**–**	**249,215**	**249,215**
2021				
Assets				
Financial assets at FVTPL – call option	–	–	1,459	1,459
Financial assets designated as at FVTOCI	–	–	101,645	101,645
Derivative financial instruments	–	40	–	40
Liabilities				
Derivative financial instruments	–	1,173	–	1,173
Put option redemption liability	–	–	5,966	5,966
Company				
2022				
Assets				
Derivative financial instruments	**–**	**391**	**–**	**391**
Liabilities				
Derivative financial instruments	**–**	**552**	**–**	**552**
2021				
Assets				
Financial assets designated as at FVTOCI	–	–	4,561	4,561
Derivative financial instruments	–	40	–	40
Liabilities				
Derivative financial instruments	–	1,173	–	1,173

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

37. FINANCIAL RISK MANAGEMENT (continued)

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

The following table presents the changes in Level 3 instruments:

	Financial assets at FVTPL – call option S$'000	Financial assets designated as at FVTOCI S$'000	Contingent consideration payable S$'000	Put option redemption liability S$'000
2022				
Beginning of financial year	**1,459**	**101,645**	**–**	**(5,966)**
Acquisition of subsidiaries	**–**	**–**	**(7,742)**	**(241,385)**
Fair value losses recognised in				
– Profit or loss	**–**	**–**	**–**	**(1,945)**
– Other comprehensive income	**–**	**(14,957)**	**–**	**–**
Exercise of call option	**(1,459)**	**–**	**–**	**–**
Currency translation differences	**–**	**3,943**	**(229)**	**81**
End of financial year	**–**	**90,631**	**(7,971)**	**(249,215)**
Total loss for the year included in profit or loss for assets and liabilities held at the end of the financial year	**–**	**–**	**–**	**(1,945)**
2021				
Beginning of financial year	–	81,298	1,558	–
Acquired during the financial year	1,459	–	–	–
Fair value gains / (losses) recognised in				
– Profit or loss	–	–	3	(3,501)
– Other comprehensive income	–	18,731	–	–
Adjustment recognised in other reserves	–	–	–	(2,498)
Settlement of contingent consideration	–	–	(1,508)	–
Currency translation differences	–	1,616	(53)	33
End of financial year	1,459	101,645	–	(5,966)
Total loss for the year included in profit or loss for assets and liabilities held at the end of the financial year	–	–	–	(3,501)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

37. FINANCIAL RISK MANAGEMENT (continued)

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

	Company Financial assets designated as at FVTOCI S$'000
2022	
Beginning of financial year	**4,561**
Fair value loss recognised in other comprehensive income	**(4,561)**
End of financial year	**–**
Total profit for the year included in profit or loss for assets and liabilities held at the end of the financial year	**–**
2021	
Beginning and end of financial year	4,561
Total profit for the year included in profit or loss for assets and liabilities held at the end of the financial year	–

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

37. FINANCIAL RISK MANAGEMENT (continued)

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

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

Description	Fair value (S$'000) 2022	Valuation techniques	Unobservable inputs	Range of unobservable inputs 2022	Relationship of unobservable inputs to fair value
Group					
Financial assets at FVTPL – call option	– (2021: 1,459)	Black-Scholes pricing model	Enterprise Value volatility	– (2021: 27.0%)	The higher the volatility, the higher the valuation
			Risk-free rate	– (2021: 0.14%)	The higher the risk-free rate, the higher the valuation
Financial assets designated as at FVTOCI	**90,631** (2021: 101,645)	Market approach	Enterprise Value / EBITDA multiple of comparable companies	**N/A** (2021: 8.5-15.7x)	The higher the Enterprise Value / EBITDA multiple, the higher the valuation
			Enterprise Value / Revenue multiple of comparable companies	**0.3-0.35x** (2021: 0.4-1.1x)	The higher the Enterprise Value / Revenue multiple, the higher the valuation
Put option redemption liabilities	**7,830** (2021: 5,966)	Discounted cash flow approach	Discount rate	**4.5-5.0%** (2021: 4.0-5.0%)	The higher the discount rate, the lower the valuation
	241,385 (2021: Nil)	Monte Carlo simulation model	EBITDA volatility	**20.0%** (2021: Nil)	The higher the volatility, the higher the valuation
			Risk-free rate	**1.0-2.6%** (2021: Nil)	The higher the risk-free rate, the higher the valuation

N/A: Not applicable

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

37. FINANCIAL RISK MANAGEMENT (continued)

(g) Financial instruments by category

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

	Group		Company	
	2022	2021	**2022**	2021
	S$'000	S$'000	**S$'000**	S$'000
Financial assets at amortised cost	**530,950**	686,117	**516,983**	790,445
Financial liabilities at amortised cost	**557,156**	520,536	**747,300**	702,247
Financial liabilities at fair value through profit or loss	**257,186**	5,966	**–**	–

(h) Offsetting financial assets and financial liabilities

There were no financial instruments subject to enforceable master netting arrangement as at 31 March 2022 and 2021.

38. RELATED PARTY TRANSACTIONS

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

(a) Sales and purchases of goods and services

	Group	
	2022	2021
	S$'000	S$'000
Services rendered to an associated company	**2,677**	494
Services received from associated companies	**(3,072)**	(1,786)
Services rendered to related companies of a substantial shareholder	**13,901**	16,285
Services received from related companies of a substantial shareholder	**(16,926)**	(31,246)
Interest received from loans to associated companies	**92**	103

During the financial year ended 31 March 2022, the Company made payments on behalf of subsidiaries totalling S$5.2 million (2021: S$4.4 million) which were subsequently reimbursed.

Outstanding balances at 31 March 2022, arising from sale/purchase of goods and services, are unsecured and receivable/payable within 12 months from the end of the reporting period and are disclosed in Notes 16 and 27 respectively.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

38. RELATED PARTY TRANSACTIONS (continued)

(b) Key management personnel compensation is as follows:

	Group	
	2022	2021
	S$'000	S$'000
Salaries and other short-term employee benefits	**3,793**	5,748
Post-employment benefits	**80**	73
Share-based staff costs	**74**	1,842
	3,947	7,663

Included in the above is total compensation to non-executive directors of the Company amounting to S$1,222,800 (2021: S$1,185,600) based on the non-executive director remuneration framework.

39. SEGMENT INFORMATION

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

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

- ***Post and Parcel*** segment comprises the core postal and parcel delivery business of the Group. This includes Domestic post and parcels, International post and parcels, as well as products and services transacted at the post offices.

- ***Logistics*** segment comprises the logistics businesses of the Group. The services are divided into Freight forwarding and eCommerce logistics, which includes front-end related eCommerce solutions, warehousing, fulfilment, delivery and other value-added services in Asia Pacific.

- ***Property*** segment includes the provision of commercial property rental, as well as the self-storage business.

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

39. SEGMENT INFORMATION (continued)

(a) Segment revenues and results

The following is an analysis of the Group's revenues and results by reportable segments that were provided to the CODM for the financial years ended 31 March 2022 and 2021.

	Post and Parcel S$'000	Logistics S$'000	Property S$'000	Eliminations S$'000	Total S$'000	All other segments S$'000	Total S$'000
Group							
Full year ended 31 March 2022							
Revenue:							
– External	**604,784**	**988,450**	**72,345**	**–**	**1,665,579**	**–**	**1,665,579**
– Inter-segment	**17,550**	**10,080**	**42,561**	**(70,191)**	**–**	**–**	**–**
	622,334	**998,530**	**114,906**	**(70,191)**	**1,665,579**	**–**	**1,665,579**
Operating profit	**24,851**	**44,295**	**52,867**	**–**	**122,013**	**(9,939)**	**112,074**
Full year ended 31 March 2021							
Revenue:							
– External	721,475	608,347	74,859	–	1,404,681	–	1,404,681
– Inter-segment	22,407	9,728	40,569	(72,704)	–	–	–
	743,882	618,075	115,428	(72,704)	1,404,681	–	1,404,681
Operating profit	43,502	11,256	50,013	–	104,771	(25,439)	79,332

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

Reconciliation of Segment profits

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

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

	Group	
	2022 S$'000	2021 S$'000
Operating profit for reportable segments	**122,013**	104,771
Operating loss for all other segments	**(9,939)**	(25,439)
Exceptional items	**1,858**	(12,491)
Finance expenses	**(14,779)**	(11,031)
Interest income and investment income (net)	**3,366**	3,470
Share of profit of associated companies and joint venture	**4,847**	989
Profit before tax	**107,366**	60,269
Tax expense	**(19,623)**	(13,259)
Profit after tax	**87,743**	47,010

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

39. SEGMENT INFORMATION (continued)

(b) Segment assets

The following is an analysis of the Group's segment assets as at 31 March 2022 and 2021 that were provided to the CODM:

	Post and Parcel S$'000	Logistics S$'000	Property S$'000	Total S$'000	All other segments S$'000	Total S$'000
Group						
31 March 2022						
Segment assets	**140,154**	**1,008,165**	**1,274,804**	**2,423,123**	**48,390**	**2,471,513**
Segment assets include:						
Investment in associated companies	**–**	**2,575**	**–**	**2,575**	**31,497**	**34,072**
Intangible assets	**–**	**529,441**	**–**	**529,441**	**–**	**529,441**
31 March 2021						
Segment assets	182,720	660,137	1,400,006	2,242,863	43,121	2,285,984
Segment assets include:						
Investment in associated companies	–	66,490	–	66,490	30,979	97,469
Intangible assets	–	283,665	30,867	314,532	–	314,532

Reconciliation of segment assets

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

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

	Group 2022 S$'000	Group 2021 S$'000
Segment assets for reportable segments	**2,423,123**	2,242,863
Segments assets for all other segments	**48,390**	43,121
Unallocated:		
Cash and cash equivalents	**199,494**	416,657
Financial assets	**8,006**	19,086
Derivative financial instruments	**391**	40
Total assets	**2,679,404**	2,721,767

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

39. SEGMENT INFORMATION (continued)

(c) Other segment information

	Post and Parcel S$'000	Logistics S$'000	Property S$'000	All other segments S$'000	Total S$'000
Group					
2022					
Depreciation and amortisation	**22,909**	**29,491**	**18,971**	**3,053**	**74,424**
Additions to[1]:					
– Property, plant and equipment	**2,916**	**14,449**	**3,225**	**1,863**	**22,453**
– Investment properties	**–**	**–**	**70**	**–**	**70**
– Right-of-use assets	**657**	**15,542**	**13,961**	**93**	**30,253**
– Intangible assets	**–**	**2,404**	**–**	**–**	**2,404**
2021					
Depreciation and amortisation	22,291	18,117	23,979	4,338	68,725
Additions to[1]:					
– Property, plant and equipment	3,305	5,197	2,841	2,243	13,586
– Right-of-use assets	812	10,461	13,004	92	24,369

[1] Net of inter-segment elimination

In addition to the depreciation and amortisation reported above, impairment losses of S$4.3 million (2021: S$1.2 million), S$4.4 million (2021: S$1.2 million) and S$5.5 million were recognised in respect of investment in and loan to associated companies, property, plant and equipment and assets classified as held for sale respectively.

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

	Group	
	2022 S$'000	2021 S$'000
Post and Parcel	**(5,093)**	–
Logistics	**(9,813)**	(2,427)
Property	**719**	–
	(14,187)	(2,427)

(d) Revenue from major products and services

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

39. SEGMENT INFORMATION (continued)

(e) Geographical information

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

- Singapore – the Company is headquartered and has operations in Singapore where 43% (2021: 59%) of its revenues are generated. The operations in this area comprise principally of the core postal business, post office products and services, courier activities and investment holding.

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

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

	Group	
	2022	2021
	S$'000	S$'000
Revenue:		
Singapore	**717,076**	832,156
Australia	**460,962**	252,484
Other countries	**487,541**	320,041
	1,665,579	1,404,681

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

(f) Information about major customers

Included in revenues arising from Post and Parcel segment of S$604,784,000 (2021: S$721,475,000) are revenues of approximately S$231,498,000 (2021: S$326,147,000) derived from the Group's largest customer in the respective years.

40. ACQUISITION OF SUBSIDIARIES

(a) Freight Management Holdings Pty Ltd

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

40. ACQUISITION OF SUBSIDIARIES (continued)

(a) Freight Management Holdings Pty Ltd (continued)

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

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

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

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

The fair value of the financial assets includes receivables acquired (which principally comprised of trade receivables) with a fair value of S$55,895,000 and a gross contractual value of S$56,723,000. The best estimate at acquisition date of the contractual cash flows not expected to be collected is S$828,000.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

40. ACQUISITION OF SUBSIDIARIES (continued)

(a) Freight Management Holdings Pty Ltd (continued)

(iv) Contingent consideration

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

(v) Goodwill arising on acquisition

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

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

(vi) Non-controlling interest

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

(vii) Acquisition-related cost

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

40. ACQUISITION OF SUBSIDIARIES (continued)

(b) Andromeda Nominees Pty Ltd

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

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

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

(iii) Identifiable assets acquired and liabilities assumed, at provisional fair value

	At provisional fair value S$'000
Current assets	
Cash and cash equivalents	94
Trade and other receivables	1,631
	1,725
Non-current assets	
Property, plant and equipment	784
Right-of-use assets	1,248
	2,032
Current liabilities	
Trade and other payables	2,513
Borrowings	9
	2,522
Total identifiable assets acquired and liabilities assumed	1,235
Add: Goodwill arising on acquisition (Note (v))	2,390
Consideration	**3,625**

(iv) Contingent consideration

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

40. ACQUISITION OF SUBSIDIARIES (continued)

(b) Andromeda Nominees Pty Ltd (continued)

(v) Goodwill arising on acquisition

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

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

41. LOSS OF CONTROL OF SUBSIDIARIES

(a) General Storage Company Pte. Ltd.

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

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

Carrying amounts of net assets over which control was lost

	2022 S$'000
Current assets	
Cash and cash equivalents	14,766
Trade and other receivables	322
Inventories	14
Other current assets	1,585
	16,687
Non-current assets	
Investment properties	53,321
Property, plant and equipment	12,369
Right-of-use assets	20,922
Intangible assets	30,697
Other non-current assets	16
	117,325
Total assets	134,012
Current liabilities	
Trade and other payables	3,806
Current income tax liabilities	719
Lease liabilities	7,258
Contract liabilities	5,762
Borrowings	1,454
	18,999
Non-current liabilities	
Trade and other payables	1,043
Lease liabilities	19,380
Borrowings	4,509
Deferred tax liabilities	1,879
	26,811
Total liabilities	45,810
Net assets derecognised	88,202

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For the financial year ended 31 March 2022

41. LOSS OF CONTROL OF SUBSIDIARIES (continued)

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

	2022 S$'000
Net financial impact on disposal	
Consideration received	87,205
Net assets derecognised	(88,202)
Cumulative exchange differences in respect of the net assets of the subsidiary reclassified from equity on loss of control of subsidiary	872
Legal fees and other related expenses for disposal of subsidiary	(5,714)
Net financial impact on disposal [1]	(5,839)

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

(b) Other subsidiaries

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

Carrying amounts of net assets over which control was lost

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

42. CONTINGENT LIABILITIES

Refer to Note 22 on the arbitration proceedings brought by a non-controlling shareholder (the "Claimant") of Famous Holdings Pte Ltd ("FHPL"), a subsidiary of the Company, against the Company in 2017 ("1st Arbitration").

In addition to the 1st Arbitration, a second arbitration was commenced by the Claimant against FHPL and SingPost Logistics Investments Pte Ltd ("SPLI"), the Group's investment holding company of FHPL, on 15 and 16 September 2021 (the "2nd Arbitration"), in which the Claimant alleged breaches of the shareholders' agreement, the existence of a conspiracy, and his purported entitlement to dividends. A third arbitration was separately commenced by the Claimant against SPLI on 22 February 2022 (the "3rd Arbitration"), in which the Claimant alleged breaches of the shareholders' agreement which impacted the final amount payable by the Company for the Claimant's remaining 37.5% shares in FHPL which are the subject of the 1st Arbitration.

The potential financial impact of the claims of the Claimant in the 2nd Arbitration and 3rd Arbitration cannot yet be quantified as the claims were lacking in particulars and no quantification of the claims was provided in any of the notices of the new arbitrations.

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

43. SUBSEQUENT EVENTS

In April 2022, the Company announced that SingPost Group Treasury Pte. Ltd., a wholly-owned subsidiary of the Company, has issued S$250 million SGD Subordinated Perpetual Securities (the "Perpetual Securities"). The Perpetual Securities were issued under the S$1 billion Multicurrency Debt Issuance Programme established by SingPost Group Treasury Pte. Ltd. which is unconditionally and irrevocably guaranteed by the Company.

In April 2022, the Group completed the acquisition of 100% of the share capital of Parcel Santa Pte. Ltd. ("Parcel Santa"), for an aggregate cash consideration of S$5,250,000. Parcel Santa is the sole provider of smart locker systems for private residences in Singapore.

NOTES TO THE FINANCIAL STATEMENTS

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44. PRONOUNCEMENTS ISSUED BUT NOT YET EFFECTIVE

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

Effective for financial year beginning on 1 April 2022

- Amendments to IAS 1 *Presentation of Financial Statements*
- Amendments to SFRS(I) 3: *Reference to the Conceptual Framework*
- Amendments to SFRS(I) 1-16: *Property, Plant and Equipment – Proceeds before Intended Use*
- Amendments to SFRS(I) 1-37: *Onerous Contracts – Cost of Fulfilling a Contract*
- Annual Improvements to SFRS(I)s 2018-2020

Effective for financial year beginning on 1 April 2023

- Amendments to SFRS(I) 1-1: *Classification of Liabilities as Current or Non-current*
- Amendments to IAS 8: *Definition of Accounting Estimates*
- Amendments to IAS 1 IFRS Practice Statement 2: *Disclosure of Accounting Policies*
- Amendments to IAS 12: *Income Taxes*

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

45. LISTING OF COMPANIES IN THE GROUP

Name	Principal activities	Place of incorporation	Percentage of effective equity held by the Group **2022** **%**	by the Group 2021 %	by the NCI **2022** **%**	by the NCI 2021 %
SUBSIDIARIES						
Held by the Company						
Singapore Post Enterprise Private Limited	Investment holding	Singapore	**100**	100	**–**	–
SingPost Logistics Holdings Pte. Ltd.	Investment holding	Singapore	**100**	100	**–**	–
SingPost Investments Pte. Ltd.	Investment holding	Singapore	**100**	100	**–**	–
SingPost Logistics Investments Pte. Ltd.	Investment holding	Singapore	**100**	100	**–**	–
SingPost Group Treasury Pte Ltd	Provision of financial and treasury services to its related companies	Singapore	**100**	100	**–**	–
SingPost eCommerce Pte. Ltd.	eCommerce specialising in the provision of online sale of products	Singapore	**100**	100	**–**	–
SingPost eCommerce II Pte. Ltd.	Dormant	Singapore	**100**	100	**–**	–
Held by subsidiaries						
SingPost Logistics Enterprise Pte. Ltd	Investment holding	Singapore	**100**	100	**–**	–
SingPost Logistics Australia Holdings Pty Ltd	Investment holding	Australia	**100**	100	**–**	–
SingPost Australia Investments Pty Ltd	Investment holding	Australia	**100**	100	**–**	–
Quantium Solutions International Pte. Ltd.	Investment holding, provision of management and consultancy services to related entities	Singapore	**66**	66	**34**	34
Quantium Solutions (Singapore) Pte. Ltd.	Provision of delivery services and eCommerce logistics solutions	Singapore	**66**	66	**34**	34
Quantium Solutions (Australia) Pty Ltd	Provision of delivery services and eCommerce logistics solutions	Australia	**66**	66	**34**	34

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For the financial year ended 31 March 2022

45. LISTING OF COMPANIES IN THE GROUP (continued)

Name	Principal activities	Place of incorporation	Percentage of effective equity held by the Group 2022 %	by the Group 2021 %	by the NCI 2022 %	by the NCI 2021 %
SUBSIDIARIES (continued)						
Held by subsidiaries (continued)						
Quantium Solutions (Hong Kong) Limited	Provision of delivery services and eCommerce logistics solutions	Hong Kong	**66**	66	**34**	34
Quantium Mail Logistics Solutions (India) Private Limited [(8)]	Dormant	India	**66**	66	**34**	34
Quantium Express Solutions Solutions (India) Private Limited [(8)]	Dormant	India	**66**	66	**34**	34
PT Quantium Solutions Logistics Indonesia [+]	Provision of delivery services and eCommerce logistics solutions	Indonesia	**44.22**	44.22	**55.78**	55.78
Quantium Solutions (Japan) Inc.	Provision of delivery services and eCommerce logistics solutions	Japan	**66**	66	**34**	34
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. [(9) +]	Dormant	Philippines	**–**	26.4	**–**	73.6
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
Couriers Please Holdings Pty Ltd	Investment holding	Australia	**100**	100	**–**	–
Couriers Please Australia Pty Ltd	Investment holding	Australia	**100**	100	**–**	–
Couriers Please Pty Limited	Provision of delivery services and eCommerce logistics solutions	Australia	**100**	100	**–**	–
Freight Management Holdings Pty Ltd [(7)]	Investment holding and provision of integrated supply chain and distribution services	Australia	**51**	*	**49**	*

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

45. LISTING OF COMPANIES IN THE GROUP (continued)

Name	Principal activities	Place of incorporation	Percentage of effective equity held by the Group 2022 %	by the Group 2021 %	by the NCI 2022 %	by the NCI 2021 %
SUBSIDIARIES (continued) Held by subsidiaries (continued)						
efm Logistics Pty Ltd (formerly efm Logistics Services Group Pty Ltd) (7)	Provision of logistics consulting and warehousing services	Australia	**51**	*	**49**	*
LHA Network Services Pty Ltd (formerly efm Logistics Pty Ltd) (7)	Provision of logistics consulting and warehousing services	Australia	**51**	*	**49**	*
Logistics Holdings Australia Pty Ltd (7)	Provision of logistics services	Australia	**51**	*	**49**	*
Logistics Holdings Industrial Pty Ltd (7)	Provision of logistics services	Australia	**51**	*	**49**	*
BagTrans Group Pty Ltd (7)	Investment holding	Australia	**51**	*	**49**	*
BagTrans Logistics Pty Ltd (7)	Investment holding	Australia	**51**	*	**49**	*
BagTrans Pty Limited (7)	Provision of logistics services	Australia	**51**	*	**49**	*
BTH2 Pty Limited (7)	Provision of logistics services	Australia	**51**	*	**49**	*
BagTrans Holdings Pty Ltd (7)	Provision of logistics services	Australia	**51**	*	**49**	*
BagTrans Operations (Depot) Pty Ltd (7)	Provision of logistics services	Australia	**51**	*	**49**	*
BagTrans Operations (Local) Pty Ltd (7)	Provision of logistics services	Australia	**51**	*	**49**	*
BagTrans Operations (Management) Pty Ltd (7)	Provision of management and consultancy services to related entities	Australia	**51**	*	**49**	*
Flemington Fields Pty Ltd (7)	Provision of logistics services	Australia	**51**	*	**49**	*
Otway Logistics Pty Ltd (7)	Investment holding	Australia	**51**	*	**49**	*
Niche Logistics Pty Ltd (7)	Provision of freight logistics services	Australia	**51**	*	**49**	*
Flip Group Technologies Pty Ltd (7)	Provision of management and system support related services to its related entities	Australia	**51**	*	**49**	*

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

45. LISTING OF COMPANIES IN THE GROUP (continued)

Name	Principal activities	Place of incorporation	Percentage of effective equity held by the Group 2022 %	by the Group 2021 %	by the NCI 2022 %	by the NCI 2021 %
SUBSIDIARIES (continued) Held by subsidiaries (continued)						
Flip Technologies Pty Ltd (7)	Provision of management and system support related services to its related entities	Australia	**51**	*	**49**	*
Andromeda Nominees Pty Ltd (7)	Provision of logistics services	Australia	**51**	–	**49**	–
Famous Holdings Pte Ltd	Investment holding and provision of management services	Singapore	**100**	100	**–**	–
Famous Air & Sea Services Pte. Ltd.	Freight forwarding	Singapore	**100**	100	**–**	–
FPS Global Logistics Pte. Ltd.	Freight forwarding	Singapore	**100**	100	**–**	–
Famous Pacific Shipping (WA) Pty Ltd	Freight collections transhipments	Australia	**100**	100	**–**	–
Sino-Famous Intertrans Co., Ltd (1)	Freight forwarding	China	**100**	100	**–**	–
Famous Container Lines Co Ltd (1)	Freight forwarding	China	**100**	100	**–**	–
Shinyei Shipping Co Ltd (1)	Freight forwarding	Japan	**89**	89	**11**	11
Tras – Inter Co., Ltd (1)	Customs brokerage and freight forwarding	Japan	**89**	89	**11**	11
FPS Famous Pacific Shipping Sdn. Bhd.	Freight forwarding	Malaysia	**100**	100	**–**	–
Rotterdam Harbour Holding B.V. (2)	Investment holdings	Netherlands	**85**	80	**15**	20
FPS Famous Pacific Shipping B.V. (1)	Logistics services	Netherlands	**85**	80	**15**	20
Trans Ocean Pacific Forwarding B.V. (1)	Logistics services	Netherlands	**85**	80	**15**	20
Famous Pacific Shipping (NZ) Limited	Freight forwarding	New Zealand	**100**	100	**–**	–

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For the financial year ended 31 March 2022

45. LISTING OF COMPANIES IN THE GROUP (continued)

Name	Principal activities	Place of incorporation	Percentage of effective equity held by the Group 2022 %	by the Group 2021 %	by the NCI 2022 %	by the NCI 2021 %
SUBSIDIARIES (continued) Held by subsidiaries (continued)						
Mercury Worldwide (NZ) Limited [1]	Dormant	New Zealand	**100**	100	**–**	–
F.S. Mackenzie Limited	Freight forwarding	United Kingdom	**100**	100	**–**	–
FPS Logistics (USA) Inc. [10]	Logistics management and services	United States	**–**	100	**–**	–
SingPost Storage Company Ltd [8]	Dormant	Mauritius	**–**	100	**–**	–
SingPost Investments (Tampines) Pte. Ltd.	Investment holding and real estate activities with owned or leased property	Singapore	**100**	100	**–**	–
SingPost Investments (Toh Guan) Pte. Ltd.	Investment holding	Singapore	**100**	100	**–**	–
SingPost Investments (Ecommerce Logistics) Pte. Ltd.	Investment holding	Singapore	**100**	100	**–**	–
SingPost Centre (Retail) Pte. Ltd.	Investment holding	Singapore	**100**	100	**–**	–
SingPost eCommerce Logistics Holdings Pte. Ltd.	Investment holding	Singapore	**100**	100	**–**	–
SP Parcels Pte. Ltd.	Dormant	Singapore	**100**	100	**–**	–
General Storage Company Pte. Ltd. [10]	Investment holding and provision of management services	Singapore	**–**	100	**–**	–
Lock + Store (Chai Chee) Pte. Ltd. [10]	Self storage solutions and warehousing	Singapore	**–**	100	**–**	–
Lock + Store (Tanjong Pagar) Pte. Ltd. [10]	Self storage solutions	Singapore	**–**	100	**–**	–
Lock + Store (Ayer Rajah) Pte. Ltd. [10]	Self storage solutions	Singapore	**–**	100	**–**	–
The Store House Limited [10]	Self storage solutions	Hong Kong	**–**	100	**–**	–

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For the financial year ended 31 March 2022

45. LISTING OF COMPANIES IN THE GROUP (continued)

Name	Principal activities	Place of incorporation	Percentage of effective equity held by the Group		by the NCI	
			2022	2021	**2022**	2021
			%	%	**%**	%
SUBSIDIARIES (continued) Held by subsidiaries (continued)						
The Store House Operating Company Limited [9]	Dormant	Hong Kong	**–**	100	**–**	–
Lock and Store (Glenmarie) Sdn. Bhd. [10]	Self storage solutions and warehousing	Malaysia	**–**	100	**–**	–
L+S Self Storage Pte. Ltd. [10]	Self storage solutions	Singapore	**–**	100	**–**	–
SP eCommerce (Thailand) Co Ltd [1]	eCommerce specialising in the provision of online shopping platforms and services	Thailand	**100**	100	**–**	–
SP eCommerce (Malaysia) Sdn. Bhd.	eCommerce provision of online shopping platforms and services	Malaysia	**100**	100	**–**	–
SingPost Distribution Pte. Ltd.	Dormant	Singapore	**100**	100	**–**	–
TradeGlobal Asia Holdings Limited [3]	Investment holding	Hong Kong	**100**	100	**–**	–
Netrada Trading and Consulting (Shanghai) Co, Ltd. [9]	Dormant	China	**–**	100	**–**	–
SP Jagged Peak LLC [9]	Dormant	United States	**–**	100	**–**	–
SP Commerce Holdings, Inc. [9]	Dormant	United States	**–**	100	**–**	–
SP Commerce, Inc. [9]	Dormant	United States	**–**	100	**–**	–
TG Acquisition Corp. [9]	Dormant	United States	**–**	97.3	**–**	2.7
TradeGlobal Holdings, Inc. [9]	Dormant	United States	**–**	97.3	**–**	2.7

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

45. LISTING OF COMPANIES IN THE GROUP (continued)

Name	Principal activities	Place of incorporation	Percentage of effective equity held by the Group **2022** %	2021 %
ASSOCIATED COMPANIES				
Held by the Company				
GDEX Berhad (formerly GD ExpressCarrier Bhd) ^	Investment holding	Malaysia	**12.12**	12.12
Held by the subsidiaries				
Dash Logistics Company Ltd (3)^	Provision of integrated logistics, freight and transport management and aviation services	Vietnam	**30**	30
Efficient E-Solutions Berhad (4)	Provision of data print, record management, data and document processing	Malaysia	**20.81**	20.81
Hubbed Holdings Pty Ltd (5)	eCommerce and logistics retail network	Australia	**30**	30
Morning Express & Logistics Limited (6)	Provision of courier services and provision of management services to its related company	Hong Kong	**33**	33
E Link Station Limited (9)	Dormant	Hong Kong	**–**	50
Freight Management Holdings Pty Ltd (7)	Investment holding and provision of integrated supply chain and distribution services	Australia	*****	28
JOINT VENTURES				
Held by the subsidiaries				
PT Trio SPeCommerce Indonesia (1)	Dormant	Indonesia	**33**	33
Paya Lebar Central Partnership Limited (11)	Provision of management consultancy services	Singapore	**33.33**	–

Notes

All companies as at 31 March 2022 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 2022
(2) Audited by Crowe Peak Audit & Assurance, The Netherlands
(3) Audited by local statutory auditors in the countries of incorporation
(4) Audited by Russel Bedford LC & Company, Malaysia
(5) Audited by Assura Group
(6) Audited by HKCMCPA Company Limited
(7) Audited by Ernst & Young, Australia
(8) Placed under members' voluntary liquidation during the financial year ended 31 March 2021
(9) Dissolved by way of members' voluntary liquidation / cancelled due to expiration of the corporate terms during the financial year ended 31 March 2022
(10) Divested during the financial year ended 31 March 2022
(11) Incorporated during the financial year ended 31 March 2022
* Reclassified from associated company to subsidiary during the financial year ended 31 March 2022
\+ It is considered to be a subsidiary of the Company as the Company can exercise control over its financial and operating policies and voting rights
^ It is considered to be an associate of the Company as the Company can exercise significant influence over its financial and operating policies and voting rights