Directors' Statement and Financial Statements

Directors' Statement

For the financial year ended 31 March 2019

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 2019.

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 93 to 207 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 2019, and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year ended on that date; and

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

DIRECTORS

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

Mr Simon Claude Israel (Chairman)
Mr Paul William Coutts (Group Chief Executive Officer)
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 (Appointed on 1 September 2018)

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 80 to 84 of this statement.

DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

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

	Holdings registered in name of director or nominee		Holdings in which director is deemed to have an interest	
	At 31.3.2019	At 1.4.2018	**At 31.3.2019**	At 1.4.2018
Related corporations				
– Quantium Solutions (Philippines) Inc.				
(No. of ordinary shares)				
Paul William Coutts	**1**	–	**–**	–

	Holdings registered in name of director or nominee		Holdings in which director is deemed to have an interest	
	At 31.3.2019	At 1.4.2018	**At 31.3.2019**	At 1.4.2018
Company				
Singapore Post Limited				
(4.25% Senior Perpetual Cumulative securities)				
Mrs Fang Ai Lian	**250,000**	250,000	**–**	–

(b) According to the register of directors' shareholdings kept by the Company under Section 164 of the Singapore Companies Act, 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 80 to 84 of this statement.

	Number of unvested restricted shares held by director	
	At 31.3.2019	At 1.4.2018
Unvested restricted shares		
Paul William Coutts	**1,930,368**	–

(c) The directors' interests in the shares and convertible securities of the Company as at 21 April 2019 were the same as those as at 31 March 2019.

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, Mrs Fang Ai Lian and Mr Zulkifli Bin Baharudin[1] during the financial year ended 31 March 2019.

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

The principal terms of the Scheme are as follows:

- The exercise price of the granted options is equal to the average of the last dealt prices for the share on the Singapore Exchange Securities Trading Limited ("SGX-ST") for the five (5) consecutive trading days immediately preceding the date of grant of that option.
- The value of the share option is determined using the Trinomial option pricing model (taking into account relevant assumptions).
- Granted options shall be exercisable, in whole or in part, during the exercise period applicable to that option and in accordance with the vesting schedule applicable to that option or other conditions (if any) that may be imposed by the Compensation Committee in relation to that option. Options may be exercised, in whole or in part in respect of 1,000 shares or any multiple thereof, by a participant giving notice in writing, accompanied by a remittance for the aggregate subscription cost in respect of the shares for which that option is exercised. The method of settlement could be in cheque, cashier's order, banker's draft or postal order made out in favour of the Company or such other mode of payment as may be acceptable to the Company. There are no restrictions on the eligibility of the persons to whom the options have been granted to participate in any other share option or share incentive scheme, whether or not implemented by any of the other companies within the Group or any other company. The Group has no legal or constructive obligation to repurchase or settle the options in cash.
- The vesting schedule for the share options granted to eligible employees (including executive directors) effective from 20 May 2014 are as follow:

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

[1] Mr Zulkifli Bin Baharudin retired from the Board following the conclusion of the AGM held on 11 July 2018. Upon his retirement, he ceased to be chairperson and member of the NCGC and member of both the Audit Committee and Compensation Committee.

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 2018, a total of 178,687,936 share options were granted. Particulars of the options were set out in the Directors' Statement for the respective financial years.

SHARE OPTIONS *(continued)*

During the financial year ended 31 March 2019, 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 1.4.18 ('000)	Granted during financial year ('000)	Options exercised ('000)	Options forfeited ('000)	Balance At 31.3.19 ('000)
Options Granted Under Singapore Post Share Options Scheme For employees (including executive directors)							
30.06.08	01.07.09 to 30.06.18	S$1.100	190	–	140	50	–
29.06.10	30.06.11 to 29.06.20	S$1.140	513	–	–	–	513
26.07.11	27.07.12 to 26.07.21	S$1.100	653	–	38	15	600
11.05.12	19.05.14 to 11.05.22	S$1.030	1,007	–	–	–	1,007
10.08.12	11.08.13 to 10.08.22	S$1.070	1,374	–	79	91	1,204
17.01.14	18.01.17 to 17.01.24	S$1.350	4,194	–	–	1,849	2,345
07.03.14	08.03.17 to 07.03.24	S$1.330	500	–	–	125	375
01.04.14	02.04.17 to 01.04.24	S$1.360	200	–	–	200	–
20.05.14	21.05.15 to 20.05.24	S$1.450	3,423	–	–	421	3,002
07.08.14	08.08.15 to 07.08.24	S$1.760	318	–	–	46	272
13.05.15	14.05.16 to 13.05.25	S$1.910	850	–	–	–	850
19.05.15	20.05.16 to 19.05.25	S$1.890	5,472	–	–	1,308	4,164
12.06.15	13.06.16 to 12.06.25	S$1.880	40	–	–	–	40
20.05.16	21.05.17 to 20.05.26	S$1.570	4,815	–	–	1,351	3,464
Total Share Options			**23,549**	**–**	**257**	**5,456**	**17,836**

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.

RESTRICTED SHARE PLAN

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

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

The release schedule for the shares granted to eligible employees (excluding non-executive directors) prior to FY2017/18 is as follows:

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

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

Since the adoption of the Plan to 31 March 2018, a total of 5,839,118 restricted shares were granted.

During the financial year ended 31 March 2019, no restricted shares were granted under the Plan. Details of the restricted shares granted and cancelled and the number of unvested restricted shares outstanding as at the end of the financial year is as follows:

Date of Grant	Balance As At 1.4.18 ('000)	Share Awards Granted ('000)	Share Awards Vested ('000)	Share Awards Cancelled ('000)	Balance As At 31.3.19 ('000)
05.08.13	8	–	8	–	–
20.05.14	3	–	3	–	–
19.05.15	169	–	160	9	–
20.05.16	848	–	341	151	356
Total	**1,028**	**–**	**512**	**160**	**356**

ENHANCED PLAN

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

a) Performance Share Award; and

b) Restricted Share Award.

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

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

Performance Share Awards

Since the adoption of the Enhanced Plan to 31 March 2018, a total of 359,478 restricted shares were granted.

During the financial year ended 31 March 2019, 2,397,811 restricted shares were granted. Details of the restricted shares granted and cancelled and the number of unvested restricted shares outstanding as at the end of the financial year are as follows:

Date of Grant	Balance As At 1.4.18 ('000)	Share Awards Granted ('000)	Share Awards Vested ('000)	Share Awards Cancelled ('000)	Balance As At 31.3.19 ('000)
18.01.18	359	–	–	–	359
31.05.18	–	2,398	–	–	2,398
Total	**359**	**2,398**	**–**	**–**	**2,757**

Restricted Share Awards

Since the adoption of the Enhanced Plan to 31 March 2018, a total of 1,354,999 restricted shares were granted.

During the financial year ended 31 March 2019, 1,492,606 restricted shares were granted. Details of the restricted shares granted and cancelled and the number of unvested restricted shares outstanding as at the end of the financial year are as follows:

Date of Grant	Balance As At 1.4.18 ('000)	Share Awards Granted ('000)	Share Awards Vested ('000)	Share Awards Cancelled ('000)	Balance As At 31.3.19 ('000)
18.01.18	1,318	–	–	230	1,088
31.05.18	–	1,493	–	193	1,300
Total	**1,318**	**1,493**	**–**	**423**	**2,388**

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 (Appointed on 1 September 2018)

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

The Audit Committee carried out its functions in accordance with Section 201B(5) of the Singapore Companies Act, Cap 50.

The Audit Committee has reviewed the overall 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 2019 as well as the independent auditor's report thereon prior to their submission to the Board of Directors for approval.

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

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

AUDITOR

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

On behalf of the directors

Mr Simon Claude Israel
Chairman

Mr Paul William Coutts
Director

Singapore
13 May 2019

Independent Auditor’s Report

To the Members of Singapore Post Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying financial statements of Singapore Post Limited (the “Company”) and its subsidiaries (the “Group”), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 March 2019, 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 93 to 207.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the “Act”), 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 2019, 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.

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 2019. 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 Matters	Our audit performed and responses thereon
Assessment of impairment of goodwill and other intangible assets *Refer to Notes 3(a) and 24 to the financial statements.* As at 31 March 2019, the goodwill and other intangible assets amounted to S$265.4 million and S$42.0 million respectively, after impairment losses of S$67.6 million. Further details on the impairment charge are set out in "Impact from strategic review of US businesses" below. Management's assessment of the recoverable amounts of the cash-generating units ("CGUs") involves significant judgement about the future cash flow projections of the business and the appropriate terminal growth rates and discount rates applied to the future cash flow projections. In arriving at the recoverable amounts, management has considered strategies and plans that have been approved by the Board and are in the process of being implemented.	Our audit procedures focused on evaluating 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 and publicly available industry and economic data; • involving our valuation specialists to evaluate appropriateness of management's assumptions which include terminal growth rates and discount rates by developing an independent expectation using economic and industry forecasts; and rates of comparable companies with consideration for specific jurisdiction factors; • comparing current year's actual results against prior year's forecasts to assess whether assumptions made in prior year on hindsight had been reasonable; • 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; and • evaluating the allocation of impairment charge against the goodwill and other assets of the CGUs when the carrying values of the CGUs exceed the recoverable amounts. 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 impairment thereof.

Key Audit Matters	Our audit performed and responses thereon
Impact from strategic review of US businesses *Refer to Notes 3(a) and 23 to 25 to the financial statements.* The following actions were taken by the Group following a strategic review of Jagged Peak and TradeGlobal ("US businesses"): • performed an impairment assessment for the intangible and tangible assets; • assessed the collectability of the trade receivables; and • formalised and communicated its restructuring plans and recorded a provision for restructuring amounting to S$8.6 million. Subsequent to year end, a decision to commence a sale of the US businesses was made by the Group. For the full year ended 31 March 2019, the Group recorded impairment losses totaling S$98.6 million in respect of intangible assets (S$67.6 million) and tangible assets (S$31.0 million) attributable to the US businesses and a restructuring provision of S$8.6 million, which are significant to the overall financial performance of the Group. The assessment of the recoverable amounts of goodwill, other intangible assets and property, plant and equipment attributable to the US businesses is dependent on the successful execution of the restructuring plans and realisation of key assumptions applied in the value in use computations, which involve significant judgements and estimates.	In respect of recoverable amounts determined by management for the purpose of assessing the impairment for the Group's US businesses, we assessed their appropriateness. The audit procedures were performed in conjunction with the procedures performed to address the key audit matter, "Assessment of impairment of goodwill and other intangible assets", as set out above. Other audit procedures in relation to collectability of trade receivables and provision for the restructuring plan were as follows: • reviewing the collectability of the trade receivables of the US businesses, by testing to receipts received from customers subsequent to the financial year ended 31 March 2019, understanding and corroborating with management the nature of delays for overdue receivables, and checking to publicly available information for indicators that the underlying customers for the outstanding receivables might be in financial distress; and • obtaining an understanding of the nature of the restructuring provisions and tested management's basis for making such provisions, in accordance with Note 2.23. Based on the procedures performed, we noted management's key estimates and assumptions used in the impairment assessment of the intangible and tangible assets attributable to the Group's US businesses to be within a reasonable range of our expectations. We have not noted any indicators that the management's assessment on the adequacy of loss allowance for the trade receivables of the US businesses is unreasonable, and are satisfied with the appropriateness of the restructuring provisions recorded. We have also evaluated the adequacy of the Group's disclosures made in respect of impact arising from the strategic review of the US businesses.

Key Audit Matters	Our audit performed and responses thereon
Valuation of investment properties *Refer to Notes 3(b) and 22 to the financial statements.* As at 31 March 2019, the Group's investment properties amounted to S$999.3 million, representing 38% of the Group's total assets. These investment properties are stated at their fair values based on independent external valuations. The net fair value gains on investment properties recognised in the financial year then ended amounted to S$12.1 million. The valuation of these investment properties (primarily Singapore Post Centre, and the Group's warehousing and self-storage facilities) is inherently subjective as it involves 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 and comparable market transactions.	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 also read and considered the external valuer's reports to confirm whether the valuation approach used was appropriate. We held discussions with the valuer to understand the basis of valuation techniques and assumptions applied. With the involvement of our internal valuation specialists, we evaluated the appropriateness of the valuation techniques used by the external valuer for the key investment properties. We benchmarked and challenged the key assumptions used in their valuation by reference to externally published industry data, where available, and we also considered whether these assumptions are consistent with the current market environment. Based on the procedures performed, the valuation methodologies used are in line with generally accepted market practices and the estimates and assumptions used are within a reasonable range of our expectations. We also considered the adequacy of the disclosures in the financial statements regarding the key assumptions used in the valuation and the relationships between the key unobservable inputs and fair values.

Key Audit Matters	Our audit performed and responses thereon
Classification, recognition and measurement of retained interest in 4PX Refer to Notes 3(c) and 20 to the financial statements. As at 31 March 2019, the Group's equity investment measured at fair value through other comprehensive income in relation to Shenzhen 4PX Information and Technology Co., Limited ("4PX") amounted to S$76.9 million. 4PX was treated as an equity accounted associated company of the Group in prior years. During the financial year, the Group assessed that it had lost significant influence over 4PX, as 4PX issued additional shares to one of its existing shareholders, which led to the Group's shareholding in 4PX to be diluted from 30.52% to 19.75%. Changes were also made to the Group's right to participate in 4PX's operations and the Group's board representation in 4PX. An exceptional gain (attributable to equity holders of the Company) of S$28.2 million was recorded as a result of the dilution of interest in 4PX. The assessment of whether and when the Group lost significant influence over 4PX involved significant management judgement, and the valuation of the retained interest in 4PX in arriving at the gain on dilution and the fair value as at 31 March 2019 involved significant judgment and estimates in selecting an appropriate methodology, and the key assumptions applied.	The following audit procedures were performed: • We obtained and reviewed agreements and documents in relation to the dilution of interest in 4PX, including agreements between shareholders of 4PX on their rights to participate in 4PX's financial and operating decisions; • We held discussions with management to understand their rationale and basis for their assessment that the Group has lost significant influence in 4PX; • We considered the timing of dilution of interest together with changes in rights of the Group that resulted in loss of significant influence; • We evaluated the qualifications and competence of the external valuer who was engaged by the Company to value the retained interest in 4PX at the point in time when significant influence was deemed to be lost. We read the terms of engagement with the valuer to determine whether there were any matters that might have affected their independence and objectivity or imposed a limitation on the scope of their work. We also read and considered the external valuer's reports to confirm that the valuation approach used was appropriate; and • We held discussions with the valuer and management to understand the basis of valuation techniques and assumptions applied to the valuation of retained interests in 4PX at the point when loss of significant influence was deemed to have occurred, and to the valuation of retained interests in 4PX as at 31 March 2019. With the involvement of our internal valuation specialists, we evaluated the appropriateness of the valuation techniques used by the external valuer to determine the fair value. Based on the procedures performed, we agreed with management's assessment on the loss of significant influence in 4PX, as well as the timing of the loss. The valuation methodologies used are assessed to be in line with generally accepted market practices and the estimates and assumptions used are within a reasonable range of our expectations. We have checked and agreed with management on their computation of the gain arising from the loss of significant influence in 4PX. We also considered the adequacy of the disclosures in the financial statements, regarding the assumptions used in the valuation and the relationships between the key unobservable inputs and fair values.

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

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

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

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

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act, 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 scepticism throughout the audit. We also:

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

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

- 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.

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

Deloitte & Touche LLP

Public Accountants and Chartered Accountants

Singapore
13 May 2019

Consolidated Income Statement
For the financial year ended 31 March 2019

	Note	Group 2019 S$'000	Group 2018 S$'000
Revenue	4	**1,556,690**	1,513,427
Labour and related expenses	5	**(318,886)**	(328,162)
Volume-related expenses	6	**(875,168)**	(816,090)
Administrative and other expenses	7	**(158,902)**	(154,687)
Depreciation and amortisation		**(57,933)**	(59,228)
Selling-related expenses		**(10,898)**	(9,536)
Impairment loss on trade and other receivables		**(2,178)**	(5,528)
Operating expenses		**(1,423,965)**	(1,373,231)
Other income		**3,567**	6,677
Profit on operating activities		**136,292**	146,873
Share of loss of associated companies and joint venture	20	**(7,061)**	(3,099)
Exceptional items	8	**(69,313)**	22,293
Interest income and investment income (net)	9	**5,007**	(169)
Finance expenses	10	**(10,309)**	(10,597)
Profit before income tax		**54,616**	155,301
Income tax expense	11	**(27,763)**	(30,659)
Profit after tax		**26,853**	124,642
Profit attributable to:			
Equity holders of the Company		**18,958**	135,497
Non-controlling interests		**7,895**	(10,855)
		26,853	124,642
Earnings per share attributable to ordinary shareholders of the Company	12		
– Basic		**0.18 cent**	5.32 cents
– Diluted		**0.18 cent**	5.31 cents

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

Consolidated Statement of Comprehensive Income

For the financial year ended 31 March 2019

	Group	
	2019 **S$'000**	2018 S$'000
Profit after tax	**26,853**	124,642
Other comprehensive loss (net of tax):		
Items that may be reclassified subsequently to profit or loss:		
Available-for-sale financial assets:		
– Fair value gain	**–**	423
Currency translation differences:		
– Loss on translation of foreign operations	**(7,384)**	(7,298)
Transfer to profit or loss arising from dilution/divestment of interests in associated companies	**844**	–
Items that will not be reclassified subsequently to profit or loss:		
Equity investments at fair value through other comprehensive income		
– Fair value gain	**989**	–
– Gain on sale	**2**	–
Revaluation gain on property, plant and equipment upon transfer to investment properties	**239**	–
Other comprehensive loss for the year (net of tax)	**(5,310)**	(6,875)
Total comprehensive income for the year	**21,543**	117,767
Total comprehensive income attributable to:		
Equity holders of the Company	**13,911**	128,616
Non-controlling interests	**7,632**	(10,849)
	21,543	117,767

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

Statements of Financial Position

As at 31 March 2019

		Group			Company		
	Note	**31 March 2019 S$'000**	31 March 2018 S$'000	1 April 2017 S$'000	**31 March 2019 S$'000**	31 March 2018 S$'000	1 April 2017 S$'000
ASSETS							
Current assets							
Cash and cash equivalents	13	**392,220**	314,050	366,614	**330,266**	258,112	303,179
Financial assets	14	**7,230**	1,921	4,301	**7,230**	1,921	3,954
Trade and other receivables	15	**264,689**	271,583	199,007	**200,920**	231,983	173,304
Derivative financial instruments	16	**58**	19,856	16,079	**58**	19,856	16,142
Inventories		**692**	959	4,450	**180**	66	107
Other current assets	17	**21,339**	18,204	17,174	**6,496**	7,867	5,180
		686,228	626,573	607,625	**545,150**	519,805	501,866
Non-current assets							
Financial assets	14	**105,789**	35,460	36,010	**28,652**	35,201	35,748
Trade and other receivables	18	**7,797**	7,087	7,091	**249,452**	391,821	405,122
Investments in associated companies and joint ventures	20	**39,840**	114,925	117,783	**18,534**	15,366	14,849
Investments in subsidiaries	21	**–**	–	–	**318,371**	340,533	340,533
Investment properties	22	**999,349**	1,014,315	970,392	**948,253**	970,378	927,538
Property, plant and equipment	23	**466,798**	491,711	515,719	**270,742**	241,463	240,371
Intangible assets	24	**307,438**	385,730	400,683	**–**	–	–
Deferred income tax assets	28	**3,194**	3,197	6,218	**–**	–	–
Other non-current asset	17	**2,807**	5,137	5,198	**–**	–	–
		1,933,012	2,057,562	2,059,094	**1,834,004**	1,994,762	1,964,161
Total assets		**2,619,240**	2,684,135	2,666,719	**2,379,154**	2,514,567	2,466,027
LIABILITIES							
Current liabilities							
Trade and other payables	25	**486,990**	495,002	363,372	**408,147**	440,770	335,156
Current income tax liabilities		**44,291**	39,172	34,774	**35,254**	30,926	30,367
Contract liabilities	27	**38,214**	37,929	38,930	**23,041**	24,850	25,314
Derivative financial instruments	16	**440**	465	1,055	**440**	451	1,055
Borrowings	26	**281,842**	23,475	148,786	**268,581**	–	117,743
		851,777	596,043	586,917	**735,463**	496,997	509,635
Non-current liabilities							
Trade and other payables	25	**17,757**	23,468	44,462	**1,088**	1,358	2,070
Borrowings	26	**9,034**	220,503	215,199	**–**	201,569	202,318
Contract liabilities	27	**38,334**	45,484	52,624	**38,334**	45,444	52,302
Deferred income tax liabilities	28	**41,875**	52,392	62,547	**22,896**	23,253	22,603
		107,000	341,847	374,832	**62,318**	271,624	279,293
Total liabilities		**958,777**	937,890	961,749	**797,781**	768,621	788,928
NET ASSETS		**1,660,463**	1,746,245	1,704,970	**1,581,373**	1,745,946	1,677,099
EQUITY							
Capital and reserves attributable to the Company's equity holders							
Share capital	29	**638,762**	638,762	638,756	**638,762**	638,762	638,756
Treasury shares	29	**(30,174)**	(16,023)	(1,227)	**(30,174)**	(16,023)	(1,227)
Other reserves	30	**78,024**	81,667	89,628	**40,127**	38,104	37,249
Retained earnings		**579,633**	654,667	579,418	**585,832**	738,277	655,495
Ordinary equity		**1,266,245**	1,359,073	1,306,575	**1,234,547**	1,399,120	1,330,273
Perpetual securities	31	**346,826**	346,826	346,826	**346,826**	346,826	346,826
		1,613,071	1,705,899	1,653,401	**1,581,373**	1,745,946	1,677,099
Non-controlling interests		**47,392**	40,346	51,569	**–**	–	–
Total equity		**1,660,463**	1,746,245	1,704,970	**1,581,373**	1,745,946	1,677,099

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

Statements of Changes in Equity

For the financial year ended 31 March 2019

Group	Note	Share capital S$'000	Treasury shares S$'000	Retained earnings S$'000	Other reserves S$'000	Total S$'000	Perpetual securities S$'000	Total S$'000	Non-controlling interests S$'000	Total S$'000
		Attributable to ordinary shareholders of the Company								
Balance at 1 April 2018		**638,762**	**(16,023)**	**654,667**	**81,667**	**1,359,073**	**346,826**	**1,705,899**	**40,346**	**1,746,245**
Total comprehensive income/(loss) for the year		**–**	**–**	**18,958**	**(5,047)**	**13,911**	**–**	**13,911**	**7,632**	**21,543**
Transactions with owners, recognised directly into equity										
Transfer upon disposal of investment		**–**	**–**	**2**	**(2)**	**–**	**–**	**–**	**–**	**–**
Distribution of perpetual securities	31	**–**	**–**	**(14,875)**	**–**	**(14,875)**	**14,875**	**–**	**–**	**–**
Distribution paid on perpetual securities	31	**–**	**–**	**–**	**–**	**–**	**(14,875)**	**(14,875)**	**–**	**(14,875)**
Dividends paid to shareholders	32	**–**	**–**	**(79,119)**	**–**	**(79,119)**	**–**	**(79,119)**	**–**	**(79,119)**
Dividends paid to non-controlling interests in a subsidiary		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(586)**	**(586)**
Employee share option scheme:										
– Value of employee services	30b(i)	**–**	**–**	**–**	**2,117**	**2,117**	**–**	**2,117**	**–**	**2,117**
– Treasury shares re-issued	29	**–**	**992**	**–**	**(711)**	**281**	**–**	**281**	**–**	**281**
Purchase of treasury shares	29	**–**	**(15,143)**	**–**	**–**	**(15,143)**	**–**	**(15,143)**	**–**	**(15,143)**
Total		**–**	**(14,151)**	**(93,992)**	**1,404**	**(106,739)**	**–**	**(106,739)**	**(586)**	**(107,325)**
Balance at 31 March 2019		**638,762**	**(30,174)**	**579,633**	**78,024**	**1,266,245**	**346,826**	**1,613,071**	**47,392**	**1,660,463**
Balance at 1 April 2017		638,756	(1,227)	579,418	89,628	1,306,575	346,826	1,653,401	51,569	1,704,970
Total comprehensive income/(loss) for the year		–	–	135,497	(6,881)	128,616	–	128,616	(10,849)	117,767
Transactions with owners, recognised directly into equity										
Acquisition of non-controlling interests	21	–	–	–	(433)	(433)	–	(433)	(314)	(747)
Adjustment to other reserves	30(iv)	–	–	–	(1,139)	(1,139)	–	(1,139)	–	(1,139)
Transfer of non-controlling interests in a subsidiary to capital reserve	30(iv)	–	–	–	60	60	–	60	(60)	–
Distribution of perpetual securities	31	–	–	(14,875)	–	(14,875)	14,875	–	–	–
Distribution paid on perpetual securities	31	–	–	–	–	–	(14,875)	(14,875)	–	(14,875)
Dividends paid to shareholders	32	–	–	(45,373)	–	(45,373)	–	(45,373)	–	(45,373)
Employee share option scheme:										
– Value of employee services	30b(i)	–	–	–	1,359	1,359	–	1,359	–	1,359
– New shares issued	29	6	–	–	–	6	–	6	–	6
– Treasury shares re-issued	29	–	1,181	–	(927)	254	–	254	–	254
Purchase of treasury shares	29	–	(15,977)	–	–	(15,977)	–	(15,977)	–	(15,977)
Total		6	(14,796)	(60,248)	(1,080)	(76,118)	–	(76,118)	(374)	(76,492)
Balance at 31 March 2018		638,762	(16,023)	654,667	81,667	1,359,073	346,826	1,705,899	40,346	1,746,245

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

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 equity S$'000
Balance at 1 April 2018		**638,762**	**(16,023)**	**738,277**	**38,104**	**1,399,120**	**346,826**	**1,745,946**
Total comprehensive (loss)/ income for the year		**–**	**–**	**(58,453)**	**619**	**(57,834)**	**–**	**(57,834)**
Transactions with owners, recognised directly into equity								
Transfer upon disposal of investment		**–**	**–**	**2**	**(2)**	**–**	**–**	**–**
Distribution of perpetual securities	31	**–**	**–**	**(14,875)**	**–**	**(14,875)**	**14,875**	**–**
Distribution paid on perpetual securities	31	**–**	**–**	**–**	**–**	**–**	**(14,875)**	**(14,875)**
Dividends paid to shareholders	32	**–**	**–**	**(79,119)**	**–**	**(79,119)**	**–**	**(79,119)**
Employee share option scheme:								
– Value of employee services	30b(i)	**–**	**–**	**–**	**2,117**	**2,117**	**–**	**2,117**
– Treasury shares re-issued	29	**–**	**992**	**–**	**(711)**	**281**	**–**	**281**
Purchase of treasury shares	29	**–**	**(15,143)**	**–**	**–**	**(15,143)**	**–**	**(15,143)**
Total		**–**	**(14,151)**	**(93,992)**	**1,404**	**(106,739)**	**–**	**(106,739)**
Balance at 31 March 2019		**638,762**	**(30,174)**	**585,832**	**40,127**	**1,234,547**	**346,826**	**1,581,373**
Balance at 1 April 2017		638,756	(1,227)	655,495	37,249	1,330,273	346,826	1,677,099
Total comprehensive income for the year		–	–	143,030	423	143,453	–	143,453
Transactions with owners, recognised directly into equity								
Distribution of perpetual securities	31	–	–	(14,875)	–	(14,875)	14,875	–
Distribution paid on perpetual securities	31	–	–	–	–	–	(14,875)	(14,875)
Dividends paid to shareholders	32	–	–	(45,373)	–	(45,373)	–	(45,373)
Employee share option scheme:								
– Value of employee services	30b(i)	–	–	–	1,359	1,359	–	1,359
– New shares issued	29	6	–	–	–	6	–	6
– Treasury shares re-issued	29	–	1,181	–	(927)	254	–	254
Purchase of treasury shares	29	–	(15,977)	–	–	(15,977)	–	(15,977)
Total		6	(14,796)	(60,248)	432	(74,606)	–	(74,606)
Balance at 31 March 2018		638,762	(16,023)	738,277	38,104	1,399,120	346,826	1,745,946

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

Consolidated Statement of Cash Flows

For the financial year ended 31 March 2019

	Group	
	2019 S$'000	2018 S$'000
Cash flows from operating activities		
Profit after tax	**26,853**	124,642
Adjustments for:		
Income tax expense	**27,763**	30,659
Allowance for doubtful debts and bad debts written off	**2,178**	5,528
Amortisation of contract liabilities	**(7,140)**	(9,242)
Amortisation of intangible assets	**10,519**	9,705
Depreciation	**47,414**	49,523
Fair value gain on investment properties	**(12,088)**	(12,712)
Losses/(gains) on sale of and adjustment to property, plant and equipment	**531**	(10,441)
Gain on divestment/dilution of interest in associated companies	**(48,624)**	–
Loss/(gain) on derivative instruments	**15,541**	(1,845)
Provision for restructuring costs	**9,885**	–
Share-based staff costs	**2,117**	1,359
Interest expense	**10,270**	10,597
Interest income	**(5,876)**	(4,686)
Impairment on goodwill, intangible assets, property, plant and equipment and investment in associated company	**100,437**	–
Share of loss of associated companies and joint venture	**7,061**	3,099
	159,988	71,544
Operating cash flow before working capital changes	**186,841**	196,186
Changes in working capital, net of effects from acquisition and disposal of subsidiaries		
Inventories	**267**	3,491
Trade and other receivables	**5,325**	(78,896)
Trade and other payables	**(9,194)**	109,581
Contract liabilities	**275**	(923)
Cash generated from operations	**183,514**	229,439
Income tax paid	**(31,334)**	(31,196)
Net cash provided by operating activities	**152,180**	198,243

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

	Group	
	2019 S$'000	2018 S$'000
Cash flows from investing activities		
Additions to property, plant and equipment, investment properties and intangible assets	**(31,323)**	(62,143)
Contingent consideration paid in relation to acquisition of subsidiaries	**–**	(3,730)
Dividend received from an associated company	**1,315**	930
Interest received	**5,675**	5,042
Additional investment in an associated company	**(412)**	(517)
Loan to an associated company	**(701)**	–
Proceeds from sale of financial assets	**1,241**	–
Proceeds from sale of derivative instrument	**145**	–
Proceeds from divestment of an associated company (net of capital gain tax)	**36,083**	–
Proceeds from disposal of property, plant and equipment	**326**	9,285
Proceeds on maturity of financial assets	**–**	2,376
Net cash provided by/(used in) investing activities	**12,349**	(48,757)
Cash flows from financing activities		
Acquisition of non-controlling interests	**(14,367)**	(747)
Distribution paid to perpetual securities	**(14,875)**	(14,875)
Dividends paid to shareholders	**(79,119)**	(45,373)
Dividends paid to non-controlling interests in a subsidiary	**(586)**	–
Interest paid	**(10,065)**	(6,443)
Proceeds from issuance of ordinary shares	**–**	6
Purchase of treasury shares	**(15,143)**	(15,977)
Proceeds from re-issuance of treasury shares	**281**	254
Proceeds from bank loans	**225,977**	320,694
Repayment of bank loans	**(178,462)**	(439,589)
Net cash used in financing activities	**(86,359)**	(202,050)
Net increase/(decrease) in cash and cash equivalents	**78,170**	(52,564)
Cash and cash equivalents at beginning of financial year	**314,050**	366,614
Cash and cash equivalents at end of financial year	**392,220**	314,050

SIGNIFICANT NON-CASH TRANSACTIONS

In the current financial year, contingent consideration amounting to S$1,508,000 (2018: S$905,000) 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.

Additional investment in an associated company amounting to S$2,756,000 (2018: S$Nil) was settled in exchange for warrants from the associated company amounting to S$2,756,000 (2018: S$Nil).

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

Notes to the Financial Statements

For the financial year ended 31 March 2019

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

These financial statements were authorised for issue on 13 May 2019 in accordance with a resolution of the Board of Directors of Singapore Post Limited.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of accounting

For all periods up to and including the year ended 31 March 2018, the financial statements were prepared in accordance with the previous framework, Financial Reporting Standards in Singapore ("FRSs"). These financial statements for the year ended 31 March 2019 are the first set that the Group and the Company have prepared in accordance with 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. Details of first-time adoption of SFRS(I)s are included in Note 40.

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 and SFRS(I)s.

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 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.

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.2 Group accounting *(continued)*

(a) Subsidiaries (continued)

(ii) Acquisitions

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

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

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

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

Acquisition-related costs are expensed as incurred.

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

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

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

Please refer to the paragraph "Intangible assets – Goodwill on acquisitions" for the subsequent accounting policy on goodwill.

(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 2.14 for the accounting policy on investments in subsidiaries in the separate financial statements of the Company.

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.2 Group accounting *(continued)*

(b) *Transactions with non-controlling interests*

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

(c) *Associated companies and joint ventures*

Associated companies are entities over which the Group has significant influence, but not control. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. The Group's joint 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.

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

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.3 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.

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.

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.3 Revenue recognition *(continued)*

(c) *eCommerce*

Revenue from eCommerce-related activities comprises the front-end eCommerce solutions.

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

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

Revenue from merchant of record service is recognised on a net basis as the Group acts as an agent to provide a service of arranging for another party to transfer goods or services to a customer. The Group recognises a commission fee, being the net amount of consideration that the Group retains after paying the other party the consideration received in exchange for the goods or services to be provided by that party.

When services provided in a bundled contract are not distinct, a single performance obligation is determined and revenue is recorded based on the transaction price when services are rendered.

(d) *Property*

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

2.4 Operating leases

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

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

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

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

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

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

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

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

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

2.5 Employee compensation

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

(a) *Defined contribution plans*

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

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.5 Employee compensation *(continued)*

(b) Defined benefit plans

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

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

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

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

(c) Share-based compensation

The 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.

2.6 Government grants

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

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

2.7 Borrowing costs

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

2.8 Exceptional items

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

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.9 Income taxes

Income tax expense comprises current and deferred tax.

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

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

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

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

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

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

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

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

Current and deferred income taxes are recognised as income or expenses in profit or loss, except to the extent that the tax arises from a business combination or a transaction which is recognised 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.

2.10 Currency translation

(a) *Functional and presentation currency*

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

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.10 Currency translation *(continued)*

(b) Transactions and balances

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

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

(c) Translation of Group entities' financial statements

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

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

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

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

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

2.11 Cash and cash equivalents

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

2.12 Financial assets

The Group has elected to apply the short-term exemption to adopt SFRS(I) 9 *Financial Instruments* on 1 April 2018. Accordingly, the requirements of FRS 39 *Financial Instruments: Recognition and Measurement* are applied to financial instruments up to the financial year ended 31 March 2018.

Arising from this election, the Group is exempted from providing disclosures required by SFRS(I) 7 *Financial Instruments: Disclosure* for the comparative periods to the extent that the disclosures required by SFRS(I) 7 relate to the items within scope of SFRS(I) 9. Instead, disclosures under FRS 107 *Financial Instruments: Disclosures* relating to items within the scope of FRS 39 are provided for the comparative periods.

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.12 Financial assets *(continued)*

(a) *Financial assets – before 1 April 2018*

<u>*Loans and receivables*</u>

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

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

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

<u>*Other financial assets*</u>

(i) *Classification*

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

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

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

(ii) *Recognition and derecognition*

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

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. On disposal of another financial asset, the difference between the carrying amount and the sale proceeds is recognised in profit or loss. Any amount previously recognised in other comprehensive income relating to that asset is reclassified to profit or loss. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.12 Financial assets *(continued)*

(a) Financial assets – before 1 April 2018 (continued)

Other financial assets (continued)

(iii) Initial measurement

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

(iv) Subsequent measurement

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

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

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

(v) Impairment

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

1. Loans and receivables/Held-to-maturity financial assets

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

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

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

2. Available-for-sale financial assets

In addition to the objective evidence of impairment described in Note 2.12(a)(v)(1), a significant or prolonged decline in the fair value of an equity security below its cost is considered as an indicator that the available-for-sale financial asset is impaired.

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

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.12 Financial assets *(continued)*

(b) *Financial assets – from 1 April 2018*

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.

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.

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.12 Financial assets *(continued)*

(b) Financial assets – from 1 April 2018 (continued)

(i) Classification of financial assets (continued)

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 14).

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.

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.12 Financial assets *(continued)*

(b) Financial assets – from 1 April 2018 (continued)

(ii) Impairment of financial assets (continued)

Significant increase in credit risk (continued)

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

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

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

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

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.

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.12 Financial assets *(continued)*

(b) Financial assets – from 1 April 2018 (continued)

(ii) Impairment of financial assets (continued)

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.

2.13 Inventories

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

2.14 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.

2.15 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.

2.16 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.

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.16 Property, plant and equipment *(continued)*

(b) *Depreciation*

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

	Useful lives
Leasehold land	30–99 years
Buildings	5–50 years
Postal equipment	3–20 years
Plant and machinery	3–20 years

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

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

(c) *Subsequent expenditure*

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

(d) *Disposal*

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

(e) *Transfer*

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

Please refer to Note 2.15 for the accounting policy on the transfer from investment properties to property, plant and equipment.

2.17 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.

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.17 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 7 years, which is the expected life of the customer relationships.

(c) Preferential rents

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

(d) Acquired software licence

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

(e) Trademarked brands

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

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

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

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

2.18 Impairment of non-financial assets

(a) Goodwill

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.18 Impairment of non-financial assets *(continued)*

(a) Goodwill (continued)

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

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

(b) Trademarked brand with indefinite useful life

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

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

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

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

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.

2.19 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.

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.20 Derivative financial instruments and hedging activities

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

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

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

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

Net investment hedge

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

2.21 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.

2.22 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.

2.23 Provisions

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

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.24 Share capital and treasury shares

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

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

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

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

2.25 Perpetual securities

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

2.26 Dividends to Company's shareholders

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

2.27 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Group Chief Executive Officer and Group Chief Financial Officer 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 brand may be impaired. The recoverable amount of goodwill and trademarked brand, and where applicable, a CGU, is determined based on the higher of fair value less costs to sell and value-in-use calculations prepared on the basis of management's assumptions and estimates.

When value-in-use calculations are undertaken, the Group uses discounted cash flow projections based on approved financial budgets covering a five-year period. Significant judgements are used to estimate the terminal growth rates and discount rates applied in computing the recoverable amounts of the different CGUs. In making these estimates, management has relied on past performance, its expectations of the future developments of the various businesses, and market and publicly available industry and economic data. Details of these key assumptions applied in the impairment assessment of goodwill and trademarked brand are provided in Notes 24(a) and 24(e).

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

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

The Group has recognised an impairment charge on its goodwill and other intangible assets of S$30.5 million (2018: S$Nil) and S$37.1 million (2018: S$Nil) respectively during the financial year, which resulted in the carrying amount of goodwill and other intangible assets as at 31 March 2019 being reduced to S$265.4 million (31 March 2018: S$299.4 million, 1 April 2017: S$305.1 million) and S$42.0 million (31 March 2018: S$86.3 million, 1 April 2017: S$95.6 million) respectively. Details are provided in Note 24.

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.

(b) *Valuation of investment properties*

As at 31 March 2019, the Group's investment properties of S$999.3 million (31 March 2018: S$1,014.3 million, 1 April 2017: S$970.4 million) (Note 22) are stated at their estimated fair values determined by independent professional valuers. These estimated fair values may differ significantly from the prices at which these properties can be sold due to the actual negotiations between willing buyers and sellers as well as changes in assumptions and conditions arising from unforeseen events. Consequently, the actual results and the realisation of these properties could differ significantly from the estimates disclosed in these financial statements.

(c) *Determining loss of significant influence and fair value of retained interest in an associated company*

During the financial year, the Group's interest in Shenzhen 4PX Information and Technology Co., Limited ("4PX") was diluted from 30.52% to 19.75%. Changes were also made to the Group's rights to participate in 4PX's operations and the Group's board representation in 4PX. In determining loss of significant influence in 4PX, management considered the timing of completion of such changes as well as changes in legal shareholdings and whether conditions precedent have an impact on when significant influence is lost.

An exceptional gain attributable to equity holders of the Company of S$28.2 million was recorded as a result of the dilution of interest in 4PX. Subsequent to the loss of significant influence, the Group measures its retained interest in 4PX at fair value and classifies it as an equity investment measured at FVTOCI (Note 14).

When the fair value of such investment cannot be determined from active markets, valuation techniques including price of recent investment are used. The inputs to the valuation model are derived from market observable data where possible, but where this is not feasible, a degree of judgement is required to establish fair value.

As at 31 March 2019, the carrying value of the investment in 4PX measured at FVTOCI was S$76.9 million (31 March 2018 and 1 April 2017: S$Nil).

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

Property, plant and equipment 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 investments in associated company and property, plant and equipment of S$3.4 million and S$29.4 million respectively during the financial year. Details are provided in Notes 20 and 23 respectively.

The Company recognised impairment charges amounting to S$22.2 million (2018: S$Nil) in investments in subsidiaries (Note 21) during the financial year.

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

(d) Estimated impairment of other non-financial assets *(continued)*

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 investments in associated companies and joint venture, investments in subsidiaries and property, plant and equipment are disclosed in Notes 20, 21 and 23 respectively.

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

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

In connection with the annual impairment assessment of the indefinite useful life of the trademarked brand, the critical accounting judgement in respect of the indefinite useful life will also be reviewed. As at 31 March 2019, the carrying value of the trademarked brand was S$38.4 million (31 March 2018: S$40.3 million, 1 April 2017: S$42.7 million).

(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 2019 was S$466.8 million (31 March 2018: S$491.7 million, 1 April 2017: S$515.7 million). There were no significant revisions to the estimated residual values and useful lives during the financial year ended 31 March 2019.

(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 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.

Included in the trade receivables is S$116.3 million from a customer which ceased to be an associated company during the financial year and management has assessed this receivable to be recoverable.

Impairment loss on trade and other receivables amounted to S$2.2 million (2018: S$5.5 million) for the financial year ended 31 March 2019.

The carrying values of trade and other receivables are disclosed in Notes 15,18 and 19.

4. REVENUE

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

	2019 S$'000	2018 S$'000
Domestic and International Mail services	**744,752**	709,753
Domestic and International distribution and delivery services	**484,116**	485,073
Retail and eCommerce sale of products and services	**248,904**	249,776
Property	**78,918**	68,825
Revenue	**1,556,690**	1,513,427

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

	Group					
	2019			2018		
	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	**742,450**	**2,302**	**744,752**	706,760	2,993	709,753
Logistics	**484,116**	**–**	**484,116**	485,073	–	485,073
eCommerce	**248,731**	**173**	**248,904**	247,524	2,252	249,776
Property	**78,918**	**–**	**78,918**	68,825	–	68,825
	1,554,215	**2,475**	**1,556,690**	1,508,182	5,245	1,513,427
Timing of revenue recognition						
At a point in time	**12,069**	**2,475**	**14,544**	12,609	5,245	17,854
Over time	**1,542,146**	**–**	**1,542,146**	1,495,573	–	1,495,573
	1,554,215	**2,475**	**1,556,690**	1,508,182	5,245	1,513,427

The above is consistent with the revenue information that is disclosed for each reportable segment under SFRS(I) 8 *Operating Segments* (Note 39).

As permitted under SFRS(I) 1 *First-time Adoption of Singapore Financial Reporting Standards (International)*, the transaction price allocated to (partially) unsatisfied performance obligations as of 31 March 2018 is not disclosed, using the transition provisions of SFRS(I) 15 *Revenue from Contracts with Customers*.

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.

Accordingly, 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 27 for further details.

5. LABOUR AND RELATED EXPENSES

	Group	
	2019 **S$'000**	2018 S$'000
Wages and salaries	**213,143**	219,160
Employer's contribution to defined contribution plans including Central Provident Fund	**26,426**	26,626
Share-based expense (Note 30(b)(i))	**2,117**	1,359
Other benefits	**9,929**	10,972
Temporary and contract staff cost	**69,375**	72,751
Government grant	**(2,104)**	(2,706)
	318,886	328,162

6. VOLUME-RELATED EXPENSES

	Group	
	2019 **S$'000**	2018 S$'000
Traffic expenses	**510,566**	490,297
Outsourcing services and delivery expenses	**364,602**	325,793
	875,168	816,090

7. ADMINISTRATIVE AND OTHER EXPENSES

	Group	
	2019 **S$'000**	2018 S$'000
Included in administrative and other expenses are the following:		
Professional services	**13,727**	22,535
Repair and maintenance expenses	**26,263**	22,127
Rental on operating leases	**40,453**	39,318
Supplies and services	**26,247**	25,781

8. EXCEPTIONAL ITEMS

	Group	
	2019 **S$'000**	2018 S$'000
Fair value (loss)/gains:		
– Investment properties (Note 22)	**12,088**	12,712
– Warrants from an associated company	**(15,541)**	1,845
Impairment charges [1]:		
– Property, plant and equipment (Note 23)	**(29,393)**	–
– Goodwill (Note 24(a))	**(30,488)**	–
– Customer relationships (Note 24(b))	**(24,942)**	–
– Software licence (Note 24(d))	**(11,879)**	–
– Trademark (Note 24(e))	**(336)**	–
– Associated company (Note 20(a))	**(3,399)**	–
Provision for the restructuring of overseas operations	**(9,885)**	(413)
Adjustment for reduction in property, plant and equipment costs	**–**	7,771
Additional contingent consideration	**(2,539)**	–
(Loss)/gain on disposal of property, plant and equipment	**(531)**	2,670
Gain on divestment/dilution of interest in associated companies (Note 20(a))	**48,624**	–
Professional fees	**(1,092)**	(2,292)
	(69,313)	22,293

(1) Total impairment charges amounted to S$100,437,000.

9. INTEREST INCOME AND INVESTMENT INCOME (NET)

	Group	
	2019 **S$'000**	2018 S$'000
Interest income		
– Bank deposits	**4,760**	3,226
– Financial assets, held-to-maturity	**–**	960
– Bonds at amortised cost	**949**	–
– Others	**167**	500
	5,876	4,686
Currency exchange losses – net	**(945)**	(4,838)
Others	**76**	(17)
	5,007	(169)

10. FINANCE EXPENSES

	Group	
	2019 **S$'000**	2018 S$'000
Interest expense:		
– Fixed rate notes	**6,227**	6,251
– Bank borrowings	**2,262**	2,322
– Other borrowing cost	**39**	–
– Significant financing component from contracts with customers	**1,781**	2,024
	10,309	10,597

11. INCOME TAX EXPENSE

	Group	
	2019 S$'000	2018 S$'000
Tax expense attributable to profit is made up of:		
– Current income tax	**36,571**	33,404
– Deferred income tax (Note 28)	**(7,862)**	(4,905)
	28,709	28,499
Under/(over) provision in preceding financial years:		
– Current income tax	**1,895**	2,315
– Deferred income tax (Note 28)	**(2,841)**	(155)
	27,763	30,659

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	
	2019 S$'000	2018 S$'000
Profit before tax	**54,616**	155,301
Tax calculated at a tax rate of 17% (2018: 17%)	**9,285**	26,401
Effects of:		
– Tax effect of share of results of associated companies and joint venture	**1,200**	527
– Different tax rates in other countries	**(4,172)**	790
– Withholding tax deducted at source	**3,629**	459
– Singapore statutory stepped income exemption	**(137)**	(260)
– Tax incentive	**(178)**	(300)
– Income not subject to tax	**(9,729)**	(7,833)
– Expenses not deductible for tax purposes	**17,607**	8,101
– Effect on deferred tax balances due to the change in US income tax rate	**–**	(6,927)
– Utilisation of tax losses and capital allowances	**(680)**	(185)
– Deferred income tax assets not recognised	**11,884**	7,726
– (Over)/under provision in preceding financial years	**(946)**	2,160
Tax charge	**27,763**	30,659

12. 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	
	2019	2018
Net profit attributable to equity holders of the Company (S$'000)	**18,958**	135,497
Less: Net profit attributable to perpetual securities holders of the Company (S$'000)	**(14,875)**	(14,875)
Net profit attributable to ordinary shareholders of the Company (S$'000)	**4,083**	120,622
Weighted average number of ordinary shares outstanding for basic earnings per share ('000)	**2,257,480**	2,268,633
Basic earnings per share (cents per share)	**0.18**	5.32

(b) *Diluted earnings per share*

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

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

Diluted earnings per share is calculated as follows:

	Group	
	2019	2018
Net profit attributable to equity holders of the Company (S$'000)	**18,958**	135,497
Less: Net profit attributable to perpetual securities holders of the Company (S$'000)	**(14,875)**	(14,875)
Net profit attributable to ordinary shareholders of the Company (S$'000)	**4,083**	120,622
Weighted average number of ordinary shares outstanding for basic earnings per share ('000)	**2,257,480**	2,268,633
Adjustment for share options ('000)	**491**	1,477
Weighted average number of ordinary shares for diluted earnings per share ('000)	**2,257,971**	2,270,110
Diluted earnings per share (cents per share)	**0.18**	5.31

13. CASH AND CASH EQUIVALENTS

	Group			Company		
	31 March 2019 S$'000	31 March 2018 S$'000	1 April 2017 S$'000	**31 March 2019 S$'000**	31 March 2018 S$'000	1 April 2017 S$'000
Cash at bank and on hand	**136,281**	94,211	106,352	**76,469**	39,703	47,004
Deposits with financial institutions	**255,939**	219,839	260,262	**253,797**	218,409	256,175
	392,220	314,050	366,614	**330,266**	258,112	303,179

Deposits with financial institutions earn interest ranging from 0.6% to 2.34% (31 March 2018: 0.6% to 1.73%, 1 April 2017: 0.5% to 1.81%) per annum. Tenure for these deposits range from 1 to 186 days (31 March 2018: 2 to 122 days, 1 April 2017: 6 to 365 days).

14. FINANCIAL ASSETS

	Group			Company		
	31 March 2019 S$'000	31 March 2018 S$'000	1 April 2017 S$'000	**31 March 2019 S$'000**	31 March 2018 S$'000	1 April 2017 S$'000
Current						
Financial assets at amortised cost						
– Bonds – quoted in Singapore	**6,500**	–	–	**6,500**	–	–
Financial assets designated as FVTOCI						
– Equity securities – quoted	**730**	–	–	**730**	–	–
Financial assets, available-for-sale						
– Equity securities – quoted	**–**	1,921	3,954	**–**	1,921	3,954
– Equity instrument – unquoted	**–**	–	347	**–**	–	–
	7,230	1,921	4,301	**7,230**	1,921	3,954
Non-current						
Financial assets at amortised cost						
– Bonds – quoted in Singapore	**24,091**	–	–	**24,091**	–	–
Financial assets designated as FVTOCI						
– Equity instrument – unquoted	**81,698**	–	–	**4,561**	–	–
Financial assets, held to maturity						
– Bonds – quoted in Singapore	**–**	30,640	31,187	**–**	30,640	31,187
Financial assets, available-for-sale						
– Equity instrument – unquoted	**–**	4,820	4,823	**–**	4,561	4,561
	105,789	35,460	36,010	**28,652**	35,201	35,748

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

14. FINANCIAL ASSETS *(continued)*

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

	Group			Company		
	31 March 2019 S$'000	31 March 2018 S$'000	1 April 2017 S$'000	**31 March 2019 S$'000**	31 March 2018 S$'000	1 April 2017 S$'000
Current						
Financial assets at amortised cost						
– Bonds – quoted in Singapore	**6,513**	–	–	**6,513**	–	–
Financial assets designated as FVTOCI						
– Equity securities – quoted	**730**	–	–	**730**	–	–
Financial assets, available-for-sale						
– Equity securities – quoted	**–**	1,921	3,954	**–**	1,921	3,954
– Equity instrument – unquoted	**–**	–	347	**–**	–	–
	7,243	1,921	4,301	**7,243**	1,921	3,954
Non-current						
Financial assets at amortised cost						
– Bonds – quoted in Singapore	**24,227**	–	–	**24,227**	–	–
Financial assets designated as FVTOCI						
– Equity instrument – unquoted	**81,698**	–	–	**4,561**	–	–
Financial assets, held to maturity						
– Bonds – quoted in Singapore	**–**	30,834	31,371	**–**	30,834	31,371
Financial assets, available-for-sale						
– Equity instrument – unquoted	**–**	4,820	4,823	**–**	4,561	4,561
	105,925	35,654	36,194	**28,788**	35,395	35,932

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

No impairment loss has been recognised for available-for-sale financial assets held as at 31 March 2018 and 1 April 2017.

15. TRADE AND OTHER RECEIVABLES – CURRENT

	Group			Company		
	31 March 2019 S$'000	31 March 2018 S$'000	1 April 2017 S$'000	**31 March 2019 S$'000**	31 March 2018 S$'000	1 April 2017 S$'000
Trade receivables						
– Subsidiaries	**–**	–	–	**11,647**	38,927	64,268
– Associated company	**–**	120,212	46,115	**–**	120,212	46,115
– Companies related by a substantial shareholder	**2,293**	2,029	1,776	**2,293**	2,029	1,776
– Non-related parties	**262,543**	149,240	148,904	**163,432**	41,301	46,972
	264,836	271,481	196,795	**177,372**	202,469	159,131
Less: Allowance for impairment of receivables – non-related parties	**(5,714)**	(10,053)	(5,665)	**(547)**	(775)	(951)
Trade receivables – net	**259,122**	261,428	191,130	**176,825**	201,694	158,180
Non-trade receivables from subsidiaries	**–**	–	–	**21,567**	23,893	11,574
Loan to associated companies	**4,001**	3,344	3,394	**–**	–	–
Less: Non-current portion (Note 18)	**(2,984)**	(2,350)	(2,423)	**–**	–	–
	1,017	994	971	**21,567**	23,893	11,574
Staff loans (Note 19)	**42**	48	51	**42**	48	51
Interest receivable	**878**	677	1,033	**864**	665	1,029
Other receivables	**3,630**	8,436	5,822	**1,622**	5,683	2,470
	264,689	271,583	199,007	**200,920**	231,983	173,304

(i) A loan of S$749,000 (31 March 2018: S$764,000, 1 April 2017: S$789,000) to an associated company is unsecured, repayable in full on 15 June 2020 and bears interest at 1.14% above the 1 month bank bill swap rate per annum.

(ii) A loan of S$2,235,000 (31 March 2018: S$1,586,000, 1 April 2017: S$1,634,000) to an associated company is unsecured, repayable in full on 29 June 2020 and bears interest at 1.14% above the 1 month bank bill swap rate per annum.

(iii) A loan of S$675,000 (31 March 2018: S$661,000, 1 April 2017: S$647,000) to an associated company is unsecured and repayable on demand. Interest is fixed at 2.15% per annum.

(iv) Remaining loan of S$342,000 (31 March 2018: S$333,000, 1 April 2017: S$324,000) to an associated company is unsecured and repayable on demand. Interest is fixed at 2.95% per annum.

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

16. DERIVATIVE FINANCIAL INSTRUMENTS

	Contract notional amount 31 March 2019 S$'000	**Fair value liabilities 31 March 2019 S$'000**	Contract notional amount 31 March 2018 S$'000	Fair value assets/ (liabilities) 31 March 2018 S$'000	Contract notional amount 1 April 2017 S$'000	Fair value assets/ (liabilities) 1 April 2017 S$'000
Group						
Net investment hedges						
Currency forwards	**–**	**–**	10,715	(186)	10,210	20
Other non-hedging derivatives						
Currency forwards	**175,502**	**(382)**	177,828	1,056	164,905	(1,007)
Warrants	**–**	**–**	–	18,521	–	16,011
Total derivative financial instruments	**175,502**	**(382)**	188,543	19,391	175,115	15,024
Company						
Net investment hedges						
Currency forwards	**–**	**–**	10,715	(172)	10,210	83
Other non-hedging derivatives						
Currency forwards	**175,502**	**(382)**	177,828	1,056	164,905	(1,007)
Warrants	**–**	**–**	–	18,521	–	16,011
Total derivative financial instruments	**175,502**	**(382)**	188,543	19,405	175,115	15,087

Currency forwards

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

Currency forwards designated for hedging as net investment hedges are accounted for in accordance with Note 2.20.

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

	Group			Company		
	31 March 2019 S$'000	31 March 2018 S$'000	1 April 2017 S$'000	**31 March 2019 S$'000**	31 March 2018 S$'000	1 April 2017 S$'000
Assets:						
– Current	**58**	19,856	16,079	**58**	19,856	16,142
Liabilities						
– Current	**(440)**	(465)	(1,055)	**(440)**	(451)	(1,055)

17. OTHER ASSETS

	Group			Company		
	31 March 2019 S$'000	31 March 2018 S$'000	1 April 2017 S$'000	**31 March 2019 S$'000**	31 March 2018 S$'000	1 April 2017 S$'000
Current						
Deposits	**9,226**	6,257	6,354	**1,887**	2,323	2,359
Prepayments	**12,113**	11,947	10,820	**4,609**	5,544	2,821
	21,339	18,204	17,174	**6,496**	7,867	5,180
Non-current						
Deposits	**2,807**	5,137	5,198	**–**	–	–

As at 31 March 2018, included within non-current deposits was an escrow deposit of S$3,230,000 (1 April 2017: S$5,134,000) for the acquisition of a subsidiary.

18. TRADE AND OTHER RECEIVABLES – NON-CURRENT

	Group			Company		
	31 March 2019 S$'000	31 March 2018 S$'000	1 April 2017 S$'000	**31 March 2019 S$'000**	31 March 2018 S$'000	1 April 2017 S$'000
Loans to subsidiaries	**–**	–	–	**513,017**	585,959	599,242
Less: Allowance for impairment	**–**	–	–	**(263,753)**	(194,365)	(194,365)
	–	–	–	**249,264**	391,594	404,877
Loan to an associated company (Note 15)	**2,984**	2,350	2,423	**–**	–	–
Loan to a shareholder of a subsidiary	**4,625**	4,510	4,423	**–**	–	–
Staff loans (Note 19)	**188**	227	245	**188**	227	245
	7,797	7,087	7,091	**249,452**	391,821	405,122

As at 31 March 2019, the Company had a loan to a subsidiary (net of impairment) of S$Nil (31 March 2018: S$68,450,000,1 April 2017: S$75,065,000) which is non-trade related, unsecured and interest-free. Although there are no fixed terms of repayment, the loan is not expected to be repayable within the next twelve months. The loan is considered part of the Company's net investment in subsidiaries.

Loans to subsidiaries of S$36,347,000 (31 March 2018: S$36,547,000, 1 April 2017: S$33,963,000) are non-trade related, unsecured, interest bearing at SIBOR plus 1.2% per annum and is 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$6,121,000 (31 March 2018: S$6,249,000, 1 April 2017: S$5,817,000) is non-trade related, unsecured, interest bearing at KLIBOR plus 1.2% per annum and is repayable in full on demand. Settlement of the loan is not foreseeable within the next twelve months. The carrying amount of the loan approximates its fair value.

Loan to a subsidiary of S$1,056,000 (31 March 2018: S$1,400,000, 1 April 2017: S$2,272,000) is non-trade related, unsecured, interest bearing at ABS SIBOR plus 1.2% per annum and will be repaid in full on 21 August 2020. The carrying amount of the loan approximates its fair value.

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

Loan to a subsidiary of S$672,000 (2018: S$Nil) is non-trade related, unsecured, interest bearing at ABS SIBOR plus 2.1% per annum and not expected to be repayable in the next twelve months. The carrying amount of the loan approximates its fair value.

Loans to subsidiaries of S$205,068,000 (31 March 2018: S$278,948,000, 1 April 2017: S$287,760,000) are non-trade related, unsecured, interest bearing at 2.2% to 4.1% per annum and not expected to be repayable in the next twelve months. The fair value of the loans is S$203,547,000 (31 March 2018: S$273,544,000, 1 April 2017: S$283,171,000). The fair value of the loans is computed based on cash flows discounted at market borrowing rates of 1.929% to 1.993% (31 March 2018: 1.476% to 1.993%, 1 April 2017: 1.264% to 1.755%). The fair value is within Level 2 of the fair value hierarchy.

An allowance for impairment amounting to S$69.4 million (2018: S$Nil) was made in the financial year ended 31 March 2019 in respect of loans to subsidiaries for which underlying investments have been impaired and the loans receivable are assessed as non-recoverable.

The loan to a shareholder of a subsidiary is unsecured, interest bearing at 2.3% to 2.8% per annum (2018: 1.7% to 2.3% per annum). The carrying amount of the loan approximates its fair value. Refer to Note 21 in respect of the timing of settlement of this loan.

19. STAFF LOANS

	Group and Company		
	31 March 2019 S$'000	31 March 2018 S$'000	1 April 2017 S$'000
Not later than one year (Note 15)	**42**	48	51
Later than one year (Note 18)	**188**	227	245
– Between one and five years	**56**	99	113
– Later than five years	**132**	128	132
	230	275	296

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

20. INVESTMENTS IN ASSOCIATED COMPANIES AND JOINT VENTURE

	Group			Company		
	31 March 2019 S$'000	31 March 2018 S$'000	1 April 2017 S$'000	**31 March 2019 S$'000**	31 March 2018 S$'000	1 April 2017 S$'000
Investments in associated companies (Note (a))	**39,840**	114,925	117,783	**18,534**	15,366	14,849
Investment in a joint venture (Note (b))	**–**	–	–	**–**	–	–
	39,840	114,925	117,783	**18,534**	15,366	14,849

20. INVESTMENTS IN ASSOCIATED COMPANIES AND JOINT VENTURE *(continued)*

(a) Associated companies

	Group			Company		
	31 March 2019 S$'000	31 March 2018 S$'000	1 April 2017 S$'000	**31 March 2019 S$'000**	31 March 2018 S$'000	1 April 2017 S$'000
Equity investment at cost				**18,534**	15,366	14,849
Beginning of financial year	**114,925**	117,783	146,401			
Additional investment in an associated company	**3,168**	517	798			
Gain on dilution of interest in an associated company	**–**	–	4,892			
Loss of significant influence from dilution of interest in an associated company (Note (i), 8)	**(33,038)**	–	–			
Disposal of an associated company	**(32,703)**	–	–			
Impairment of an associated company (Note 8)	**(3,399)**	–	(20,471)			
Reversal of contingent consideration of an associated company (Note (iii))	**–**	–	(7,215)			
Share of loss	**(7,061)**	(3,099)	(1,177)			
Dividends received	**(1,315)**	(930)	(2,583)			
Currency translation differences	**(737)**	654	(2,862)			
End of financial year	**39,840**	114,925	117,783			

(i) During the financial year ended 31 March 2019, the Group recognised a gain on dilution of interest in a former associated company amounting to S$42,662,000 arising from additional capital injection by an external party into the associated company. Following the capital injection amongst other changes, the Group lost its significant influence over the former associated company. Its retained interest is measured at fair value and accounted for as an equity investment measured at FVTOCI (Note 14).

(ii) During the financial year ended 31 March 2019, the Group recognised an impairment loss of S$3,399,000 against the carrying amount of its investment in an associated company, being the difference between the carrying amount of the Group's investment and its recoverable amount. The recoverable amount is determined based on quoted market price of the associated company.

The Group's investments in associated companies include investments in listed associated companies with a carrying value of S$29,969,000 (31 March 2018: S$30,783,000, 1 April 2017: S$27,655,000), for which the published price quotations are S$84,393,000 (31 March 2018: S$122,136,000, 1 April 2017: S$119,376,000) at the end of the reporting period, and classified within Level 1 of the fair value hierarchy.

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

Details of associated companies are disclosed in Note 43.

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

20. INVESTMENTS IN ASSOCIATED COMPANIES AND JOINT VENTURE *(continued)*

(a) Associated companies *(continued)*

Shenzhen 4PX Information and Technology Co Ltd. [(1)]

	31 March 2018 S$'000	1 April 2017 S$'000
Current assets	127,999	142,315
Non-current assets	63,570	56,322
Current liabilities	(130,763)	(115,019)
Equity	60,806	83,618

	2018 S$'000	2017 S$'000
Revenue	959,504	713,808
Loss for the year, representing total comprehensive loss for the year	(30,177)	(15,818)

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

	31 March 2018 S$'000	1 April 2017 S$'000
Net assets of the associated company	60,806	83,618
Proportion of the Group's ownership in the associated company	30.52%	30.52%
Group's share of net assets	18,558	25,520
Goodwill and other identifiable intangible assets	24,414	25,372
Carrying amount of the Group's interest in the associated company	42,972	50,892

(1) As disclosed in Note 20(a)(i), the Group lost its significant influence in Shenzhen 4PX Information and Technology Co., Limited during the financial year. This transaction has resulted in the recognition of a gain on dilution of interest in an associated company that is included in the "Exceptional items" line item (Note 8). The gain is calculated as follows:

	2019 S$'000
Fair value of investment in associated company	**76,119**
Less: Carrying amount of the investment on the date of loss of significant influence	**(33,038)**
Less: Translation reserve arising from investment on the date of loss of significant influence	**(419)**
Gain on dilution of interest in an associated company	**42,662**

20. INVESTMENTS IN ASSOCIATED COMPANIES AND JOINT VENTURE *(continued)*

(a) Associated companies *(continued)*

In Do Trans Logistics Corporation [2]

	31 March 2018 S$'000	1 April 2017 S$'000
Current assets	70,284	46,850
Non-current assets	76,258	59,146
Current liabilities	(40,906)	(31,678)
Non-current liabilities	(39,063)	(27,154)
Equity	66,573	47,164

	2018 S$'000	2017 S$'000
Revenue	275,421	205,179
Profit for the year, representing total comprehensive income for the year	25,889	10,679

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

	31 March 2018 S$'000	1 April 2017 S$'000
Net assets of the associated company	66,573	47,165
Proportion of the Group's ownership in the associated company	30.0%	30.0%
Group's share of net assets	19,972	14,149
Goodwill and other identifiable intangible assets	10,122	10,504
Carrying amount of the Group's interest in the associated company	30,094	24,653

[2] During the financial year ended 31 March 2019, the Group disposed all of its interest in In Do Trans Logistics Corporation to a third party for proceeds of S$39.1 million. This transaction has resulted in the recognition of a gain on disposal of an associated company that is included in the "Exceptional items" line item (Note 8). The gain is calculated as follows:

	2019 S$'000
Proceeds of disposal	**39,090**
Less: Carrying amount of the investment on the date of disposal	**(32,703)**
Less: Translation reserve arising from investment on the date of disposal	**(425)**
Gain on disposal of interest in an associated company	**5,962**

20. INVESTMENTS IN ASSOCIATED COMPANIES AND JOINT VENTURE *(continued)*

(a) *Associated companies (continued)*

Aggregate information of other associated companies that are not individually material

	2019 S$'000	2018 S$'000
The Group's share of loss for the year	**(858)**	(1,656)
The Group's share of other comprehensive income	**–**	50
The Group's share of total comprehensive loss	**(858)**	(1,606)
Aggregate carrying amount of the Group's interest in these associated companies	**39,840**	41,859

Unrecognised share of losses of an associated company

	2019 S$'000	2018 S$'000
Unrecognised and cumulative share of losses of an associated company for the year	**(1,162)**	–

(b) *Joint venture*

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

21. INVESTMENTS IN SUBSIDIARIES

	Company		
	31 March 2019 S$'000	31 March 2018 S$'000	1 April 2017 S$'000
Equity investments at cost			
Beginning of financial year	**367,429**	367,429	362,654
Additional capital injection to an existing subsidiary	**–**	–	4,775
	367,429	367,429	367,429
Less: Allowance for impairment	**(49,058)**	(26,896)	(26,896)
End of financial year	**318,371**	340,533	340,533

Details of the subsidiaries are included in Note 43. The proportion of ownership interest held by the Group does not differ from the proportion of voting rights held by the Group.

Impairment charge amounting to S$22.2 million (2018: S$Nil) recognised during the financial year was largely due to impairment of investment in a subsidiary which holds the US businesses.

Carrying value of non-controlling interests

	31 March 2019 S$'000	31 March 2018 S$'000	1 April 2017 S$'000
Quantium Solutions International Pte Ltd ("QSI")	**42,992**	36,379	47,768
Other subsidiaries with immaterial non-controlling interests	**4,400**	3,967	3,801
Total	**47,392**	40,346	51,569

21. INVESTMENTS IN SUBSIDIARIES *(continued)*

Exercise of put option in a subsidiary

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

Apart from the above, the Group has a loan to the non-controlling shareholder amounting to S$4,625,000 (31 March 2018: S$4,510,000, 1 April 2017: S$4,423,000) (Note 18) as at 31 March 2019. The timing of settlement of this loan receivable is expected to coincide with the conclusion of the arbitration. Management is of the view that the loan is recoverable and the settlement of the loan is not foreseeable within the next twelve months.

Transactions with non-controlling interests for the financial years ended 31 March 2019 and 2018 are set out below.

2018

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

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

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

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

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

21. 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 As at		
	31 March 2019 S$'000	31 March 2018 S$'000	1 April 2017 S$'000
Current			
Assets	**53,028**	69,539	99,276
Liabilities	**(15,083)**	(17,616)	(23,432)
Total current net assets	**37,945**	51,923	75,844
Non-current			
Assets	**88,658**	55,252	64,823
Liabilities	**(156)**	(177)	(171)
Total non-current net assets	**88,502**	55,075	64,652
Net assets	**126,447**	106,998	140,496

Summarised income statement

	QSI For the year ended	
	31 March 2019 S$'000	31 March 2018 S$'000
Revenue	**91,886**	98,694
Profit/(loss) before income tax	**20,019**	(35,052)
Income tax expense	**(95)**	(325)
Post-tax profit/(loss) from continuing operations	**19,924**	(35,377)
Other comprehensive (loss)/income	**(475)**	1,878
Total comprehensive income/(loss)	**19,449**	(33,499)
Total comprehensive income/(loss) allocated to non-controlling interests	**6,613**	(11,390)

21. INVESTMENTS IN SUBSIDIARIES *(continued)*

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

Summarised cash flows

	QSI For the year ended	
	31 March 2019 S$'000	31 March 2018 S$'000
Cash flows from operating activities		
Cash generated from operations	**(15,521)**	(22,166)
Income tax paid	**(170)**	(172)
Net cash used in operating activities	**(15,691)**	(22,338)
Net cash used in investing activities	**(1,488)**	(581)
Net cash provided by financing activities	**15,553**	16,891
Net decrease in cash and cash equivalents	**(1,626)**	(6,028)
Cash and cash equivalents at beginning of year	**8,589**	14,617
Cash and cash equivalents at end of year	**6,963**	8,589

22. INVESTMENT PROPERTIES

	Group			Company		
	31 March 2019 S$'000	31 March 2018 S$'000	1 April 2017 S$'000	**31 March 2019 S$'000**	31 March 2018 S$'000	1 April 2017 S$'000
Beginning of financial year	**1,014,315**	970,392	745,844	**970,378**	927,538	760,842
Additions	**1,727**	32,691	97,818	**1,549**	32,691	97,818
Reclassification (to)/from property, plant and equipment (Note 23)	**(28,513)**	(2,393)	19,200	**(36,537)**	(2,393)	(3,244)
Fair value gain recognised in profit or loss (Note 8)	**12,088**	12,712	108,744	**12,863**	12,542	72,122
Currency translation differences	**(268)**	913	(1,214)	**–**	–	–
End of financial year	**999,349**	1,014,315	970,392	**948,253**	970,378	927,538

Certain investment properties of the Group with carrying amounts of S$50.5 million (31 March 2018: S$50.2 million, 1 April 2017: S$49.3 million) are mortgaged to secure bank borrowings (Note 26).

The following amounts are recognised in profit or loss:

	Group		Company	
	2019 S$'000	2018 S$'000	**2019 S$'000**	2018 S$'000
Rental and property-related income	**69,220**	59,460	**57,907**	49,241
Direct operating expenses arising from:				
– Investment property that generated income	**(15,875)**	(12,776)	**(13,479)**	(11,439)

Investment properties are leased to non-related parties under operating leases (Note 35(c)).

22. INVESTMENT PROPERTIES *(continued)*

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

Location	Description/existing use	Tenure
10 Eunos Road 8, Singapore Post Centre	Building for commercial and retail	Leasehold of 99 years expiring on 30 August 2081
502 Chai Chee Lane	Building for warehousing and self-storage	Leasehold of 30 years expiring on 30 April 2031
No. 5, Jalan Penyair U1/44, Off Jalan Glenmarie, Temasya Industrial Park, 40150 Shah Alam, Selangor Darul Ehsan, Malaysia	Warehousing	Freehold
110 Alexandra Road	Building for commercial and retail	Leasehold of 99 years expiring on 31 March 2091
10 Choa Chu Kang Road	Building for commercial and retail	Leasehold of 99 years expiring on 31 March 2091
373 Tanjong Katong Road	Building for commercial and retail	Leasehold of 99 years expiring on 31 March 2091
1 Killiney Road	Building for commercial and retail	Leasehold of 99 years expiring on 31 March 2091
396 Pasir Panjang Road	Building for commercial and retail	Leasehold of 99 years expiring on 31 March 2091
10 Palm Avenue	Building for commercial and retail	Leasehold of 99 years expiring on 31 March 2091
350 Bedok Road	Building for commercial and retail	Leasehold of 99 years expiring on 31 March 2091
56 Tanglin Road	Building for commercial and retail	Leasehold of 99 years expiring on 31 March 2091
6 Ayer Rajah Crescent	Building for warehousing and self-storage	Leasehold of 30 years expiring on 1 February 2026
755 Upper Serangoon Road	Building for commercial and retail	Leasehold of 99 years expiring on 31 March 2091
5 Mandai Road	Building for commercial and retail	Leasehold of 99 years expiring on 31 March 2091
21 Ghim Moh Road	Building for commercial and retail	Leasehold of 82 years expiring on 1 April 2076
3B Toh Guan Road East	Building for warehousing	Leasehold of 30 + 30 years expiring on 31 August 2049

22. INVESTMENT PROPERTIES *(continued)*

	Fair value measurements using		
	Quoted prices in active markets for identical assets (Level 1) S$'000	Significant other observable inputs (Level 2) S$'000	Significant unobservable inputs (Level 3) S$'000
31 March 2019			
– Commercial and retail – Singapore	–	2,484	984,856
– Commercial and retail – Malaysia	–	–	12,009
31 March 2018			
– Commercial and retail – Singapore	–	2,484	999,554
– Commercial and retail – Malaysia	–	–	12,277
1 April 2017			
– Commercial and retail – Singapore	–	2,812	956,215
– Commercial and retail – Malaysia	–	–	11,365

Valuation techniques used to derive Level 2 fair values

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

Valuation techniques used to derive Level 3 fair values

Level 3 fair values have been generally derived using capitalisation/income approach and discounted cash flow approach. In the capitalisation/income approach, the net income of the property is capitalised for the balance term of the lease tenure at a yield rate which is appropriate for the type of use, tenure and reflective of the quality of the investment. The revenue is adjusted for outgoings such as property tax and also vacancies to arrive at net income. The discounted cash flow approach involved the estimation and projection of the net rent over a period and discounting the future income stream to arrive at a present value. Net rent is the balance sum after deducting property tax, cost of repairs and maintenance and a reasonable percentage for vacancy from the gross rent. The comparable sales method is used as a reference.

There were no transfers in or out of fair value hierarchy levels for the financial years ended 31 March 2019 and 2018.

22. 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)	Valuation techniques	Unobservable inputs	Range of unobservable inputs	Relationship of unobservable inputs to fair value
	31 March 2019			31 March 2019	
Group					
Building for commercial and retail (Singapore Post Centre)	**840,555** (31 March 2018: 859,250, 1 April 2017: 814,132)	Discounted cash flow approach	Discount rate	**6.75-7.5%** (31 March 2018: 7-7.5%, 1 April 2017: 7.25-7.75%)	The higher the discount rate, the lower the valuation
		Capitalisation/ income approach	Capitalisation rate	**4.25-6.15%** (31 March 2018: 4.35-6.15%, 1 April 2017: 4.5-6.25%)	The higher the capitalisation rate, the lower the valuation
Building for commercial and retail (10 SLA Properties)	**97,718** (31 March 2018: 98,969, 1 April 2017: 100,386)	Capitalisation/ income approach	Capitalisation rate	**4.75-5%** (31 March 2018 & 1 April 2017: 4.25-5%)	The higher the capitalisation rate, the lower the valuation
Building for warehousing and self-storage – Singapore	**41,935** (31 March 2018: 41,335, 1 April 2017: 41,697)	Capitalisation/ income approach	Capitalisation rate	**6.5-8%** (31 March 2018 & 1 April 2017: 7-7.5%)	The higher the capitalisation rate, the lower the valuation
Warehousing – Singapore	**4,648** (31 March 2018 & 1 April 2017: Nil)	Capitalisation/ income approach	Capitalisation rate	**6.25-6.75%** (31 March 2018 & 1 April 2017: Nil)	The higher the capitalisation rate, the lower the valuation
Warehousing – Malaysia	**12,009** (31 March 2018: 12,277, 1 April 2017: 11,365)	Capitalisation/ income approach	Capitalisation rate	**7-7.5%** (31 March 2018 & 1 April 2017: 7-7.5%)	The higher the capitalisation rate, the lower the valuation

22. INVESTMENT PROPERTIES *(continued)*

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

Description	Fair value (S$'000)	Valuation techniques	Unobservable inputs	Range of unobservable inputs	Relationship of unobservable inputs to fair value
	31 March 2019			31 March 2019	
Company					
Building for commercial and retail (Singapore Post Centre)	**848,051** (31 March 2018: 868,925, 1 April 2017: 824,339)	Discounted cash flow approach	Discount rate	**6.75-7.5%** (31 March 2018: 7-7.5%, 1 April 2017: 7.25-7.75%)	The higher the discount rate, the lower the valuation
		Capitalisation/ income approach	Capitalisation rate	**4.25-6.15%** (31 March 2018: 4.35-6.15%, 1 April 2017: 4.5-6.25%)	The higher the capitalisation rate, the lower the valuation
Building for commercial and retail (10 SLA Properties)	**97,718** (31 March 2018: 98,969, 1 April 2017: 100,386)	Capitalisation/ income approach	Capitalisation rate	**4.25-5%** (31 March 2018 & 1 April 2017: 4.25-5%)	The higher the capitalisation rate, the lower the valuation

Valuation processes used by the Group

The Group engages external, independent and qualified valuers to determine the fair value of the Group's properties at the end of every financial year based on the properties' highest and best use. As at 31 March 2019, 31 March 2018 and 1 April 2017, the fair values of the Group's investment properties have been determined by Knight Frank Pte Ltd.

23. PROPERTY, PLANT AND EQUIPMENT

	Leasehold land S$'000	Buildings S$'000	Postal equipment S$'000	Plant and machinery S$'000	Capital work-in-progress S$'000	Total S$'000
Group						
2019						
Cost						
Beginning of financial year	79,959	354,016	45,765	279,091	20,854	779,685
Additions	–	562	–	11,439	11,192	23,193
Reclassifications (to)/from investment properties						
– At fair value (Note 22)	(531)	29,044	–	–	–	28,513
– Transfer from valuation reserve (Note 30)	326	(87)	–	–	–	239
Disposals	–	(494)	(100)	(11,684)	(149)	(12,427)
Transfers	–	(611)	992	13,223	(13,604)	–
Currency translation differences	–	17	–	810	–	827
End of financial year	79,754	382,447	46,657	292,879	18,293	820,030
Accumulated depreciation and accumulated impairment losses						
Beginning of financial year	21,346	117,569	10,550	138,509	–	287,974
Depreciation charge	1,665	9,435	3,061	33,253	–	47,414
Disposals	–	(425)	(100)	(11,045)	–	(11,570)
Currency translation differences	–	10	–	11	–	21
Impairment (written-back)/charge [1]	–	(1,630)	–	31,023	–	29,393
End of financial year	23,011	124,959	13,511	191,751	–	353,232
Net book value						
End of financial year	**56,743**	**257,488**	**33,146**	**101,128**	**18,293**	**466,798**

(1) Included in impairment charge for the current financial year was S$31,023,000 which arose from the US businesses.

23. PROPERTY, PLANT AND EQUIPMENT *(continued)*

	Leasehold land S$'000	Buildings S$'000	Postal equipment S$'000	Plant and machinery S$'000	Capital work-in-progress S$'000	Total S$'000
Group						
2018						
Cost						
Beginning of financial year	79,959	358,192	45,735	267,359	16,129	767,374
Additions	–	1,850	–	10,608	21,695	34,153
Reclassifications from investment properties						
– At fair value (Note 22)	–	2,393	–	–	–	2,393
Disposals	–	(6,655)	(44)	(11,912)	(176)	(18,787)
Transfers	–	242	74	16,478	(16,794)	–
Adjustment [(2)]	–	(1,907)	–	–	–	(1,907)
Currency translation differences	–	(99)	–	(3,442)	–	(3,541)
End of financial year	79,959	354,016	45,765	279,091	20,854	779,685
Accumulated depreciation and accumulated impairment losses						
Beginning of financial year	19,680	109,322	7,549	115,104	–	251,655
Depreciation charge	1,666	9,128	3,035	35,694	–	49,523
Disposals	–	(842)	(34)	(11,296)	–	(12,172)
Currency translation differences	–	(39)	–	(993)	–	(1,032)
End of financial year	21,346	117,569	10,550	138,509	–	287,974
Net book value						
End of financial year	**58,613**	**236,447**	**35,215**	**140,582**	**20,854**	**491,711**
Net book value						
Balance at 1 April 2017	**60,279**	**248,870**	**38,186**	**152,255**	**16,129**	**515,719**

(2) Included in additions in prior financial years was S$1,907,000 which arose from the construction of buildings. Upon finalisation of the construction costs in the current financial year, an adjustment of S$1.9 million was made.

23. PROPERTY, PLANT AND EQUIPMENT *(continued)*

	Leasehold land S$'000	Buildings S$'000	Postal equipment S$'000	Plant and machinery S$'000	Capital work-in-progress S$'000	Total S$'000
Company						
2019						
Cost						
Beginning of financial year	59,367	185,330	45,765	141,299	18,279	450,040
Additions	–	45	–	4,440	8,906	13,391
Reclassifications (to)/from investment properties						
– At fair value (Note 22)	(531)	37,068	–	–	–	36,537
– Transfer from valuation reserve	326	63	–	–	–	389
Disposals	–	(494)	(100)	(4,419)	–	(5,013)
Transfers	–	69	992	11,391	(12,452)	–
End of financial year	59,162	222,081	46,657	152,711	14,733	495,344
Accumulated depreciation and accumulated impairment losses						
Beginning of financial year	18,523	85,980	10,550	93,524	–	208,577
Depreciation charge	834	5,289	3,061	12,986	–	22,170
Impairment written-back	–	(1,630)	–	–	–	(1,630)
Disposals	–	(425)	(100)	(3,990)	–	(4,515)
End of financial year	19,357	89,214	13,511	102,520	–	224,602
Net book value						
End of financial year	**39,805**	**132,867**	**33,146**	**50,191**	**14,733**	**270,742**

23. PROPERTY, PLANT AND EQUIPMENT *(continued)*

	Leasehold land S$'000	Buildings S$'000	Postal equipment S$'000	Plant and machinery S$'000	Capital work-in-progress S$'000	Total S$'000
Company						
2018						
Cost						
Beginning of financial year	58,127	184,235	45,735	128,620	15,555	432,272
Additions	–	–	–	1,826	18,414	20,240
Reclassifications from investment properties						
– At fair value (Note 22)	1,240	1,153	–	–	–	2,393
Disposals	–	(300)	(44)	(4,521)	–	(4,865)
Transfers	–	242	74	15,374	(15,690)	–
End of financial year	59,367	185,330	45,765	141,299	18,279	450,040
Accumulated depreciation and accumulated impairment losses						
Beginning of financial year	17,688	82,116	7,549	84,548	–	191,901
Depreciation charge	835	4,029	3,035	13,223	–	21,122
Disposals	–	(165)	(34)	(4,247)	–	(4,446)
End of financial year	18,523	85,980	10,550	93,524	–	208,577
Net book value						
End of financial year	**40,844**	**99,350**	**35,215**	**47,775**	**18,279**	**241,463**
Net book value						
Balance at 1 April 2017	**40,439**	**102,119**	**38,186**	**44,072**	**15,555**	**240,371**

24. INTANGIBLE ASSETS

	Group			Company		
	31 March 2019 S$'000	31 March 2018 S$'000	1 April 2017 S$'000	**31 March 2019 S$'000**	31 March 2018 S$'000	1 April 2017 S$'000
Composition:						
Goodwill on acquisitions (Note (a))	**265,402**	299,384	305,118	**–**	–	–
Customer relationships (Note (b))	**–**	29,249	36,683	**–**	–	–
Preferential rent (Note (c))	**3,577**	4,047	4,667	**–**	–	–
Acquired software licence (Note (d))	**51**	12,343	11,040	**–**	–	–
Trademarked brands (Note (e))	**38,408**	40,707	43,175	**–**	–	–
	307,438	385,730	400,683	**–**	–	–

24. INTANGIBLE ASSETS *(continued)*

(a) Goodwill on acquisitions

	Group			Company		
	31 March 2019 S$'000	31 March 2018 S$'000	1 April 2017 S$'000	**31 March 2019 S$'000**	31 March 2018 S$'000	1 April 2017 S$'000
Cost						
Beginning of financial year	**486,047**	491,781	482,322	**–**	–	227
Write-off	**–**	–	(227)	**–**	–	(227)
Currency translation differences	**(3,494)**	(5,734)	9,686	**–**	–	–
End of financial year	**482,553**	486,047	491,781	**–**	–	–
Accumulated impairment						
Beginning of financial year	**(186,663)**	(186,663)	–	**–**	–	–
Impairment charge (Note 8)	**(30,488)**	–	(186,663)	**–**	–	–
End of financial year	**(217,151)**	(186,663)	(186,663)	**–**	–	–
Net book value	**265,402**	299,384	305,118	**–**	–	–

Impairment tests for goodwill

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

	Group		
	31 March 2019 S$'000	31 March 2018 S$'000	1 April 2017 S$'000
Quantium Solutions International Pte. Ltd.	**77,858**	77,858	77,858
General Storage Company Pte. Ltd.	**6,857**	6,857	6,857
Famous Holdings Pte. Ltd.	**59,908**	59,908	59,908
Couriers Please Holdings Pty Limited	**70,622**	74,145	78,521
Tras – Inter Co. Ltd	**2,320**	2,339	2,369
F.S. Mackenzie Limited	**5,046**	5,241	4,952
Famous Pacific Shipping (NZ) Limited	**5,204**	5,361	5,515
The Store House Limited	**10,819**	10,456	11,264
Rotterdam Harbour Holding B.V.	**16,122**	17,113	15,812
L+S Self Storage Pte Ltd	**10,646**	10,646	10,646
Jagged Peak, Inc.	**–**	20,499	21,860
TG Acquisition Corporation*	**–**	8,961	9,556
	265,402	299,384	305,118

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

The recoverable amount of each CGU was determined based on value-in-use calculations. Cash flow projections used in the value-in-use calculations were based on financial budgets covering a five-year period (31 March 2018: five-year period, 1 April 2017: minimally, a three-year period). Cash flows beyond the periods covered by the financial budgets were extrapolated using the estimated growth rates stated below. The growth rate did not exceed the long-term average growth rate for the country in which the CGU operates.

24. INTANGIBLE ASSETS *(continued)*

(a) Goodwill on acquisitions *(continued)*

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

	Quantium Solutions International Pte. Ltd.	General Storage Company Limited	Famous Holdings Pte Ltd	Couriers Please Pty Limited	F.S Mackenzie Limited	Famous Pacific Shipping (NZ) Limited	The Store House Limited	Rotterdam Harbour Holding B.V.	L+S Self Storage Pte Ltd	Jagged Peak, Inc	TG Acquisition Corporation
31 March 2019											
Terminal growth rate	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Discount rate	9.6%	7.1%	7.9%	8.9%	10.0%	9.3%	7.1%	9.3%	7.1%	9.3%	9.3%
31 March 2018											
Terminal growth rate	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Discount rate	9.0%	7.3%	10.0%	8.7%	10.0%	10.0%	7.3%	10.0%	7.3%	10.0%	10.5%
1 April 2017											
Terminal growth rate	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Discount rate	9.0%	7.0%	10.0%	8.7%	10.0%	10.0%	7.0%	10.0%	7.0%	10.0%	10.5%

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

A total impairment charge of $30.5 million (2018: S$Nil) is included within "Exceptional items" in the consolidated income statement (Note 8).

The total impairment charge in the current financial year consisted of S$21.2 million and S$9.3 million for the Jagged Peak, Inc. and TG Acquisition Corporation CGUs respectively which arose as a result of the CGUs not achieving the underlying profit assumptions on the business plans which supported the investments. Subsequent to year end, a decision to commence a sale of the US businesses was made by the Group.

The impairment test carried out as at 31 March 2019 for the Quantium Solutions International Pte. Ltd. CGU, which comprises 29% (31 March 2018: 26%, 1 April 2017: 26%) of the goodwill recognised on the statement of financial position, has revealed that the recoverable amount of the CGU is S$2,826,000 or 3% (31 March 2018: S$14,435,000 or 16%, 1 April 2017: S$3,707,000 or 4%) higher than its carrying amount. A further decrease in the terminal growth rate by 0.2% (31 March 2018: 1.1%, 1 April 2017: 0.4%) or an increase in the discount rate by 0.2% (31 March 2018: 0.8%, 1 April 2017: 0.3%) would result in the recoverable amount of the Quantium Solutions International Pte. Ltd. CGU being equal to its carrying amount.

The impairment test carried out as at 31 March 2019 for the Couriers Please Holdings Pty Limited, which comprises 27% (31 March 2018: 25%, 1 April 2017: 26%) of the goodwill recognised on the statement of financial position, has revealed that the recoverable amount of the CGU is S$10,359,000 or 11% (31 March 2018: S$20,292,000 or 20%, 1 April 2017: S$47,433,000 or 41%) higher than its carrying amount. A further decrease in the terminal growth rate by 0.8% (31 March 2018: 0.7%) or an increase in the discount rate by 0.9% (31 March 2018: 0.8%, 1 April 2017: 2.3%) would result in the recoverable amount of the Couriers Please Holdings Pty Limited being equal to its carrying amount. A zero growth rate assumption in 2017 would still result in the recoverable amount being higher than its carrying value.

24. INTANGIBLE ASSETS *(continued)*

(b) Customer relationships

	Group		
	31 March 2019 S$'000	31 March 2018 S$'000	1 April 2017 S$'000
Cost			
Beginning of financial year	**65,422**	67,524	65,395
Currency translation differences	**1,030**	(2,102)	2,129
End of financial year	**66,452**	65,422	67,524
Accumulated amortisation and impairment			
Beginning of financial year	**(36,173)**	(30,841)	(7,451)
Amortisation charge	**(5,337)**	(5,332)	(4,437)
Impairment charge (Note 8)	**(24,942)**	–	(18,953)
End of financial year	**(66,452)**	(36,173)	(30,841)
Net book value	**–**	29,249	36,683

In the current financial year, the Group recognised an impairment charge of $24.9 million (2018: S$Nil, 2017: S$19.0 million) on its customer relationships in relation to the acquisition of TG Acquisition Corporation and Jagged Peak, Inc.. This impairment charge arose as a result of the CGUs not achieving the underlying profit assumptions on the business plans which supported the investments. The impairment charge was included within "Exceptional items" in the consolidated income statement (Note 8).

(c) Preferential rent

	Group		
	31 March 2019 S$'000	31 March 2018 S$'000	1 April 2017 S$'000
Cost			
Beginning of financial year	**7,502**	7,507	7,474
Currency translation differences	**(1)**	(5)	33
End of financial year	**7,501**	7,502	7,507
Accumulated amortisation			
Beginning of financial year	**(3,455)**	(2,840)	(2,081)
Amortisation charge	**(469)**	(615)	(759)
End of financial year	**(3,924)**	(3,455)	(2,840)
Net book value	**3,577**	4,047	4,667

24. INTANGIBLE ASSETS *(continued)*

(d) Acquired software licence

	Group		
	31 March 2019 S$'000	31 March 2018 S$'000	1 April 2017 S$'000
Cost			
Beginning of financial year	**18,734**	13,733	6,703
Additions	**3,801**	5,562	6,891
Currency translation differences	**439**	(561)	139
End of financial year	**22,974**	18,734	13,733
Accumulated amortisation and impairment			
Beginning of financial year	**(6,391)**	(2,693)	(262)
Amortisation charge	**(4,653)**	(3,698)	(2,431)
Impairment charge (Note 8)	**(11,879)**	–	–
End of financial year	**(22,923)**	(6,391)	(2,693)
Net book value	**51**	12,343	11,040

(e) Trademarked brands

	Group		
	31 March 2019 S$'000	31 March 2018 S$'000	1 April 2017 S$'000
Cost			
Beginning of financial year	**40,854**	43,262	41,907
Currency translation differences	**(1,903)**	(2,408)	1,355
End of financial year	**38,951**	40,854	43,262
Accumulated amortisation and impairment			
Beginning of financial year	**(147)**	(87)	(23)
Amortisation charge	**(60)**	(60)	(64)
Impairment charge (Note 8)	**(336)**	–	–
End of financial year	**(543)**	(147)	(87)
Net book value	**38,408**	40,707	43,175

Included in the carrying amount is a trademarked brand with indefinite useful life of S$38,408,000 (31 March 2018: S$40,324,000, 1 April 2017: S$42,704,000).

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

	Group		
	31 March 2019 S$'000	31 March 2018 S$'000	1 April 2017 S$'000
Terminal growth rate	**2.5%**	2.5%	2.5%
Discount rate	**8.9%**	8.7%	8.7%

25. TRADE AND OTHER PAYABLES

	Group			Company		
	31 March 2019 S$'000	31 March 2018 S$'000	1 April 2017 S$'000	**31 March 2019 S$'000**	31 March 2018 S$'000	1 April 2017 S$'000
Current						
Trade payables						
– Subsidiaries	**–**	–	–	**40,289**	52,849	79,343
– Companies related by a substantial shareholder	**1,356**	3,251	346	**1,356**	3,251	346
– Non-related parties	**300,135**	302,470	200,982	**246,845**	263,127	163,779
	301,491	305,721	201,328	**288,490**	319,227	243,468
Accrual for other operating expenses	**104,672**	103,489	104,193	**67,525**	62,055	48,754
Provision for restructuring (Note (a))	**9,885**	–	–	**–**	–	–
Provision for reinstatement costs (Note (b))	**4,102**	1,454	1,488	**731**	577	–
Interest payable	**3,510**	3,510	631	**3,510**	3,510	631
Customers' deposits	**6,427**	4,695	4,630	**6,427**	4,695	4,630
Collections on behalf of third parties	**16,968**	26,741	18,540	**16,968**	26,741	18,540
Contingent consideration payable (Note (c))	**2,462**	14,803	–	**–**	–	–
Tender deposits	**22,934**	23,366	19,758	**14,093**	16,094	12,473
Other creditors	**14,539**	11,223	12,804	**10,403**	7,871	6,660
	486,990	495,002	363,372	**408,147**	440,770	335,156
Non-Current						
Contingent consideration payable (Note (c))	**–**	3,177	23,363	**–**	–	–
Deferred lease	**2,883**	2,778	2,574	**–**	–	–
Accrual for the operating expenses	**1,328**	1,402	1,225	**–**	–	–
Provision for reinstatement costs (Note (b))	**11,818**	14,218	15,232	**1,088**	1,358	2,070
Post-employment benefits (Note 33)	**1,728**	1,893	2,068	**–**	–	–
	17,757	23,468	44,462	**1,088**	1,358	2,070
Total trade and other payables	**504,747**	518,470	407,834	**409,235**	442,128	337,226

(a) Provision for restructuring

Restructuring provision comprises mainly of lease termination penalties and employee termination payments which largely arose from the US Businesses.

(b) Provision for reinstatement costs

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

Movement in this provision is as follows:

	Group		Company	
	2019 S$'000	2018 S$'000	**2019 S$'000**	2018 S$'000
Beginning of financial year	**15,672**	16,720	**1,935**	2,070
Adjustment	**248**	(1,048)	**(116)**	(135)
End of financial year	**15,920**	15,672	**1,819**	1,935

25. TRADE AND OTHER PAYABLES *(continued)*

(c) Contingent consideration payable

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

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

In the previous financial year ended 31 March 2018, the contingent consideration amounting to S$2,127,000 was fully paid upon the fulfillment of the terms agreed upon during acquisition.

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

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

In the previous financial year ended 31 March 2018, the contingent consideration amounting to S$1,603,000 was fully paid upon the fulfillment of the terms agreed upon during acquisition.

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

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

As at 31 March 2019, the fair value of contingent consideration amounted to S$1,499,000 (31 March 2018: S$3,177,000, 1 April 2017: S$3,797,000).

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

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

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

As at 31 March 2018, the fair value of contingent consideration amounted to S$14,803,000 (1 April 2017: S$15,786,000).

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

26. BORROWINGS

	Group			Company		
	31 March 2019 S$'000	31 March 2018 S$'000	1 April 2017 S$'000	**31 March 2019 S$'000**	31 March 2018 S$'000	1 April 2017 S$'000
Other borrowings	**290,876**	243,978	363,985	**200,796**	201,569	320,061
Financial guarantee	**–**	–	–	**67,785**	–	–
	290,876	243,978	363,985	**268,581**	201,569	320,061

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

	Group			Company		
	31 March 2019 S$'000	31 March 2018 S$'000	1 April 2017 S$'000	**31 March 2019 S$'000**	31 March 2018 S$'000	1 April 2017 S$'000
Current						
– Borrowings (secured)	**1,666**	6,475	14,043	**–**	–	–
– Borrowings (unsecured)	**280,176**	17,000	134,743	**200,796**	–	117,743
	281,842	23,475	148,786	**200,796**	–	117,743
Non-current						
– Borrowings (secured)	**9,034**	18,934	12,881	**–**	–	–
– Borrowings (unsecured)	**–**	201,569	202,318	**–**	201,569	202,318
	9,034	220,503	215,199	**–**	201,569	202,318
	290,876	243,978	363,985	**200,796**	201,569	320,061

Secured borrowings comprise external bank loans and are secured over investment properties with carrying amount of S$50.5 million (31 March 2018: S$50.2 million, 1 April 2017: S$49.3 million) (Note 22) or assets with carrying amount of S$41.9 million (31 March 2018: S$41.0 million, 1 April 2017: S$38.0 million) at the end of the reporting period, or guaranteed by a director of a subsidiary with non-controlling interests.

The Group's unsecured borrowings mainly comprised S$200 million 10-year Fixed Rate Notes (the "Notes") issued in March 2010. The Notes are listed on the SGX-ST and carry a fixed interest rate of 3.5% (31 March 2018: 3.5%, 1 April 2017: 3.5%) per annum.

Financial guarantee

The Company provides a financial guarantee to a bank in respect of loans borrowed by certain subsidiaries. The financial guarantee liability is recorded at the higher of its fair value or lifetime expected credit losses.

Fair value of non-current borrowings

	Group			Company		
	31 March 2019 S$'000	31 March 2018 S$'000	1 April 2017 S$'000	**31 March 2019 S$'000**	31 March 2018 S$'000	1 April 2017 S$'000
Non-current						
– Borrowings (secured)	**9,034**	18,934	12,881	**–**	–	–
– Borrowings (unsecured)	**–**	204,386	207,896	**–**	204,386	207,896
	9,034	223,320	220,777	**–**	204,386	207,896

26. BORROWINGS *(continued)*

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

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

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

Reconciliation of liabilities arising from financing activities

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

			Non-cash changes		
	1 April 2018 S$'000	Financing cash flows (i) S$'000	Foreign exchange movement S$'000	Other changes (ii) S$'000	31 March 2019 S$'000
Borrowings	**243,978**	**37,450**	**(617)**	**10,065**	**290,876**

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

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

(ii) Other changes include interest accruals and payments.

27. CONTRACT LIABILITIES

	Group			Company		
	31 March 2019 S$'000	31 March 2018 S$'000	1 April 2017 S$'000	**31 March 2019 S$'000**	31 March 2018 S$'000	1 April 2017 S$'000
Advances received for postassurance collaboration (Note (a))	**45,444**	52,302	58,916	**45,444**	52,302	58,916
Advance billings (Note (b))	**31,064**	30,789	31,712	**15,931**	17,992	18,525
Others	**40**	322	926	**–**	–	175
	76,548	83,413	91,554	**61,375**	70,294	77,616
Analysed as:						
Current	**38,214**	37,929	38,930	**23,041**	24,850	25,314
Non-current	**38,334**	45,484	52,624	**38,334**	45,444	52,302
	76,548	83,413	91,554	**61,375**	70,294	77,616

(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 for rental and unearned revenue from paid postage.

There were no significant changes in the contract liability balances during the reporting period apart from the recognition of advances from AXA to profit or loss.

28. 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		
	31 March 2019 S$'000	31 March 2018 S$'000	1 April 2017 S$'000	**31 March 2019 S$'000**	31 March 2018 S$'000	1 April 2017 S$'000
Deferred income tax assets	**3,194**	3,197	6,218	**–**	–	–
Deferred income tax liabilities	**41,875**	52,392	62,547	**22,896**	23,253	22,603

Movement in the deferred income tax account is as follows:

	Group		Company	
	2019 S$'000	2018 S$'000	**2019 S$'000**	2018 S$'000
Beginning of financial year	**49,195**	56,329	**23,253**	22,603
Currency translation differences	**189**	(2,074)	**–**	–
Tax (credited)/charged to profit or loss (Note 11)	**(10,703)**	(5,060)	**(357)**	650
End of financial year	**38,681**	49,195	**22,896**	23,253

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$263,563,000 (31 March 2018: S$197,657,000, 1 April 2017: S$155,534,000) at the end of the reporting period which can be carried forward and used to offset against future taxable income subject to meeting certain statutory requirements by those companies with unrecognised tax losses and capital allowances in their respective countries of incorporation. The tax losses and capital allowances have no expiry dates.

Deferred income tax liabilities

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

<u>Group</u>

Deferred income tax liabilities

	Accelerated tax depreciation S$'000	Others [1] S$'000	Total S$'000
2019			
Beginning of financial year	**36,053**	**24,580**	**60,633**
Currency translation differences	**82**	**(5)**	**77**
Credited to profit or loss	**(3,317)**	**(7,294)**	**(10,611)**
End of financial year	**32,818**	**17,281**	**50,099**
2018			
Beginning of financial year	39,979	30,806	70,785
Currency translation differences	(967)	(1,428)	(2,395)
Credited to profit or loss	(2,959)	(4,798)	(7,757)
End of financial year	36,053	24,580	60,633

[1] Mainly arises from intangible assets.

28. DEFERRED INCOME TAXES *(continued)*

Group *(continued)*

Deferred income tax assets

	Provisions S$'000	Tax losses S$'000	Total S$'000
2019			
Beginning of financial year	**(9,958)**	**(1,480)**	**(11,438)**
Currency translation difference	**12**	**100**	**112**
Credited to profit or loss	**(92)**	**–**	**(92)**
End of financial year	**(10,038)**	**(1,380)**	**(11,418)**
2018			
Beginning of financial year	(12,829)	(1,627)	(14,456)
Currency translation difference	193	128	321
Charged to profit or loss	2,678	19	2,697
End of financial year	(9,958)	(1,480)	(11,438)

Company

Deferred income tax liabilities

	Accelerated tax depreciation S$'000	Others S$'000	Total S$'000
2019			
Beginning of financial year	**22,938**	**503**	**23,441**
(Credited)/charged to profit or loss	**(558)**	**189**	**(369)**
End of financial year	**22,380**	**692**	**23,072**
2018			
Beginning of financial year	22,337	452	22,789
Charged to profit or loss	601	51	652
End of financial year	22,938	503	23,441

Deferred income tax assets

	Provisions S$'000
2019	
Beginning of financial year	**(188)**
Charged to profit or loss	**12**
End of financial year	**(176)**
2018	
Beginning of financial year	(186)
Credited to profit or loss	(2)
End of financial year	(188)

29. 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				
2019				
Beginning of financial year	**2,275,089**	**(12,327)**	**638,762**	**(16,023)**
– Treasury shares purchased	**–**	**(14,300)**	**–**	**(15,143)**
Employee share option scheme				
– Treasury shares re-issued	**–**	**769**	**–**	**992**
End of financial year	**2,275,089**	**(25,858)**	**638,762**	**(30,174)**
2018				
Beginning of financial year	2,275,084	(1,181)	638,756	(1,227)
– Treasury shares purchased	–	(12,283)	–	(15,977)
Employee share option scheme				
– New shares issued	5	–	6	–
– Treasury shares re-issued	–	1,137	–	1,181
End of financial year	2,275,089	(12,327)	638,762	(16,023)

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

(a) Treasury shares

The Company acquired 14,300,000 (31 March 2018: 12,283,000, 1 April 2017: Nil)) of its issued shares in the open market during the financial year. The total amount paid to acquire the shares was S$15,143,000 (31 March 2018: S$15,977,000, 1 April 2017: Nil) and this was presented as a component within shareholders' equity.

The Company re-issued 769,000 (31 March 2018: 1,137,000, 1 April 2017: 865,000) treasury shares during the financial year pursuant to the Singapore Post Share Option Scheme at exercise prices ranging from S$1.07 to S$1.10. The cost of the treasury shares re-issued amounted to S$992,000 (31 March 2018: S$1,181,000, 1 April 2017: S$889,000).

(b) Share options

The Singapore Post Share Option Scheme was adopted on 21 March 2003, and a new scheme, known as Singapore Post Share Option Scheme 2012 was adopted on 29 June 2012; collectively known as the "Scheme". The Scheme is administered by the Compensation Committee comprising Mr Bob Tan Beng Hai (Chairman), Mr Simon Claude Israel, Mrs Fang Ai Lian and Mr Zulkifli Bin Baharudin[2] during the financial year ended 31 March 2019.

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.

[2] Mr Zulkifli Bin Baharudin retired from the Board following the conclusion of the AGM held on 11 July 2018. Upon his retirement, he ceased to be chairperson and member of the NCGC and member of both the Audit Committee and Compensation Committee.

29. SHARE CAPITAL AND TREASURY SHARES *(continued)*

(b) Share options *(continued)*

The principal terms of the Scheme are as follows:

- The exercise price of the granted options is equal to the average of the last dealt prices for the share on the Singapore Exchange Securities Trading Limited ("SGX-ST") for the five (5) consecutive trading days immediately preceding the date of grant of that option.
- The value of the share option is determined using the Trinomial option pricing model (taking into account relevant assumptions).
- Granted options shall be exercisable, in whole or in part, during the exercise period applicable to that option and in accordance with the vesting schedule applicable to that option or other conditions (if any) that may be imposed by the Compensation Committee in relation to that option. Options may be exercised, in whole or in part in respect of 1,000 shares or any multiple thereof, by a participant giving notice in writing, accompanied by a remittance for the aggregate subscription cost in respect of the shares for which that option is exercised. The method of settlement could be in cheque, cashier's order, banker's draft or postal order made out in favour of the Company or such other mode of payment as may be acceptable to the Company. There are no restrictions on the eligibility of the persons to whom the options have been granted to participate in any other share option or share incentive scheme, whether or not implemented by any of the other companies within the Group or any other company. The Group has no legal or constructive obligation to repurchase or settle the options in cash.
- The vesting schedule for the share options granted to eligible employees (including executive directors) effective from 20 May 2014 are as follows:

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

29. SHARE CAPITAL AND TREASURY SHARES *(continued)*

(b) Share options *(continued)*

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

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

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

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

Since the adoption of the Scheme to 31 March 2018, a total of 178,687,936 share options were granted. Particulars of the options were set out in the Directors' Statement for the respective financial years.

29. SHARE CAPITAL AND TREASURY SHARES *(continued)*

(b) Share options *(continued)*

During the financial year ended 31 March 2019, 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 1.4.18 ('000)	Granted during financial year ('000)	Options exercised ('000)	Options forfeited ('000)	Balance At 31.3.19 ('000)
Options Granted Under Singapore Post Share Options Scheme							
For employees (including executive directors)							
30.06.08	01.07.09 to 30.06.18	S$1.100	190	–	140	50	–
29.06.10	30.06.11 to 29.06.20	S$1.140	513	–	–	–	513
26.07.11	27.07.12 to 26.07.21	S$1.100	653	–	38	15	600
11.05.12	19.05.14 to 11.05.22	S$1.030	1,007	–	–	–	1,007
10.08.12	11.08.13 to 10.08.22	S$1.070	1,374	–	79	91	1,204
17.01.14	18.01.17 to 17.01.24	S$1.350	4,194	–	–	1,849	2,345
07.03.14	08.03.17 to 07.03.24	S$1.330	500	–	–	125	375
01.04.14	02.04.17 to 01.04.24	S$1.360	200	–	–	200	–
20.05.14	21.05.15 to 20.05.24	S$1.450	3,423	–	–	421	3,002
07.08.14	08.08.15 to 07.08.24	S$1.760	318	–	–	46	272
13.05.15	14.05.16 to 13.05.25	S$1.910	850	–	–	–	850
19.05.15	20.05.16 to 19.05.25	S$1.890	5,472	–	–	1,308	4,164
12.06.15	13.06.16 to 12.06.25	S$1.880	40	–	–	–	40
20.05.16	21.05.17 to 20.05.26	S$1.570	4,815	–	–	1,351	3,464
Total Share Options			**23,549**	**–**	**257**	**5,456**	**17,836**

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.

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

The release schedule for the shares granted to eligible employees (excluding non-executive directors) prior to FY2017/18 is as follows:

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

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

Since the adoption of the Plan to 31 March 2018, a total of 5,839,118 restricted shares were granted.

During the financial year ended 31 March 2019, no restricted shares were granted under the Plan. Details of the restricted shares granted and cancelled and the number of unvested restricted shares outstanding as at the end of the financial year is as follows:

Date of Grant	Balance As At 1.4.18 ('000)	Share Awards Granted ('000)	Share Awards Vested ('000)	Share Awards Cancelled ('000)	Balance As At 31.3.19 ('000)
05.08.13	8	–	8	–	–
20.05.14	3	–	3	–	–
19.05.15	169	–	160	9	–
20.05.16	848	–	341	151	356
Total	**1,028**	**–**	**512**	**160**	**356**

29. 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 certain prescribed performance targets are met within a prescribed performance period. Shares granted from financial year 2017/18 onwards comprises of two types of awards:

a) Performance Share Award; and

b) Restricted Share Award.

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

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

Performance Share Awards

Since the adoption of the Enhanced Plan to 31 March 2018, a total of 359,478 restricted shares were granted.

During the financial year ended 31 March 2019, 2,397,811 restricted shares were granted. Details of the restricted shares granted and cancelled and the number of unvested restricted shares outstanding as at the end of the financial year are as follows:

Date of Grant	Balance As At 1.4.18 ('000)	Share Awards Granted ('000)	Share Awards Vested ('000)	Share Awards Cancelled ('000)	Balance As At 31.3.19 ('000)
18.01.18	359	–	–	–	359
31.05.18	–	2,398	–	–	2,398
Total	**359**	**2,398**	**–**	**–**	**2,757**

Restricted Share Awards

Since the adoption of the Enhanced Plan to 31 March 2018, a total of 1,354,999 restricted shares were granted.

During the financial year ended 31 March 2019, 1,492,606 restricted shares were granted. Details of the restricted shares granted and cancelled and the number of unvested restricted shares outstanding as at the end of the financial year are as follows:

Date of Grant	Balance As At 1.4.18 ('000)	Share Awards Granted ('000)	Share Awards Vested ('000)	Share Awards Cancelled ('000)	Balance As At 31.3.19 ('000)
18.01.18	1,318	–	–	230	1,088
31.05.18	–	1,493	–	193	1,300
Total	**1,318**	**1,493**	**–**	**423**	**2,388**

29. SHARE CAPITAL AND TREASURY SHARES *(continued)*

(b) Share options *(continued)*

Enhanced Plan *(continued)*

Restricted Share Awards (continued)

Of the outstanding options (including Performance Share Option Plan but excluding Restricted Share Plan) for 17,836,000 (2018: 23,549,000) shares, 16,816,800 (2018: 16,182,000) options are exercisable as at 31 March 2019. Options were exercised throughout the year. The weighted average share price during the financial year was S$1.12 (2018: S$1.31).

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

Type of Share Options	Performance Share Awards (TSR)	Performance Share Awards (ROE)	Restricted Share Awards (UNP)
2019			
Total fair value of options granted during financial year	S$1,206,099	S$1,462,665	S$1,585,722
Valuation Model	Black-Scholes & Monte Carlo Simulation	Discounted Cashflow	Discounted Cashflow
Weighted average share price at the grant dates	S$1.32	S$1.32	S$1.32
Expected volatility	20%	–	–
Expected option life	3 years	3 years	3 years
Expected dividend yield	2.7%	2.7%	2.7%
2018			
Total fair value of options granted during financial year	S$99,755	S$213,889	S$1,568,575
Valuation Model	Black-Scholes & Monte Carlo Simulation	Discounted Cashflow	Discounted Cashflow
Weighted average share price at the grant dates	S$1.26	S$1.26	S$1.26
Expected volatility	19%	–	–
Expected option life	3 years	3 years	3 years
Expected dividend yield	2.5%	2.5%	2.5%

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.

30. OTHER RESERVES

	Group			Company		
	31 March 2019 S$'000	31 March 2018 S$'000	1 April 2017 S$'000	**31 March 2019 S$'000**	31 March 2018 S$'000	1 April 2017 S$'000
(a) Composition:						
Share option reserve	**10,828**	9,422	8,990	**10,828**	9,422	8,990
Fair value reserve	**494**	(236)	(659)	**(8)**	(236)	(659)
Currency translation reserve	**(13,322)**	(7,304)	–	**–**	–	–
Other capital reserve	**35,935**	35,935	37,447	**–**	–	–
Asset valuation reserve	**44,089**	43,850	43,850	**29,307**	28,918	28,918
	78,024	81,667	89,628	**40,127**	38,104	37,249

Other reserves are non-distributable.

30. OTHER RESERVES *(continued)*

	Group			Company		
	31 March 2019 S$'000	31 March 2018 S$'000	1 April 2017 S$'000	**31 March 2019 S$'000**	31 March 2018 S$'000	1 April 2017 S$'000
(b) Movements:						
(i) Share option reserve						
Beginning of financial year	**9,422**	8,990	6,904	**9,422**	8,990	6,904
Employee share option scheme:						
– Value of employee services (Note 5)	**2,117**	1,359	3,351	**2,117**	1,359	3,351
– Issue of shares	**–**	–	(376)	**–**	–	(376)
– Re-issuance of treasury shares	**(711)**	(927)	(889)	**(711)**	(927)	(889)
End of financial year	**10,828**	9,422	8,990	**10,828**	9,422	8,990
(ii) Fair value reserve						
Beginning of financial year	**(236)**	(659)	(1,105)	**(236)**	(659)	(1,105)
Fair value gain	**989**	423	446	**228**	423	446
Less: Non-controlling interests	**(259)**	–	–	**–**	–	–
End of financial year	**494**	(236)	(659)	**(8)**	(236)	(659)
(iii) Currency translation reserve						
Beginning of financial year	**(7,304)**	–	(25,042)	**–**	–	–
Net currency translation differences of financial statements of foreign subsidiaries and associated companies	**(7,384)**	(7,298)	6,797	**–**	–	–
Acquisition of non-controlling interests	**–**	–	23	**–**	–	–
Partial divestment of a subsidiary	**–**	–	405	**–**	–	–
Reclassification on disposal of subsidiaries and associated companies	**–**	–	73	**–**	–	–
Transfer to profit and loss on dilution/ divestment of interests in associated companies	**844**	–	–	**–**	–	–
Adjusted for non-controlling interests	**522**	(6)	(97)	**–**	–	–
Effect of changes from adoption of SFRS(I) 1	**–**	–	17,841	**–**	–	–
End of financial year	**(13,322)**	(7,304)	–	**–**	–	–
(iv) Other capital reserve						
Beginning of financial year	**35,935**	37,447	37	**–**	–	–
Acquisition of non-controlling interest (Note 21)	**–**	(433)	(1,622)	**–**	–	–
Adjustment	**–**	(1,139)	–	**–**	–	
Partial divestment of a subsidiary	**–**	–	39,032	**–**	–	–
Transfer of non-controlling interest of subsidiary to capital reserve	**–**	60	–	**–**	–	–
End of financial year	**35,935**	35,935	37,447	**–**	–	–

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

(v) Asset valuation reserve						
Beginning of financial year	**43,850**	43,850	26,464	**28,918**	28,918	28,914
Revaluation gain on property, plant and equipment upon transfer to investment property (Note 23)	**239**	–	17,386	**389**	–	4
End of financial year	**44,089**	43,850	43,850	**29,307**	28,918	28,918

31. PERPETUAL SECURITIES

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

Such perpetual securities bear distributions at a rate of 4.25% per annum, payable semi-annually. Subject to the relevant terms and conditions in the offering memorandum, the Company may elect to defer making distributions on the perpetual securities, and is not subject to any limits as to the number of times a distribution can be deferred.

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

During the financial year, distributions amounting to S$14,875,000 (2018: S$14,875,000) were made to perpetual securities holders.

32. DIVIDENDS

	2019 S$'000	2018 S$'000
Ordinary dividends paid		
Final exempt (one-tier) dividend paid in respect of the previous financial year of 2.0 cents per share (2018: 0.5 cent)	**45,270**	11,357
Interim exempt (one-tier) dividend paid in respect of the first quarter of current financial year of 0.5 cent per share (2018: 0.5 cents)	**11,307**	11,356
Interim exempt (one-tier) dividend paid in respect of the second quarter of current financial year of 0.5 cent per share (2018: 0.5 cent)	**11,283**	11,337
Interim exempt (one-tier) dividend paid in respect of the third quarter of current financial year of 0.5 cent per share (2018: 0.5 cent)	**11,259**	11,323
	79,119	45,373

At the Annual General Meeting on 18 July 2019, a final exempt (one-tier) dividend of 2.0 cents per share amounting to S$45.0 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 2020.

33. POST-EMPLOYMENT BENEFITS

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

	Group	
	2019 S$'000	2018 S$'000
The amount recognised in the statement of financial position is determined as follows:		
Present value of unfunded obligations (Note 25)	**1,728**	1,893
The amounts recognised in profit or loss are as follows:		
Current service cost	**449**	463
Interest cost	**15**	13
	464	476
Beginning of financial year	**1,893**	2,068
Current service cost	**449**	463
Interest cost	**15**	13
Benefits paid	**(615)**	(623)
Currency translation differences	**(14)**	(28)
End of financial year	**1,728**	1,893
The significant actuarial assumptions used were as follows:		
Discount rate	**0.60%**	0.60%
Retirement age	**60**	60
Salary growth rates	**2.5%**	2.5%
Withdrawal	**0%**	0%
The cumulative actuarial losses recognised for the defined benefit pension plans was as follows:		
Beginning and end of financial year	**(11)**	(11)

34. CONTINGENT LIABILITIES

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

35. COMMITMENTS

(a) Capital commitments

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

	Group			Company		
	31 March 2019 S$'000	31 March 2018 S$'000	1 April 2017 S$'000	**31 March 2019 S$'000**	31 March 2018 S$'000	1 April 2017 S$'000
Property, plant and equipment	**17,822**	84,233	111,762	**8,718**	70,673	103,286

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

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

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

	Group			Company		
	31 March 2019 S$'000	31 March 2018 S$'000	1 April 2017 S$'000	**31 March 2019 S$'000**	31 March 2018 S$'000	1 April 2017 S$'000
Not later than one year	**37,956**	35,110	38,776	**8,763**	6,835	9,413
Between one and five years	**75,713**	61,177	65,278	**14,300**	11,512	11,307
Later than five years	**38,187**	21,610	43,513	**1,880**	1,131	2,209
	151,856	117,897	147,567	**24,943**	19,478	22,929

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

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

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

	Group			Company		
	31 March 2019 S$'000	31 March 2018 S$'000	1 April 2017 S$'000	**31 March 2019 S$'000**	31 March 2018 S$'000	1 April 2017 S$'000
Not later than one year	**50,935**	26,518	44,214	**48,846**	24,248	39,575
Between one and five years	**89,883**	46,141	58,558	**87,829**	45,225	55,143
Later than five years	**873**	12,029	3,750	**873**	12,029	3,750
	141,691	84,688	106,522	**137,548**	81,502	98,468

36. CORPORATE GUARANTEES

The Company provided corporate guarantees to banks in respect of bank facilities provided to its subsidiaries. The total bank borrowings outstanding at 31 March 2019 was S$67.8 million (31 March 2018 and 1 April 2017: S$Nil). (Note 26).

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") and United States Dollar ("USD"). SDR is an International Monetary Fund unit of account used for valuing international transactions, which is defined in terms of a basket of currencies. The actual settlement is usually in USD. The Group uses foreign currency purchases and currency forwards to manage the currency risk. These instruments are used mainly to hedge underlying exposures and the instruments are not entered into for speculative reasons.

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

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

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$'000	Others S$'000	Total S$'000
Group									
As at 31 March 2019									
Financial assets									
Cash and cash equivalents	**317,872**	**–**	**5,705**	**23,906**	**5,644**	**14,201**	**2,855**	**22,037**	**392,220**
Trade and other receivables	**174,307**	**7,040**	**8,585**	**32,380**	**4,948**	**22,515**	**1,292**	**21,419**	**272,486**
Other financial assets	**2,827**	**–**	**1,522**	**1,990**	**1,264**	**500**	**372**	**3,558**	**12,033**
Financial assets	**35,882**	**–**	**–**	**–**	**–**	**–**	**–**	**77,137**	**113,019**
Derivative financial instruments	**–**	**–**	**–**	**–**	**–**	**20**	**16**	**22**	**58**
	530,888	**7,040**	**15,812**	**58,276**	**11,856**	**37,236**	**4,535**	**124,173**	**789,816**
Financial liabilities									
Derivative financial instruments	**–**	**–**	**(66)**	**(272)**	**–**	**–**	**–**	**(102)**	**(440)**
Borrowings	**(222,057)**	**–**	**–**	**(64,863)**	**–**	**–**	**(3,956)**	**–**	**(290,876)**
Trade and other payables	**(168,364)**	**(227,924)**	**(5,351)**	**(52,933)**	**(2,282)**	**(16,896)**	**(1,661)**	**(24,725)**	**(500,136)**
	(390,421)	**(227,924)**	**(5,417)**	**(118,068)**	**(2,282)**	**(16,896)**	**(5,617)**	**(24,827)**	**(791,452)**
Net financial assets/(liabilities)	**140,467**	**(220,884)**	**10,395**	**(59,792)**	**9,574**	**20,340**	**(1,082)**	**99,346**	
Less: Net financial assets/(liabilities) denominated in the respective entities' functional currencies	140,467	–	7,380	(80,768)	9,592	19,845	(983)	20,672	
Add/(less): Currency forwards	–	144,814	–	(13,229)	–	(704)	–	–	
Currency exposure	**–**	**(76,070)**	**3,015**	**7,747**	**(18)**	**(209)**	**(99)**	**78,674**	
As at 31 March 2018									
Financial assets									
Cash and cash equivalents	266,956	–	2,435	7,322	4,657	12,392	2,599	17,689	314,050
Trade and other receivables	179,530	4,681	8,750	40,830	2,632	21,637	1,250	19,360	278,670
Other financial assets	3,222	–	3,230	595	1,305	224	127	2,691	11,394
Financial assets	37,122	–	–	–	–	–	–	259	37,381
Derivative financial instruments	–	–	–	1,293	–	–	18,546	17	19,856
	486,830	4,681	14,415	50,040	8,594	34,253	22,522	40,016	661,351
Financial liabilities									
Derivative financial instruments	–	–	(146)	–	–	–	(186)	(133)	(465)
Borrowings	(226,814)	–	–	(12,405)	–	–	(4,617)	(142)	(243,978)
Trade and other payables	(183,395)	(235,716)	(4,844)	(49,235)	(1,865)	(15,051)	(1,474)	(22,219)	(513,799)
	(410,209)	(235,716)	(4,990)	(61,640)	(1,865)	(15,051)	(6,277)	(22,494)	(758,242)
Net financial assets/(liabilities)	**76,621**	**(231,035)**	**9,425**	**(11,600)**	**6,729**	**19,202**	**16,245**	**17,522**	
Less: Net financial assets/(liabilities) denominated in the respective entities' functional currencies	76,621	–	6,563	(16,816)	5,875	17,461	(1,637)	19,400	
Add/(less): Currency forwards	–	115,664	–	(37,449)	–	–	–	–	
Currency exposure	**–**	**(115,371)**	**2,862**	**(32,233)**	**854**	**1,741**	**17,882**	**(1,878)**	

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$'000	Others S$'000	Total S$'000
Group									
As at 1 April 2017									
Financial assets									
Cash and cash equivalents	259,026	–	4,926	59,105	8,834	12,319	2,144	20,260	366,614
Trade and other receivables	102,197	5,710	5,009	37,129	8,936	21,859	1,436	23,822	206,098
Other financial assets	3,639	–	3,879	333	1,251	183	137	2,130	11,552
Financial assets	40,049	–	–	–	–	–	–	262	40,311
Derivative financial instruments	–	–	–	–	–	–	16,079	–	16,079
	404,911	5,710	13,814	96,567	19,021	34,361	19,796	46,474	640,654
Financial liabilities									
Derivative financial instruments	–	–	(357)	(597)	–	–	–	(101)	(1,055)
Borrowings	(346,805)	–	–	(11,497)	–	–	(4,809)	(874)	(363,985)
Trade and other payables	(169,327)	(145,249)	(3,412)	(45,971)	(1,826)	(15,163)	(1,287)	(20,957)	(403,192)
	(516,132)	(145,249)	(3,769)	(58,065)	(1,826)	(15,163)	(6,096)	(21,932)	(768,232)
Net financial assets/(liabilities)	**(111,221)**	**(139,539)**	**10,045**	**38,502**	**17,195**	**19,198**	**13,700**	**24,542**	
Less: Net financial assets/(liabilities) denominated in the respective entities' functional currencies	(111,221)	–	5,284	(17,804)	13,651	17,682	(2,379)	19,216	
Add/(less): Currency forwards	–	79,565	–	(85,340)	–	–	–	–	
Currency exposure	**–**	**(59,974)**	**4,761**	**(29,034)**	**3,544**	**1,516**	**16,079**	**5,326**	

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

	SGD S$'000	SDR S$'000	EUR S$'000	USD S$'000	AUD S$'000	MYR S$'000	Others S$'000	Total S$'000
Company								
As at 31 March 2019								
Financial assets								
Cash and cash equivalents	310,083	–	1,281	18,846	1	–	55	330,266
Trade and other receivables	435,897	7,040	–	–	683	6,752	–	450,372
Other financial assets	1,887	–	–	–	–	–	–	1,887
Financial assets	35,882	–	–	–	–	–	–	35,882
Derivative financial instruments	–	–	–	–	20	16	22	58
	783,749	7,040	1,281	18,846	704	6,768	77	818,465
Financial liabilities								
Derivative financial instruments	–	–	(66)	(272)	–	–	(102)	(440)
Borrowings	(200,796)	–	–	(67,785)	–	–	–	(268,581)
Trade and other payables	(181,311)	(227,924)	–	–	–	–	–	(409,235)
	(382,107)	(227,924)	(66)	(68,057)	–	–	(102)	(678,256)
Net financial assets/(liabilities)	**401,642**	**(220,884)**	**1,215**	**(49,211)**	**704**	**6,768**	**(25)**	
Less: Net financial assets/(liabilities) denominated in the respective entities' functional currencies	401,642	–	–	–	–	–	–	
Add/(less): Currency forwards	–	144,814	–	(13,229)	(704)	–	–	
Currency exposure	**–**	**(76,070)**	**1,215**	**(62,440)**	**–**	**6,768**	**(25)**	

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

37. FINANCIAL RISK MANAGEMENT *(continued)*

(a) Market risk *(continued)*

(i) Currency risk (continued)

If the SDR changes against the SGD by 1% (2018: 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	
	2019 S$'000	2018 S$'000
Group		
SDR against SGD		
– strengthened	**(761)**	(2,307)
– weakened	**761**	2,307
Company		
SDR against SGD		
– strengthened	**(761)**	(2,307)
– weakened	**761**	2,307

If the EUR changes against the SGD by 2% (2018: 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	
	2019 S$'000	2018 S$'000
Group		
EUR against SGD		
– strengthened	**60**	57
– weakened	**(60)**	(57)
Company		
EUR against SGD		
– strengthened	**24**	(2)
– weakened	**(24)**	2

If the USD changes against the SGD by 3% (2018: 4%) with all other variables being held constant, the effects arising from the net financial asset/liability position will be as follows:

	Increase/(decrease) Profit before tax	
	2019 S$'000	2018 S$'000
Group		
USD against SGD		
– strengthened	**232**	(1,289)
– weakened	**(232)**	1,289
Company		
USD against SGD		
– strengthened	**(1,873)**	121
– weakened	**1,873**	(121)

37. FINANCIAL RISK MANAGEMENT *(continued)*

(a) Market risk *(continued)*

(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 26) which bear interest ranging from 1.13% to 3.5% (2018: 0.88% to 3.5%).

For the financial years ended 31 March 2019 and 2018, if the interest rate had increased/decreased by 1% with all other variables, being held constant, it would have insignificant impact on the profit before tax for the year.

(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 14.

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$8.2 million (2018: S$674,000).

(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 2019, 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 and financial guarantees provided by the Group arises from:

- the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position; and
- the maximum amount the Group would have to pay if the financial guarantee is called upon, irrespective of the likelihood of the guarantee being exercised as disclosed in Note 36. The related loss allowance is disclosed in the respective notes to the financial statements.

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		
	31 March 2019 S$'000	31 March 2018 S$'000	1 April 2017 S$'000	**31 March 2019 S$'000**	31 March 2018 S$'000	1 April 2017 S$'000
By geographical areas						
Singapore	**63,625**	53,950	56,373	**51,843**	84,457	104,466
Other countries	**195,497**	207,478	134,757	**124,982**	117,237	53,714
	259,122	261,428	191,130	**176,825**	201,694	158,180
By types of customers						
Related parties	**2,293**	122,241	47,891	**13,940**	161,168	112,159
Non-related parties:						
– Government bodies	**2,902**	3,610	6,321	**2,901**	3,610	6,321
– Banks	**6,117**	7,582	6,360	**5,956**	7,307	6,109
– Overseas postal administrations	**6,903**	4,562	5,615	**6,903**	4,562	5,615
– Other companies	**240,907**	123,433	124,943	**147,125**	25,047	27,976
	259,122	261,428	191,130	**176,825**	201,694	158,180

(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.

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	Loss allowance	Net carrying amount
31 March 2019					S$'000	S$'000	S$'000
Group							
Trade receivables	15	N.A.	(i)	Lifetime ECL (simplified approach)	264,836	(5,714)	259,122
Other receivables	15,18	N.A.	(ii)	12m ECL	13,364	–	13,364
Other financial assets	17	N.A.	(ii)	12m ECL	12,033	–	12,033
Bonds	14	At least BBB-	N.A.	12m ECL	30,591	–	30,591
						(5,714)	
Company							
Trade receivables	15	N.A.	(i)	Lifetime ECL (simplified approach)	177,372	(547)	176,825
Other receivables	15,18	N.A.	(ii)	12m ECL and lifetime ECL	537,300	(263,753)	273,547
Other financial assets	17	N.A.	(ii)	12m ECL	1,887	–	1,887
Bonds	14	At least BBB-	N.A.	12m ECL	30,591	–	30,591
						264,300	

N.A. Not Available

(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.

Trade receivables	Expected weighted credit loss rate	Estimated total gross carrying amount at default	Lifetime ECL	Total
31 March 2019	%	S$'000	S$'000	S$'000
Group				
Current (not past due)	*	198,868	–	198,868
1 to 90 days past due	0.1%	50,696	(30)	50,666
More than 90 days past due	37.2%	15,272	(5,684)	9,588
		264,836	(5,714)	259,122
Company				
Current (not past due)	*	132,767	–	132,767
1 to 90 days past due	0.1%	34,930	(28)	34,902
More than 90 days past due	5.4%	9,675	(519)	9,156
		177,372	(547)	176,825

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

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 subsidiaries and is determined after taking into account the financial position of the subsidiary adjusted for factors specific to them and general economic conditions of the industries in which the subsidiaries operate.

The Company has issued financial guarantees to banks for borrowings of its US subsidiaries. These guarantees are subject to the impairment requirements of SFRS(I) 9 *Financial Instruments*. The Company has assessed that these subsidiaries will not have the financial capacity to meet the contractual cash flow obligations in the near future and accordingly determines that there are significant credit losses arising from these guarantees. Loss allowances for financial guarantees issued are presented as "Borrowings"(Note 26) in the Company's statement of financial position.

Movements in loss allowance are as follows:

	Trade receivables S$'000
Group	
Balance as at 1 April 2018	10,053
Amount written off	(6,517)
Loss allowance recognised in profit or loss during the year	2,178
Balance as at 31 March 2019	5,714

	Trade receivables S$'000	Loans to subsidiaries S$'000
Company		
Balance as at 1 April 2018	775	194,365
Loss (written-back)/allowance recognised in profit or loss during the year	(228)	69,388
Balance as at 31 March 2019	547	263,753

37. FINANCIAL RISK MANAGEMENT *(continued)*

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

Previous accounting policy for impairment of financial assets

Prior to 1 April 2018, the impairment of financial assets was assessed based on the incurred loss impairment model. Individual receivables which were known to be uncollectible were written off by reducing the carrying amount directly. The other financial assets were assessed collectively, to determine whether there was objective evidence that an impairment had been incurred but not yet identified.

The Group's and the Company's credit risk exposure in relation to financial assets under FRS 39 *Financial Instruments: Recognition and Measurement* as at 31 March 2018 and 2017 are as follows:

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

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

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

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

The age analysis of trade receivables past due but not impaired as at 31 March 2018 and 2017 is as follows:

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

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

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

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

37. FINANCIAL RISK MANAGEMENT *(continued)*

(c) Credit risk management

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

Credit exposure to an individual counterparty is restricted by credit limits that are approved based on ongoing credit evaluation. The counterparty's payment profile and credit exposure are continuously monitored at the entity level by the respective management and at the Group level. Trade receivables from a customer which ceased to be an associated company during the financial year (Note 20) represented 45% (31 March 2018: 46%, 1 April 2017: 24%) and 66% (31 March 2018: 60%, 1 April 2017: 29%) of the Group's and Company's trade receivables respectively. Revenues of S$326,927,000 (2018: S$278,168,000) are derived from this company. These revenues are attributable to the Post and Parcel segment.

Bank deposits are placed in banks which are regulated.

(d) Liquidity risk

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

As at 31 March 2019, the Group and Company's current liabilities exceeded their current assets by $165,549,000 and $190,313,000 respectively. This was largely due to the reclassification of the Group's S$200 million bond which is due in March 2020 from non-current to current liability. Management is of the view that the Company is able to pay its debts when they fall due given its cash position as well as the Company has more than sufficient uncommitted credit facility available and a S$1 billion multicurrency Debt Issuance Programme in place.

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.

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				
At 31 March 2019				
Trade and other payables	**(486,990)**	**(2,101)**	**(1,096)**	**(9,949)**
Borrowings	**(288,842)**	**(1,561)**	**–**	**–**
	(775,832)	**(3,662)**	**(1,096)**	**(9,949)**
At 31 March 2018				
Trade and other payables	(495,002)	(8,407)	(2,450)	(7,940)
Borrowings	(30,475)	(223,281)	(5,677)	–
	(525,477)	(231,688)	(8,127)	(7,940)
At 1 April 2017				
Trade and other payables	(363,372)	(25,602)	(6,171)	(8,047)
Borrowings	(155,786)	(8,561)	(221,112)	–
	(519,158)	(34,163)	(227,283)	(8,047)
Company				
At 31 March 2019				
Trade and other payables	**(408,147)**	**(347)**	**(581)**	**(160)**
Borrowings	**(275,581)**	**–**	**–**	**–**
	(683,728)	**(347)**	**(581)**	**(160)**
At 31 March 2018				
Trade and other payables	(440,770)	(709)	(394)	(255)
Borrowings	(7,000)	(208,569)	–	–
	(447,770)	(209,278)	(394)	(255)
At 1 April 2017				
Trade and other payables	(335,156)	(577)	(943)	(550)
Borrowings	(124,743)	(7,000)	(209,318)	–
	(459,899)	(7,577)	(210,261)	(550)

37. FINANCIAL RISK MANAGEMENT *(continued)*

(d) Liquidity risk *(continued)*

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

	Less than 1 year S$'000	Between 1 and 2 years S$'000	Between 2 and 5 years S$'000	Over 5 years S$'000
Group				
At 31 March 2019				
Cash and cash equivalents	**392,220**	**–**	**–**	**–**
Trade and other receivables	**265,034**	**7,642**	**23**	**132**
Other financial assets	**9,226**	**8**	**73**	**2,726**
Financial assets	**8,019**	**10,078**	**96,800**	**–**
	674,499	**17,728**	**96,896**	**2,858**
At 31 March 2018				
Cash and cash equivalents	314,050	–	–	–
Trade and other receivables	271,937	4,552	2,407	128
Other financial assets	6,257	1,615	1,679	1,843
Financial assets	2,924	7,353	30,050	–
	595,168	13,520	34,136	1,971
At 1 April 2017				
Cash and cash equivalents	366,614	–	–	–
Trade and other receivables	199,792	–	6,959	132
Other financial assets	6,354	920	3,048	1,230
Financial assets	5,321	977	29,828	8,161
	578,081	1,897	39,835	9,523

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
Company				
At 31 March 2019				
Cash and cash equivalents	**330,266**	**–**	**–**	**–**
Trade and other receivables	**203,267**	**248,249**	**1,079**	**132**
Other financial assets	**1,887**	**–**	**–**	**–**
Financial assets	**8,019**	**10,078**	**19,663**	**–**
	543,439	**258,327**	**20,742**	**132**
At 31 March 2018				
Cash and cash equivalents	258,112	–	–	–
Trade and other receivables	237,084	392,086	1,457	128
Other financial assets	2,323	–	–	–
Financial assets	2,924	7,353	29,791	–
	500,443	399,439	31,248	128
At 1 April 2017				
Cash and cash equivalents	303,179	–	–	–
Trade and other receivables	178,817	267,936	142,570	132
Other financial assets	2,821	–	–	–
Financial assets	4,974	977	29,566	8,161
	489,791	268,913	172,136	8,293

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

	Group			Company		
	31 March 2019 S$'000	31 March 2018 S$'000	1 April 2017 S$'000	**31 March 2019 S$'000**	31 March 2018 S$'000	1 April 2017 S$'000
Less than 1 year						
Net settled:						
Warrants	**–**	18,521	16,011	**–**	18,521	16,011
Gross settled:						
Foreign exchange forward						
– Gross inflow	**175,318**	199,171	700,474	**175,318**	199,185	700,537
– Gross outflow	**(175,700)**	(198,301)	(701,461)	**(175,700)**	(198,301)	(701,461)
	(382)	19,391	15,024	**(382)**	19,405	15,087

37. FINANCIAL RISK MANAGEMENT *(continued)*

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

	Group			Company		
	31 March 2019 S$'000	31 March 2018 S$'000	1 April 2017 S$'000	**31 March 2019 S$'000**	31 March 2018 S$'000	1 April 2017 S$'000
Net (cash)/debt	**(101,344)**	(70,072)	(2,629)	**(61,685)**	(56,543)	16,882
Total equity	**1,660,463**	1,746,245	1,704,970	**1,581,373**	1,745,946	1,677,099
Gearing ratio	**(6.1%)**	(4.0%)	(0.2%)	**(3.9%)**	(3.2%)	1.0%

The Group and Company have no externally imposed capital requirements for the financial years ended 31 March 2019 and 2018.

(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 make assumptions based on market conditions existing at the end of each reporting period. Where appropriate, quoted market price or dealer quotes for similar instruments are used.

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

These investments are classified as Level 2 and comprise derivative financial instruments.

The fair value of contingent consideration payable is estimated by using a valuation technique that is not based on observable market data and is accordingly classified as a Level 3 fair value measurement. Refer to Note 25 for details.

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

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

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

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				
31 March 2019				
Assets				
Financial assets designated as FVTOCI	**730**	**–**	**81,698**	**82,428**
Financial assets at amortised cost – Bonds	**30,591**	**–**	**–**	**30,591**
Derivative financial instruments	**–**	**58**	**–**	**58**
Liabilities				
Derivative financial instruments	**–**	**440**	**–**	**440**
Contingent consideration payable	**–**	**–**	**2,462**	**2,462**
31 March 2018				
Assets				
Available-for-sale financial assets	1,921	–	4,820	6,741
Held-to-maturity financial assets	30,640	–	–	30,640
Derivative financial instruments	18,521	1,335	–	19,856
Liabilities				
Derivative financial instruments	–	465	–	465
Contingent consideration payable	–	–	17,980	17,980
1 April 2017				
Assets				
Available-for-sale financial assets	3,954	–	5,170	9,124
Held-to-maturity financial assets	31,187	–	–	31,187
Derivative financial instruments	16,011	68	–	16,079
Liabilities				
Derivative financial instruments	–	1,055	–	1,055
Contingent consideration payable	–	–	23,363	23,363

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
Company				
31 March 2019				
Assets				
Financial assets designated as FVTOCI	**730**	**–**	**4,561**	**5,291**
Financial assets at amortised cost – Bonds	**30,591**	**–**	**–**	**30,591**
Derivative financial instruments	**–**	**58**	**–**	**58**
Liabilities				
Derivative financial instruments	**–**	**440**	**–**	**440**
31 March 2018				
Assets				
Available-for-sale financial assets	1,921	–	4,561	6,482
Held-to-maturity financial assets	30,640	–	–	30,640
Derivative financial instruments	18,521	1,335	–	19,856
Liabilities				
Derivative financial instruments	–	451	–	451
1 April 2017				
Assets				
Available-for-sale financial assets	3,954	–	4,561	8,515
Held-to-maturity financial assets	31,187	–	–	31,187
Derivative financial instruments	16,011	131	–	16,142
Liabilities				
Derivative financial instruments	–	1,055	–	1,055

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:

	Company	Group		
	Financial assets designated as FVTOCI S$'000	Financial assets designated as FVTOCI S$'000	Contingent consideration S$'000	Total S$'000
2019				
Beginning of financial year	**4,561**	**4,820**	**17,980**	**22,800**
Retained interest in a former associated company	**–**	**76,119**	**–**	**76,119**
Disposal	**–**	**–**	**–**	**–**
Fair value gains/(losses) recognised in				
– Profit or loss	**–**	**–**	**28**	**28**
Partial settlement of contingent consideration	**–**	**–**	**(15,875)**	**(15,875)**
Currency translation differences	**–**	**759**	**329**	**1,088**
End of financial year	**4,561**	**81,698**	**2,462**	**84,160**
Total profit for the year included in profit or loss for assets and liabilities held at the end of the financial year	**–**	**–**	**28**	**28**

	Available-for sale financial assets S$'000	Available-for sale financial assets S$'000	Contingent consideration S$'000	Total S$'000
2018				
Beginning of financial year	4,561	5,170	23,363	28,533
Fair value gains/(losses) recognised in				
– Profit or loss	–	–	(452)	(452)
– Other comprehensive income	–	(347)	–	(347)
Partial settlement of contingent consideration	–	–	(4,635)	(4,635)
Currency translation differences	–	(3)	(296)	(299)
End of financial year	4,561	4,820	17,980	22,800
Total losses for the year included in profit or loss for assets and liabilities held at the end of the financial year	–	–	(452)	(452)

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

37. FINANCIAL RISK MANAGEMENT *(continued)*

(g) Financial instruments by category

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

	Group			Company		
	31 March 2019 S$'000	31 March 2018 S$'000	1 April 2017 S$'000	**31 March 2019 S$'000**	31 March 2018 S$'000	1 April 2017 S$'000
Financial assets at amortised cost	**676,739**	604,114	584,264	**782,525**	884,239	883,964
Financial liabilities at amortised cost	**500,136**	513,799	403,192	**409,235**	442,128	337,226

(h) Offsetting financial assets and financial liabilities

There were no financial instruments subject to enforceable master netting arrangement as at 31 March 2019 and 2018.

The Group and Company have the following financial instruments subject to enforceable master netting arrangements or similar agreement as at 1 April 2017:

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

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	
	2019 S$'000	2018 S$'000
Services rendered to an associated company[1]	**145,363**	278,168
Services received from associated companies	**(2,020)**	(968)
Services rendered to related companies of a substantial shareholder	**20,813**	19,478
Services received from related companies of a substantial shareholder	**(10,730)**	(11,429)
Interest received from loans to associated companies	**105**	86

[1] Pertains to service rendered to a former associated company up to the date of loss of significant influence.

During the financial year ended 31 March 2019, the Company made payments on behalf of subsidiaries totalling S$52.4 million (2018: S$50.2 million) which were subsequently reimbursed.

Outstanding balances at 31 March 2019, 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 15 and 25 respectively.

(b) Key management personnel compensation is as follows:

	Group	
	2019 S$'000	2018 S$'000
Salaries and other short-term employee benefits	**6,800**	6,709
Post-employment benefits	**90**	98
Share-based staff costs	**1,227**	417
	8,117	7,224

Included in the above is total compensation to non-executive directors of the Company amounting to S$1,148,000 (2018: S$1,235,000).

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.

The CODM considers the business from a business segment perspective. From 1 April 2018, the Group has reclassified the reporting of certain business units into four business segments, namely Post and Parcel, Logistics, eCommerce and Property (2018: Postal, Logistics, eCommerce and Property). Management manages and monitors the business in these primary business areas:

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

- ***Logistics*** segment provides a diverse range of logistics solutions, comprising freight, warehousing, domestic and international distribution, and delivery services. The services include eCommerce logistics, warehousing, fulfilment and distribution, and other value-added services (Quantium Solutions) and freight forwarding (Famous Group).

- ***eCommerce*** ("eCom") segment comprises the front-end related eCommerce businesses.

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

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

In line with the change in reporting structure of the Group as set out above, segment revenues and results for the previous financial year as well as segment assets as at 31 March 2018 have been restated to conform to current year's presentation.

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 2019 and 2018:

Group	Post and Parcel S$'000	Logistics S$'000	eCom S$'000	Property S$'000	All other segments S$'000	Eliminations S$'000	Total S$'000
2019							
Revenue:							
– External	**744,752**	**484,116**	**248,904**	**78,918**	**–**	**–**	**1,556,690**
– Inter-segment	**19,999**	**12,021**	**–**	**11,824**	**–**	**(43,844)**	**–**
	764,751	**496,137**	**248,904**	**90,742**	**–**	**(43,844)**	**1,556,690**
Other income and gains (net)							
– External	**1,484**	**1,266**	**(6)**	**13,212**	**(12,389)**	**–**	**3,567**
– Inter-segment	**–**	**92**	**–**	**30,715**	**–**	**(30,807)**	**–**
	1,484	**1,358**	**(6)**	**43,927**	**(12,389)**	**(30,807)**	**3,567**
Profit/(loss) on operating activities	**165,864**	**(2,514)**	**(51,930)**	**53,664**	**(28,792)**	**–**	**136,292**
2018							
Revenue:							
– External	709,753	485,073	249,776	68,825	–	–	1,513,427
– Inter-segment	25,093	12,363	–	11,109	–	(48,565)	–
	734,846	497,436	249,776	79,934	–	(48,565)	1,513,427
Other income and gains (net)							
– External	1,054	687	2,758	1,013	1,165	–	6,677
– Inter-segment	3	–	–	30,398	–	(30,401)	–
	1,057	687	2,758	31,411	1,165	(30,401)	6,677
Profit/(loss) on operating activities	164,255	(10,574)	(19,602)	41,330	(28,536)	–	146,873

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.

39. SEGMENT INFORMATION *(continued)*

(a) Segment revenues and results *(continued)*

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 profit on operating activities to profit before tax is provided as follows:

	Group	
	2019 S$'000	2018 S$'000
Profit on operating activities for reportable segments	**165,084**	175,409
Other segments loss on operating activities	**(28,792)**	(28,536)
Exceptional items	**(69,313)**	22,293
Finance expenses	**(10,309)**	(10,597)
Interest income and investment income (net)	**5,007**	(169)
Share of loss of associated companies and joint venture	**(7,061)**	(3,099)
Profit before tax	**54,616**	155,301

(b) Segment assets

The following is an analysis of the Group's segment assets as at 31 March 2019 and 2018 that were provided to the CODM:

Group	Post and Parcel S$'000	Logistics S$'000	eCom S$'000	Property S$'000	All other segments S$'000	Eliminations S$'000	Total S$'000
31 March 2019							
Segment assets	**244,199**	**516,354**	**46,739**	**1,392,717**	**57,204**	**–**	**2,257,213**
Segment assets include:							
Investment in associated companies	**–**	**9,442**	**–**	**–**	**30,398**	**–**	**39,840**
Intangible assets	**–**	**275,488**	**51**	**31,899**	**–**	**–**	**307,438**
31 March 2018							
Segment assets	255,231	487,170	159,595	1,381,102	93,800	–	2,376,898
Segment assets include:							
Investment in associated companies	–	52,984	–	–	61,941	–	114,925
Intangible assets	–	282,289	71,435	32,006	–	–	385,730

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.

39. SEGMENT INFORMATION *(continued)*

(b) Segment assets *(continued)*

Reconciliation of segment assets (continued)

	Group	
	31 March 2019 S$'000	31 March 2018 S$'000
Segment assets for reportable segments	**2,200,009**	2,283,098
Other segments assets	**57,204**	93,800
Unallocated:		
Cash and cash equivalents	**326,087**	250,259
Financial assets	**35,882**	37,122
Derivative financial instruments	**58**	19,856
Total assets	**2,619,240**	2,684,135

(c) Other segment information

Group	Post and Parcel S$'000	Logistics S$'000	eCom S$'000	Property S$'000	All other segments S$'000	Eliminations S$'000	Total S$'000
2019							
Depreciation and amortisation	**12,473**	**5,300**	**19,724**	**15,053**	**5,383**	**–**	**57,933**
Additions to:							
– Property, plant and equipment	**6,623**	**4,186**	**5,979**	**3,659**	**2,746**	**–**	**23,193**
– Investment property	**–**	**–**	**–**	**1,727**	**–**	**–**	**1,727**
2018							
Depreciation and amortisation	12,441	5,555	20,508	15,996	4,728	–	59,228
Additions to:							
– Property, plant and equipment	6,997	2,857	4,941	9,028	10,330	–	34,153
– Investment property	–	–	–	32,691	–	–	32,691

In addition to the depreciation and amortisation reported above, impairment losses of S$3.4 million (2018: $Nil), S$29.4 million (2018: $Nil), S$30.5 million (2018: S$Nil) and S$37.2 million (2018: S$Nil) were recognised in respect of investment in associated company, property, plant and equipment, goodwill and other intangible assets respectively.

These impairment losses were attributable to the following reportable segments:

	2019 S$'000
Property	**1,630**
eCommerce	**(98,668)**
Others	**(3,399)**
	(100,437)

39. SEGMENT INFORMATION *(continued)*

(d) Revenue from major products and services

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

(e) Geographical information

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

- Singapore – the Company is headquartered and has operations in Singapore where 55% (2018: 54%) of its revenues are generated. The operations in this area comprise principally of the core postal business, post office products and services, courier activities and investment holding.
- The United States – the operations in this area are principally front-end related e-commerce businesses.
- Australia – the operations in this area are principally delivery services and e-commerce logistics solutions.
- Other countries – the operations include warehousing and logistics delivery in Japan and Hong Kong, and freight forwarding businesses in Europe and New Zealand.

	Revenue	
	2019 S$'000	2018 S$'000
Singapore	**861,063**	819,697
The United States	**237,132**	235,811
Australia	**190,669**	194,241
Other countries	**267,826**	263,678
	1,556,690	1,513,427

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$744,752,000 (2018: S$705,753,000) are revenues of approximately S$326,927,000 (2018: S$278,168,000) derived from the Group's largest customer which ceased to be an associated company during the year (Note 20).

40. ADOPTION OF A NEW FINANCIAL REPORTING FRAMEWORK

The Group and the Company adopted the new financial reporting framework – Singapore Financial Reporting Standards (International) ("SFRS(I)") for the first time for financial year ended 31 March 2019 and SFRS(I) 1 *First-time Adoption of Singapore Financial Reporting Standards (International)* has been applied in the first set of SFRS(I) financial statements. SFRS(I) is identical to the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board (IASB).

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

There is no change to the Group's and the Company's previous accounting policies under FRS or material adjustments on the initial transition to the new framework, other than those arising from the application of SFRS(I) 9 and SFRS(I) 15 which are effective at the same time, and the election of certain transition options available under SFRS(I) 1.

40. ADOPTION OF A NEW FINANCIAL REPORTING FRAMEWORK *(continued)*

Management has elected the following transition exemptions:

- SFRS(I) 3 *Business Combinations* has not been applied to acquisitions of subsidiaries that are considered businesses under SFRS(I) that occurred before 1 April 2017. The FRS carrying amounts of assets and liabilities determined in that business combination, that are required to be recognised under SFRS(I), are the deemed cost at the date of the acquisition. After the date of the acquisition, measurement is in accordance with SFRS(I). Assets and liabilities that do not qualify for recognition under SFRS(I) are excluded from the opening SFRS(I) statement of financial position. The Group did not recognise or exclude any previously recognised amounts as a result of SFRS(I) recognition requirements.

  SFRS(I) 1 also requires that the FRS carrying amount of goodwill must be used in the opening SFRS(I) statement of financial position (apart from adjustments for goodwill impairment and recognition or derecognition of intangible assets). In accordance with SFRS(I) 1, the Group has tested goodwill for impairment at the date of transition to SFRS(I). No goodwill impairment was deemed necessary at 1 April 2017.

- As disclosed in Note 2.12, the Group has elected to apply the short-term exemption to adopt SFRS(I) 9 on 1 April 2018. Accordingly, the requirements of FRS 39 *Financial Instruments: Recognition and Measurement* are applied to financial instruments up to the financial year ended 31 March 2018. The Group is also exempted from complying with SFRS(I) 7 *Financial Instruments: Disclosure* to the extent that the disclosures required by SFRS(I) 7 relate to the items within scope of SFRS(I) 9.

  As a result, the requirements under FRS are applied in place of the requirements under SFRS(I) 7 and SFRS(I) 9 to comparative information about items within scope of SFRS(I) 9.

- As permitted under SFRS(I) 1, the transaction price allocated to (partially) unsatisfied performance obligations as of 31 March 2018 is not disclosed using the transition provisions of SFRS(I) 15.

- The Group has applied the option to measure certain property, plant and equipment at the date of transition to SFRS(I) at its fair value and use that fair value as its deemed cost at that date.

- The Group has applied the option to reset the cumulative translation differences for all foreign operations to zero at the date of transition to SFRS(I). The gain or loss on a subsequent disposal of any foreign operation shall exclude the translation differences that arose before 1 April 2017 and shall include later translation differences.

- SFRS(I) 15 uses the terms 'contract asset' and 'contract liability' to describe what might more commonly be known as 'accrued revenue' and 'deferred revenue', however the Standard does not prohibit an entity from using alternative descriptions in the statement of financial position. The Group has adopted the terminology used in SFRS(I) 15 to describe such balances.

40. ADOPTION OF A NEW FINANCIAL REPORTING FRAMEWORK *(continued)*

Reconciliation of equity and total comprehensive income

The effects of transition to SFRS(I) and the initial application of SFRS(I) 15 are presented and explained below.

(i) Impact on Statement of Financial Position as at 1 April 2017

Group	Previously reported under FRS S$'000	Application of SFRS(I) 1 S$'000	Note	Initial application of SFRS(I) 15 S$'000	Note	As adjusted under SFRS(I) S$'000
Current assets						
Cash and cash equivalents	366,614	–		–		366,614
Financial assets	4,301	–		–		4,301
Trade and other receivables	199,007	–		–		199,007
Derivative financial instruments	16,079	–		–		16,079
Inventories	4,450	–		–		4,450
Other current assets	17,174	–		–		17,174
Non-current assets						
Financial assets	36,010	–		–		36,010
Trade and other receivables	7,091	–		–		7,091
Investments in associated companies and joint venture	117,783	–		–		117,783
Investment properties	970,392	–		–		970,392
Property, plant and equipment	565,583	(49,864)	(a)	–		515,719
Intangible assets	400,683	–		–		400,683
Deferred income tax assets	6,218	–		–		6,218
Other non-current assets	5,198	–		–		5,198
Current liabilities						
Trade and other payables	395,084	–		(31,712)	(d)	363,372
Current income tax liabilities	34,774	–		–		34,774
Deferred income	7,413	–		(7,413)	(d)	–
Contract liabilities	–	–		38,930	(c), (d)	38,930
Derivative financial instruments	1,055	–		–		1,055
Borrowings	148,786	–		–		148,786
Non-current liabilities						
Trade and other payables	44,462	–		–		44,462
Borrowings	215,199	–		–		215,199
Deferred income	49,545	–		(49,545)	(d)	–
Contract liabilities	–	–		52,624	(c), (d)	52,624
Deferred income tax liabilities	62,547	–		–		62,547
Capital, reserves and non-controlling interests						
Share capital	638,756	–		–		638,756
Treasury shares	(1,227)	–		–		(1,227)
Other reserves	71,787	17,841	(b)	–		89,628
Retained earnings	650,007	(49,864)	(a)	(2,884)	(c)	579,418
		(17,841)	(b)			
Perpetual securities	346,826	–		–		346,826
Non-controlling interests	51,569	–		–		51,569

40. ADOPTION OF A NEW FINANCIAL REPORTING FRAMEWORK *(continued)*

Reconciliation of equity and total comprehensive income *(continued)*

(i) Impact on Statement of Financial Position as at 1 April 2017 *(continued)*

Company	Previously reported under FRS S$'000	Application of SFRS(I) 1 S$'000	Note	Initial application of SFRS(I) 15 S$'000	Note	As adjusted under SFRS(I) S$'000
Current assets						
Cash and cash equivalents	303,179	–		–		303,179
Financial assets	3,954	–		–		3,954
Trade and other receivables	173,304	–		–		173,304
Derivative financial instruments	16,142	–		–		16,142
Inventories	107	–		–		107
Other current assets	5,180	–		–		5,180
Non-current assets						
Financial assets	35,748	–		–		35,748
Trade and other receivables	405,122	–		–		405,122
Investments in associated companies and joint venture	14,849	–		–		14,849
Investments in subsidiaries	340,533	–		–		340,533
Investment properties	927,538	–		–		927,538
Property, plant and equipment	240,371	–		–		240,371
Current liabilities						
Trade and other payables	353,681	–		(18,525)	(d)	335,156
Current income tax liabilities	30,367	–		–		30,367
Deferred income	7,413	–		(7,413)	(d)	–
Contract liabilities	–	–		25,314	(c), (d)	25,314
Derivative financial instruments	1,055	–		–		1,055
Borrowings	117,743	–		–		117,743
Non-current liabilities						
Trade and other payables	2,070	–		–		2,070
Borrowings	202,318	–		–		202,318
Deferred income	49,545	–		(49,545)	(d)	–
Contract liabilities	–	–		52,302	(c), (d)	52,302
Deferred income tax liabilities	22,603	–		–		22,603
Capital, reserves and non-controlling interests						
Share capital	638,756	–		–		638,756
Treasury shares	(1,227)	–		–		(1,227)
Other reserves	37,249	–		–		37,249
Retained earnings	657,628	–		(2,133)	(c)	655,495
Perpetual securities	346,826	–		–		346,826

40. ADOPTION OF A NEW FINANCIAL REPORTING FRAMEWORK *(continued)*

Reconciliation of equity and total comprehensive income *(continued)*

(ii) Impact on Statement of Financial Position as at 31 March 2018

Group	Previously reported under FRS S$'000	Application of SFRS(I) 1 S$'000	Note	Initial application of SFRS(I) 15 S$'000	Note	As adjusted under SFRS(I) S$'000
Current assets						
Cash and cash equivalents	314,050	–		–		314,050
Financial assets	1,921	–		–		1,921
Trade and other receivables	271,583	–		–		271,583
Derivative financial instruments	19,856	–		–		19,856
Inventories	959	–		–		959
Other current assets	18,204	–		–		18,204
Non-current assets						
Financial assets	35,460	–		–		35,460
Trade and other receivables	7,087	–		–		7,087
Investments in associated companies and joint venture	114,925	–		–		114,925
Investment properties	1,014,315	–		–		1,014,315
Property, plant and equipment	532,283	(40,572)	(a)	–		491,711
Intangible assets	385,730	–		–		385,730
Deferred income tax assets	3,197	–		–		3,197
Other non-current assets	5,137	–		–		5,137
Current liabilities						
Trade and other payables	525,791	–		(30,789)	(d)	495,002
Current income tax liabilities	39,172	–		–		39,172
Deferred income	7,238	–		(7,238)	(d)	–
Contract liabilities	–	–		37,929	(c), (d)	37,929
Derivative financial instruments	465	–		–		465
Borrowings	23,475	–		–		23,475
Non-current liabilities						
Trade and other payables	23,468	–		–		23,468
Borrowings	220,503	–		–		220,503
Deferred income	42,307	–		(42,307)	(d)	–
Contract liabilities	–	–		45,484	(c), (d)	45,484
Deferred income tax liabilities	52,392	–		–		52,392
Capital, reserves and non-controlling interests						
Share capital	638,762	–		–		638,762
Treasury shares	(16,023)	–		–		(16,023)
Other reserves	63,826	17,841	(b)	–		81,667
Retained earnings	716,159	(40,572)	(a)	(3,079)	(c)	654,667
		(17,841)	(b)			
Perpetual securities	346,826	–		–		346,826
Non-controlling interests	40,346	–		–		40,346

40. ADOPTION OF A NEW FINANCIAL REPORTING FRAMEWORK *(continued)*

Reconciliation of equity and total comprehensive income *(continued)*

(ii) Impact on Statement of Financial Position as at 31 March 2018 *(continued)*

Company	Previously reported under FRS S$'000	Application of SFRS(I) 1 S$'000	Note	Initial application of SFRS(I) 15 S$'000	Note	As adjusted under SFRS(I) S$'000
Current assets						
Cash and cash equivalents	258,112	–		–		258,112
Financial assets	1,921	–		–		1,921
Trade and other receivables	231,983	–		–		231,983
Derivative financial instruments	19,856	–		–		19,856
Inventories	66	–		–		66
Other current assets	7,867	–		–		7,867
Non-current assets						
Financial assets	35,201	–		–		35,201
Trade and other receivables	391,821	–		–		391,821
Investments in associated companies and joint venture	15,366	–		–		15,366
Investments in subsidiaries	340,533	–		–		340,533
Investment properties	970,378	–		–		970,378
Property, plant and equipment	241,463	–		–		241,463
Current liabilities						
Trade and other payables	458,762	–		(17,992)	(d)	440,770
Current income tax liabilities	30,926	–		–		30,926
Deferred income	7,238	–		(7,238)	(d)	–
Contract liabilities	–	–		24,850	(c), (d)	24,850
Derivative financial instruments	451	–		–		451
Non-current liabilities						
Trade and other payables	1,358	–		–		1,358
Borrowings	201,569	–		–		201,569
Deferred income	42,307	–		(42,307)	(d)	–
Contract liabilities	–	–		45,444	(c), (d)	45,444
Deferred income tax liabilities	23,253	–				23,253
Capital, reserves and non-controlling interests						
Share capital	638,756	–		–		638,756
Treasury shares	(16,023)	–		–		(16,023)
Other reserves	38,104	–		–		38,104
Retained earnings	741,034	–		(2,757)	(c)	738,277
Perpetual securities	346,826	–		–		346,826

40. ADOPTION OF A NEW FINANCIAL REPORTING FRAMEWORK *(continued)*

Reconciliation of equity and total comprehensive income *(continued)*

(iii) Impact on Consolidated Statement of Comprehensive Income for financial year ended 31 March 2018.

Group	Previously reported under FRS S$'000	Application of SFRS(I) 1 S$'000	Note	Initial application of SFRS(1) 15 S$'000	Note	Reclassifications and comparatives S$'000	Note	Adjusted amount S$'000
Revenue	1,464,099	–		1,829	(c)	47,499	42	1,513,427
Other income and gains (net)								
– Rental and property-related income	47,499	–		–		(47,499)	42	–
– Miscellaneous	11,346	–		–		(11,346)	42	–
Labour and related expenses	(328,162)	–		–		–		(328,162)
Volume-related expenses	(816,090)	–		–		–		(816,090)
Administrative and other expenses	(154,687)	–		–		–		(154,687)
Depreciation and amortisation	(60,749)	1,521	(a)	–		–		(59,228)
Selling-related expenses	(15,064)	–		–		5,528	(1)	(9,536)
Impairment loss on trade and other receivables	–	–		–		(5,528)	(1)	(5,528)
Other income	–	–		–		6,677	42	6,677
Share of loss of associated companies and joint venture	(3,099)	–		–		–		(3,099)
Exceptional items	14,522	7,771	(a)	–		–		22,293
Interest income and investment income (net)	–	–		–		(169)	42	(169)
Finance expenses	(13,411)	–		(2,024)	(c)	4,838	42	(10,597)
Income tax expense	(30,659)	–		–		–		(30,659)
Profit for the year	115,545	9,292		(195)		–		124,642
Other comprehensive income								
Items that may be reclassified subsequently to profit or loss								
Net fair value gain on available-for-sale financial assets	423	–		–		–		423
Currency translation losses arising from consolidation	(7,298)	–		–		–		(7,298)
Total comprehensive income for the year	108,670	9,292		(195)		–		117,767

(1) SFRS(I) 1-1 *Presentation of Financial Statements* requires impairment losses in trade and other receivables to be disclosed in the income statement.

40. ADOPTION OF A NEW FINANCIAL REPORTING FRAMEWORK *(continued)*

Reconciliation of equity and total comprehensive income *(continued)*

(iv) Impact on Consolidated Statement of Cash Flows for financial year ended 31 March 2018

The transition to SFRS(I) and the initial application of SFRS(I) 15 do not have a material impact on the consolidated statement of cash flows.

Notes to the reconciliations:

Application of SFRS(I) 1 First Time Adoption of SFRS(I)

(a) The Group has elected the use of fair value as "deemed cost" as at 1 April 2017 for certain property, plant and equipment. As a result, property, plant and equipment and retained earnings as at 1 April 2017 were reduced by S$49,864,000.

Property, plant and equipment and retained earnings as at 31 March 2018 were reduced by S$40,572,000. The movement from S$49,864,000 arises from depreciation expense corresponding to the decrease as at 1 April 2017 and adjustment to capitalised cost as at 31 March 2018.

(b) The Group has elected to set the cumulative translation differences for all foreign operations to be zero as at the date of transition to SFRS(I) on 1 April 2017. As a result, a cumulative translation loss of S$17,841,000 was reclassified from currency translation reserve to retained earnings as at 1 April 2017.

Adoption of SFRS(I) 15 Revenue from Contracts with Customers

(c) The Group and Company received upfront payments from certain financial services contracts which were recognised in profit or loss over the contract period. The Group and Company have determined that a significant financing component arises from these upfront payments received. As a result, finance expenses have been recognised. Apart from the above, retained earnings of the Group has further reduced following adoption of SFRS(I) 15 for certain eCommerce contracts.

(d) Advances received are presented as contract liabilities.

41. PRONOUNCEMENTS ISSUED BUT NOT YET EFFECTIVE

At the date of authorisation of these financial statements, the following SFRS(I) pronouncements were issued but not effective and are expected to have an impact to the Group and the Company in the periods of their initial application.

Effective for financial year beginning on 1 April 2019

- SFRS(I) 16 *Leases*
- Amendments to SFRS(I) 1-19 *Employee Benefits: Plan Amendment, Curtailment or Settlement*
- Amendments to SFRS(I) 1-28 *Investments in Associates and Joint Ventures: Long-term Interests in Associates and Joint Ventures*
- SFRS(I) INT 23 *Uncertainty over Income Tax Treatments*
- Annual Improvements to SFRS(I)s 2015-2017 Cycle

41. PRONOUNCEMENTS ISSUED BUT NOT YET EFFECTIVE *(continued)*

Effective date is deferred indefinitely

- Amendments to SFRS(I) 10 *Consolidated Financial Statements and SFRS(I) 1-28 Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

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

(a) SFRS(I) 16 *Leases*

The standard provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements of both lessees and lessors. The identification of leases, distinguishing between leases and service contracts, are determined on the basis of whether there is an identified asset controlled by the customer. This will take effect from the next financial year, with retrospective application.

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

The Standard will affect primarily the accounting for the Group's operating leases as a lessee. As at the reporting date, the Group has non-cancellable operating lease commitments of S$151.9 million (Note 35(b)). Upon adoption of SFRS(I)16, all non-cancellable lease obligations other than those which fall within the above exemptions will be recognised as liabilities concurrently with the recognition of right of use of assets.

42. RECLASSIFICATIONS AND COMPARATIVES (OTHER THAN ARISING FROM FIRST-TIME ADOPTION)

Consolidated income statement

Rental revenue from commercial properties has been reclassified from "Other income and gains" to "Revenue". Certain reclassifications have also been made in the consolidated income statement to present interest income and investment income (net) separately from "other income" and "finance expenses". Net currency exchange difference from investments was previously included in "finance expenses".

As a result, certain line items have been amended in the consolidated income statement and the related notes to the financial statements. Comparative figures have been adjusted to conform to the current year's presentation.

The effects of the reclassifications are disclosed in Note 40(iii).

43. LISTING OF COMPANIES IN THE GROUP

Name	Principal activities	Country of incorporation	Percentage of effective equity held by the Group			by the NCI		
			2019 %	2018 %	2017 %	**2019 %**	2018 %	2017 %
SUBSIDIARIES								
Held by the Company								
SingPost eCommerce II Pte. Ltd.	Online sale of luxury products	Singapore	**100**	100	100	**–**	–	–
SingPost eCommerce Pte. Ltd.	eCommerce specialising in the provision of online sale of products	Singapore	**100**	100	100	**–**	–	–
SingPost Logistics Holdings Pte. Ltd.	Investment holding	Singapore	**100**	100	100	**–**	–	–
Singapore Post Enterprise Private Limited	Investment holding	Singapore	**100**	100	100	**–**	–	–
SingPost Investments Pte. Ltd.	Investment holding	Singapore	**100**	100	100	**–**	–	–
SingPost Logistics Investments Pte. Ltd.	Investment holding	Singapore	**100**	100	100	**–**	–	–
Held by subsidiaries								
SP Jagged Peak LLC (1)	Investment holding	United States	**100**	100	100	**–**	–	–
Jagged Peak, Inc. (1)	eCommerce logistics enabler for high-velocity consumer products	United States	**100**	100	100	**–**	–	–
Jagged Peak Canada, Inc. (1)	eCommerce logistics enabler for high-velocity consumer products	Canada	**100**	100	100	**–**	–	–
Jagged Peak UK Limited (1)	End-to-end eCommerce Solutions including software and fulfillment services	United Kingdom	**100**	100	–	**–**	–	–
SingPost Distribution Pte. Ltd.	Provision of business mail solutions and distribution of mail	Singapore	**100**	100	100	**–**	–	–
SP Commerce Holdings, Inc. (1)	Investment holding	United States	**100**	100	100	**–**	–	–
SP Commerce, Inc. (1)	Provision of global sale & marketing services	United States	**100**	100	100	**–**	–	–
TG Acquisition Corp. (1)	Investment holding	United States	**97.3**	97.3	97.3	**2.7**	2.7	2.7
TradeGlobal Holdings, Inc. (1)	eCommerce enablement provider	United States	**97.3**	97.3	97.3	**2.7**	2.7	2.7
TradeGlobal North America Holding, Inc. (1)	eCommerce enablement provider	United States	**97.3**	97.3	97.3	**2.7**	2.7	2.7

43. LISTING OF COMPANIES IN THE GROUP *(continued)*

Name	Principal activities	Country of incorporation	Percentage of effective equity held by the Group			by the NCI		
			2019 %	2018 %	2017 %	**2019 %**	2018 %	2017 %
SUBSIDIARIES *(continued)*								
Held by the Subsidiaries *(continued)*								
TradeGlobal LLC [1]	eCommerce enablement provider	United States	**97.3**	97.3	97.3	**2.7**	2.7	2.7
TradeGlobal Asia Holdings Limited [1]	eCommerce enablement provider	Hong Kong	**97.3**	97.3	97.3	**2.7**	2.7	2.7
TradeGlobal Europe TGE GmbH [1]	eCommerce enablement provider	Germany	**–**	97.3	97.3	**–**	2.7	2.7
Netrada Trading and Consulting (Shanghai) Co, Ltd. [1]	eCommerce enablement provider	China	**97.3**	97.3	97.3	**2.7**	2.7	2.7
SingPost Logistics Enterprise Pte. Ltd.	Investment holding	Singapore	**100**	100	100	**–**	–	–
SingPost Logistics Australia Holdings Pty Ltd	Investment holding	Australia	**100**	100	100	**–**	–	–
Quantium Solutions International Pte. Ltd.	Investment holding, provision of management and consultancy services to related entities	Singapore	**66**	66	66	**34**	34	34
Quantium Solutions (Singapore) Pte. Ltd.	Provision of delivery services and eCommerce logistics solutions	Singapore	**66**	66	66	**34**	34	34
Quantium Mail Logistics Solutions (India) Private Limited	Provision of delivery services and eCommerce logistics solutions	India	**66**	66	66	**34**	34	34
Quantium Express Solutions (India) Private Limited	Provision of delivery services and eCommerce logistics solutions	India	**66**	66	66	**34**	34	34
Quantium Solutions (Australia) Pty Ltd	Provision of delivery services and eCommerce logistics solutions	Australia	**66**	66	66	**34**	34	34
Quantium Solutions (Hong Kong) Limited	Provision of delivery services and eCommerce logistics solutions	Hong Kong	**66**	66	66	**34**	34	34

43. LISTING OF COMPANIES IN THE GROUP *(continued)*

Name	Principal activities	Country of incorporation	Percentage of effective equity held by the Group			by the NCI		
			2019 **%**	2018 %	2017 %	**2019** **%**	2018 %	2017 %
SUBSIDIARIES *(continued)*								
Held by Subsidiaries *(continued)*								
Quantium Solutions (Japan) Inc.	Provision of delivery services and eCommerce logistics solutions	Japan	**66**	66	66	**34**	34	34
Quantium Solutions International (Malaysia) Sdn. Bhd.	Provision of delivery services and eCommerce logistics solutions	Malaysia	**66**	66	66	**34**	34	34
Quantium Solutions (New Zealand) Pty Limited	Provision of delivery services and eCommerce logistics solutions	New Zealand	**66**	66	66	**34**	34	34
Quantium Solutions (Philippines) Inc. +	Provision of delivery services and eCommerce logistics solutions	Philippines	**26.4**	26.4	26.4	**73.6**	73.6	73.6
Quantium Solutions (Taiwan) Co., Ltd.	Provision of delivery services and eCommerce logistics solutions	Taiwan	**66**	66	66	**34**	34	34
Quantium Solutions (Thailand) Co., Ltd.	Provision of delivery services and eCommerce logistics solutions	Thailand	**66**	66	66	**34**	34	34
PT Quantium Solutions Logistics Indonesia +	Provision of delivery services and eCommerce logistics solutions	Indonesia	**44.22**	44.22	32.34	**55.78**	55.78	67.66
Couriers Please Holdings Pty Ltd	Provision of delivery services and eCommerce logistics solutions	Australia	**100**	100	100	**–**	–	–
Couriers Please Australia Pty Ltd	Provision of delivery services and eCommerce logistics solutions	Australia	**100**	100	100	**–**	–	–
Couriers Please Pty Limited	Provision of delivery services and eCommerce logistics solutions	Australia	**100**	100	100	**–**	–	–
SingPost Storage Company Ltd	Investment holding	Mauritius	**100**	100	100	**–**	–	–
SingPost Investments (Tampines) Pte. Ltd.	Investment holding and real estate activities with owned or leased property	Singapore	**100**	100	100	**–**	–	–
SingPost Investments (Toh Guan) Pte. Ltd.	Investment holding	Singapore	**100**	100	100	**–**	–	–
SingPost Investments (Ecommerce Logistics) Pte. Ltd.	Investment holding	Singapore	**100**	100	100	**–**	–	–

43. LISTING OF COMPANIES IN THE GROUP *(continued)*

Name	Principal activities	Country of incorporation	Percentage of effective equity held by the Group 2019 %	2018 %	2017 %	by the NCI 2019 %	2018 %	2017 %
SUBSIDIARIES *(continued)*								
Held by Subsidiaries *(continued)*								
SingPost Centre (Retail) Pte. Ltd.	Investment holding	Singapore	**100**	100	100	**–**	–	–
SingPost eCommerce Logistics Holdings Pte. Ltd.	Investment holding	Singapore	**100**	100	100	**–**	–	–
General Storage Company Pte. Ltd.	Investment holding & provision of management services	Singapore	**100**	100	100	**–**	–	–
Lock + Store (Chai Chee) Pte. Ltd.	Self storage solutions and warehousing	Singapore	**100**	100	100	**–**	–	–
Lock + Store (Tanjong Pagar) Pte. Ltd.	Self storage solutions	Singapore	**100**	100	100	**–**	–	–
Lock + Store (Ayer Rajah) Pte. Ltd.	Self storage solutions	Singapore	**100**	100	100	**–**	–	–
The Store House Limited	Self storage solutions	Hong Kong	**100**	100	100	**–**	–	–
The Store House Operating Company Limited	Self storage management services	Hong Kong	**100**	100	75	**–**	–	25
Lock and Store (Glenmarie) Sdn. Bhd.	Self storage solutions and warehousing	Malaysia	**100**	100	100	**–**	–	–
L+S Self Storage Pte. Ltd.	Self storage solutions	Singapore	**100**	100	100	**–**	–	–
SP Parcels Pte. Ltd.	Courier activities other than national post activities	Singapore	**100**	100	100	**–**	–	–
Famous Holdings Pte Ltd	Investment holding and provision of management services	Singapore	**100**	100	100	**–**	–	–
Famous Air & Sea Services Pte. Ltd.	Freight forwarding	Singapore	**100**	100	100	**–**	–	–
FPS Global Logistics Pte. Ltd.	Freight forwarding	Singapore	**100**	100	100	**–**	–	–
FPS Famous Pacific Shipping Sdn. Bhd.	Freight forwarding	Malaysia	**100**	100	100	**–**	–	–
Famous Pacific Shipping (WA) Pty Ltd	Freight collections transhipments	Australia	**100**	100	100	**–**	–	–
F.S. Mackenzie Limited	Freight forwarding	United Kingdom	**100**	100	100	**–**	–	–

43. LISTING OF COMPANIES IN THE GROUP *(continued)*

Name	Principal activities	Country of incorporation	Percentage of effective equity held by the Group 2019 %	2018 %	2017 %	by the NCI 2019 %	2018 %	2017 %
SUBSIDIARIES *(continued)*								
Held by Subsidiaries *(continued)*								
Famous Pacific Shipping (NZ) Limited	Freight forwarding	New Zealand	**100**	100	90	**–**	–	10
Mercury Worldwide (NZ) Limited (1)	Freight forwarding	New Zealand	**100**	100	90	**–**	–	10
Eazyshipping (NZ) Limited (1)	Freight forwarding	New Zealand	**–**	50	45	**–**	50	55
FPS Logistics (USA) Inc. (1)	Logistics management and services	United States	**100**	100	100	**–**	–	–
Sino-Famous Intertrans Co., Ltd (1)	Freight forwarding	China	**100**	100	100	**–**	–	–
Famous Container Lines Co Ltd (1)	Freight forwarding	China	**100**	100	100	**–**	–	–
Shinyei Shipping Co Ltd (1)	Freight forwarding	Japan	**89**	89	89	**11**	11	11
Tras - Inter Co., Ltd (1)	Customs brokerage and freight forwarding	Japan	**89**	89	89	**11**	11	11
Rotterdam Harbour Holding B.V. (2)	Investment holdings	Netherlands	**80**	80	80	**20**	20	20
FPS Famous Pacific Shipping B.V. (1)	Logistics services	Netherlands	**80**	80	80	**20**	20	20
Trans Ocean Pacific Forwarding B.V. (1)	Logistics services	Netherlands	**80**	80	80	**20**	20	20
EWC East Way Commodities B.V. (1)	Trading company and purchase organisation for oceanfreight services	Netherlands	**80**	80	80	**20**	20	20
FPS Famous Pacific Shipping Germany GmbH	Sales company for Logistic services	Germany	**80**	80	80	**20**	20	20
FPS Famous Pacific Shipping s.r.o. (1)+	Logistics services	Netherlands	**–**	–	40.8	**–**	–	59.2
SP eCommerce (Thailand) Co Ltd (1)	eCommerce specialising in the provision of online shopping platforms and services	Thailand	**100**	100	100	**–**	–	–
SP eCommerce (Korea) Co., Ltd. (1)	eCommerce specialising in the provision of online shopping platforms and services	Korea	**100**	100	100	**–**	–	–
SP eCommerce (Malaysia) Sdn. Bhd.	eCommerce specialising in the provision of online shopping platforms and services	Malaysia	**100**	100	100	**–**	–	–

43. LISTING OF COMPANIES IN THE GROUP *(continued)*

Name	Principal activities	Country of incorporation	Percentage of effective equity held by the Group		
			2019 %	2018 %	2017 %
ASSOCIATED COMPANIES					
Held by the Company					
GD Express Carrier Bhd *	Provision of express delivery and customised logistics services	Malaysia	**11.61**	11.22	11.22
Held by subsidiaries					
Postea, Inc. (1)	Provision of technology and support in postal, courier and other distribution markets	United States	**27**	27	27
Indo Trans Logistics Corporation (4)	Provision of integrated logistics, freight and transport management and aviation services	Vietnam	**–**	30	30
Dash Logistics Company Ltd (3)*	Provision of integrated logistics, freight and transport management and aviation services	Vietnam	**30**	51	51
Shenzhen 4PX Information and Technology Co Limited	Provision of international express delivery services, international freight forwarding, import and export of goods and technology	China	**–**	20.14	20.14
Efficient E-Solutions Berhad (5)	Provision of data print, record management, data and document processing	Malaysia	**20.81**	20.81	20.81
Hubbed Holdings Pty Ltd (6)	eCommerce and logistics retail network	Australia	**30**	30	30
Morning Express & Logistics Limited (7)	Provision of courier services and provision of management services to its related company	Hong Kong	**33**	33	33
E Link Station Limited (7)	Provision of redemption services	Hong Kong	**50**	50	50

43. LISTING OF COMPANIES IN THE GROUP *(continued)*

Name	Principal activities	Country of incorporation	Percentage of effective equity held by the Group		
			2019 %	2018 %	2017 %
JOINT VENTURE					
Held by subsidiary					
PT Trio SPeCommerce Indonesia [1]	Dormant	Indonesia	**33**	33	33

Notes

All companies as at 31 March 2019 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 2019
(2) Audited by Crowe Horwath Peak, The Netherlands
(3) Audited by local statutory auditors in the countries of incorporation
(4) Audited by KPMG Limited, Vietnam
(5) Audited by PKF International, Malaysia
(6) Audited by Assura Group
(7) Audited by HKCMCPA Company Limited
\+ It is considered to be a subsidiary of the Company as the Company can exercise control over its financial and operating policies and voting rights.
* It is considered to be an associate of the Company as the Company can exercise significant influence over its financial and operating policies and voting rights.