STATUTORY REPORTS AND FINANCIAL STATEMENTS

CONTENTS

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

The directors present their statement to the members together with the audited financial statements of the Group for the financial year ended 31 March 2016 and the balance sheet of the Company as at 31 March 2016.

In the opinion of the directors,

(a) the balance sheet of the Company and the consolidated financial statements of the Group as set out on pages 90 to 214 are drawn up so as to give a true and fair view of the financial position of the Company and of the Group as at 31 March 2016 and the financial performance, changes in equity and cash flows of the Group for the financial year covered by the consolidated financial statements; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and 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) (appointed on 11 May 2016)
Mr Goh Yeow Tin (Deputy Chairman and Executive Director)
Mr Lim Ho Kee
Ms Aliza Knox
Mr Bill Chang York Chye
Mr Chen Jun
Mr Keith Tay Ah Kee
Mr Michael James Murphy
Professor Low Teck Seng
Mr Soo Nam Chow
Mr Tan Yam Pin
Dr Wolfgang Baier
Mr Zulkifli Bin Baharudin

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE 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 81 to 87 of this statement.

DIRECTORS' INTERESTS IN SHARES OR DEBENTURES

(a) According to the register of directors' shareholdings, none of the directors holding office at the end of the financial year had any interest in the shares or debentures of the Company or 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 31.3.2016	At 1.4.2015	**At 31.3.2016**	At 1.4.2015
Company				
Singapore Post Limited				
(No. of ordinary shares)				
Mr Lim Ho Kee	**1,898,350**	99,350	**–**	–
Mr Keith Tay Ah Kee	**128,350**	128,350	**–**	–
Mr Tan Yam Pin	**500,000**	500,000	**–**	–
Professor Low Teck Seng	**–**	–	**60,000[(1)]**	60,000[(1)]
Dr Wolfgang Baier	**3,724,613**	2,550,000	**–**	–

(1) Deemed interests through spouse

	Holdings registered in name of director or nominee		Holdings in which director is deemed to have an interest	
	At 31.3.2016	At 1.4.2015	**At 31.3.2016**	At 1.4.2015
Company				
Singapore Post Limited				
(4.25% Singapore Post perpetual securities)				
Mr Lim Ho Kee	**500,000**	500,000	**–**	–

DIRECTORS' INTERESTS IN SHARES OR DEBENTURES (continued)

(b) According to the register of directors' shareholdings, 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 page 81 to 87 of this statement.

	Number of unissued ordinary shares under option held by director	
	At 31.3.2016	At 1.4.2015
Options to purchase ordinary shares		
Mr Lim Ho Kee	**–**	1,799,000
Dr Wolfgang Baier	**–**	7,700,000
Unvested restricted shares		
Dr Wolfgang Baier	**–**	149,613
Aliza Knox	**20,529**	–
Professor Low Teck Seng	**80,460**	–

(c) The directors' interests in the shares and convertible securities of the Company as at 21 April 2016 were the same as those as at 31 March 2016.

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 Tan Yam Pin (Chairman[1]), Mr Zulkifli Bin Baharudin and Mr Bill Chang York Chye during the financial year ended 31 March 2016.

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

1 Mr Tan Yam Pin was appointed as the chairman of the Compensation Committee on 1 January 2016 in place of Mr Goh Yeow Tin who stepped down as chairman and member of the Compensation Committee on 1 January 2016.

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) on 1 July 2005 and 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

SHARE OPTIONS (continued)

- Other than the share options granted on 17 March 2015, share options granted to eligible employees (including executive directors) effective 26 June 2006 to 24 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

- 100% of the share options granted on 17 March 2015 will vest after one year from the date of grant and are exercisable for a period of ten years.

- 100% of the share options granted to non-executive directors vest after one year from the date of grant and are exercisable for a period of five years.

- On 11 May 2012, 17 January 2014, 7 March 2014, 24 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 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 2015, a total of 147,875,936 share options were granted. Particulars of the options were set out in the Directors' Report for the respective financial years.

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

SHARE OPTIONS (continued)

During the financial year ended 31 March 2016, 23,751,000 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[1]**	**Balance At 1.4.15 ('000)**	**Granted during financial year ('000)**	**Options exercised ('000)**	**Options forfeited ('000)**	**Balance At 31.3.16 ('000)**
Options Granted Under Singapore Post Share Options Scheme							
For employees (including executive directors)							
01.07.05[1]	02.07.06 to 01.07.15	S$0.923	77	–	50	27	–
26.06.06	27.06.07 to 26.06.16	S$1.048	114	–	60	27	27
26.06.07	27.06.08 to 26.06.17	S$1.278	251	–	15	40	196
30.06.08	01.07.09 to 30.06.18	S$1.100	380	–	60	40	280
29.06.09	30.06.10 to 29.06.19	S$0.890	208	–	198	–	10
29.06.10	30.06.11 to 29.06.20	S$1.140	785	–	252	–	533
01.04.11[2]	02.04.12 to 01.04.21	S$1.160	25	–	25	–	–
11.04.11[2]	12.04.12 to 11.04.21	S$1.160	38	–	38	–	–
26.07.11	27.07.12 to 26.07.21	S$1.100	1,905	–	997	53	855
03.01.12	04.01.13 to 03.01.22	S$0.940	113	–	100	13	–
19.03.12	20.03.13 to 19.03.22	S$0.980	200	–	–	–	200
10.05.12	11.05.13 to 10.05.22	S$1.030	200	–	–	–	200
11.05.12	19.05.14 to 11.05.22	S$1.030	3,595	–	1,925	620	1,050
10.08.12	11.08.13 to 10.08.22	S$1.070	4,996	–	2,143	263	2,590
03.09.12	04.09.13 to 03.09.22	S$1.080	100	–	50	–	50
07.05.13	08.05.13 to 07.05.23	S$1.290	150	–	75	–	75
17.01.14	18.01.17 to 17.01.24	S$1.350	14,700	–	1,609	1,775	11,316
07.03.14	08.03.17 to 07.03.24	S$1.330	500	–	–	–	500
10.03.14	11.03.15 to 10.03.24	S$1.330	100	–	20	–	80
24.03.14[2]	25.03.15 to 24.03.24	S$1.320	1,000	–	1,000	–	–
24.03.14	25.03.17 to 24.03.24	S$1.320	1,500	–	900	600	–
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	13,408	–	2,107	3,612	7,689
07.08.14	08.08.15 to 07.08.24	S$1.760	768	–	60	–	708
28.11.14	29.11.15 to 28.11.24	S$1.920	200	–	–	–	200
18.12.14	19.12.15 to 18.12.24	S$1.900	300	–	–	300	–

SHARE OPTIONS (continued)

			Number of ordinary shares under options outstanding				
Date of grant	**Exercise Period**	**Exercise Price[1]**	**Balance At 1.4.15 ('000)**	**Granted during financial year ('000)**	**Options exercised ('000)**	**Options forfeited ('000)**	**Balance At 31.3.16 ('000)**
Options Granted Under Singapore Post Share Options Scheme							
For employees (including executive directors)							
17.03.15	18.03.16 to 17.03.25	S$1.980	3,500	–	–	3,500	–
07.04.15	08.04.16 to 07.04.25	S$1.960	–	1,588	–	–	1,588
13.05.15	14.05.16 to 13.05.25	S$1.910	–	1,150	–	200	950
19.05.15	20.05.16 to 19.05.25	S$1.890	–	20,973	–	5,040	15,933
12.06.15	13.06.16 to 12.06.25	S$1.880	–	40	–	–	40
			49,313	23,751	11,684	16,110	45,270
For non-executive directors							
07.08.14[2]	08.08.15 to 07.08.19	S$1.760	1,799	–	1,799	–	–
			1,799	–	1,799	–	–
Total Share Options			**51,112**	**23,751**	**13,483**	**16,110**	**45,270**

(1) Exercise prices of all outstanding share options granted before 29 December 2005 have been reduced in view of the Special Dividend payment during the financial year ended 31 March 2006. Exercise prices disclosed are the revised exercise prices.
(2) All outstanding share options granted on 1 April 2011, 11 April 2011, 24 March 2014 and 7 August 2014 had been exercised before the expiry date.

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 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.

The Plan is a share incentive scheme. It is proposed on the basis that it is important to retain staff whose contributions are essential to the well-being and prosperity of the Group and to give recognition to key employees and directors of the Group and Associated Companies who contribute to the growth of the Group. The Plan will 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) 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 2015, a total of 2,562,584 restricted shares were granted.

During the financial year ended 31 March 2016, 839,895 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:

RESTRICTED SHARE PLAN (continued)

Date of grant	Balance As At 1.4.15 ('000)	Share Awards Granted ('000)	Share Awards Vested ('000)	Share Awards Cancelled ('000)	Balance As At 31.3.16 ('000)
05.08.13	985	–	478	106	401
20.05.14	701	–	221	37	443
19.05.15	–	728	–	66	662
03.08.15	–	112	–	–	112
Total Shares	**1,686**	**840**	**699**	**209**	**1,618**

AUDIT COMMITTEE

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

Mr Soo Nam Chow (Chairman)
Mr Tan Yam Pin
Mr Zulkifli Bin Baharudin

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

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

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

The Audit Committee has also reviewed the balance sheet of the Company and the consolidated financial statements of the Group for the financial year ended 31 March 2016 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, PricewaterhouseCoopers LLP, be nominated for re-appointment at the forthcoming Annual General Meeting of the Company.

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

INDEPENDENT AUDITOR

The independent auditor, PricewaterhouseCoopers LLP, has expressed its willingness to accept re-appointment.

On behalf of the directors

Mr Goh Yeow Tin
Executive Director

Mr Lim Ho Kee
Director

Singapore, 11 May 2016

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SINGAPORE POST LIMITED

We have audited the accompanying financial statements of Singapore Post Limited (the "Company") and its subsidiaries (the "Group") set out on pages 90 to 214, which comprise the consolidated balance sheet of the Group and balance sheet of the Company as at 31 March 2016, and the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows of the Group for the financial year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility 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 Singapore Companies Act (the "Act") and Singapore Financial Reporting Standards, 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the consolidated financial statements of the Group and the balance sheet of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2016, and of the financial performance, changes in equity and cash flows of the Group for the financial year ended on that date.

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 subsidiaries incorporated in Singapore, of which we are the auditor, have been properly kept in accordance with the provisions of the Act.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants

Singapore, 11 May 2016

CONSOLIDATED INCOME STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

	Note	Group 2016 S$'000	Group 2015 S$'000
Revenue	4	**1,151,542**	919,582
Other income and gains (net)			
– Rental and property-related income	4	**39,373**	43,890
– Miscellaneous	4	**121,193**	6,593
Fair value gains on investment properties	20	**–**	5,163
Labour and related expenses	5	**(300,444)**	(263,138)
Volume-related expenses	6	**(535,425)**	(366,474)
Administrative and other expenses	7	**(145,801)**	(111,356)
Depreciation and amortisation		**(31,886)**	(34,545)
Selling expenses		**(10,025)**	(9,486)
Finance expenses	8	**(10,365)**	(4,370)
Total expenses		**(1,033,946)**	(789,369)
Share of profit of associated companies and joint ventures		**9,066**	6,660
Profit before income tax		**287,228**	192,519
Income tax expense	9	**(34,189)**	(32,963)
Total profit		**253,039**	159,556
Profit attributable to:			
Equity holders of the Company		**248,910**	157,611
Non-controlling interests		**4,129**	1,945
		253,039	159,556
Earnings per share attributable to ordinary shareholders of the Company	10		
– Basic		**10.86 cents**	6.85 cents
– Diluted		**10.83 cents**	6.81 cents

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

	Group	
	2016	2015
	S$'000	S$'000
Total profit	**253,039**	159,556
Other comprehensive (loss)/gain (net of tax):		
Items that may be reclassified subsequently to profit or loss:		
Available for sale financial assets:		
– Fair value losses	**(637)**	(419)
Currency translation differences:		
– Losses	**(18,913)**	(1,387)
– Transfers to profit or loss arising from consolidation	**(2,026)**	–
Revaluation gain on property, plant and equipment upon transfer to investment properties	**20,029**	5,145
Other comprehensive (loss) / income for the year (net of tax)	**(1,547)**	3,339
Total comprehensive income for the year	**251,492**	162,895
Total comprehensive income attributable to:		
Equity holders of the Company	**246,794**	161,388
Non-controlling interests	**4,698**	1,507
	251,492	162,895

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

BALANCE SHEETS

AS AT 31 MARCH 2016

		Group		Company	
	Note	**2016**	2015	**2016**	2015
		S$'000	S$'000	**S$'000**	S$'000
			(Restated)		
ASSETS					
Current assets					
Cash and cash equivalents	11	**126,640**	584,140	**49,626**	477,045
Financial assets	12	**8,127**	21,878	**7,780**	21,531
Trade and other receivables	13	**210,287**	164,054	**194,719**	178,644
Derivative financial instruments	14	**846**	–	**846**	–
Inventories		**4,499**	6,298	**367**	484
Other current assets	15	**17,206**	21,220	**4,915**	5,573
		367,605	797,590	**258,253**	683,277
Non-current assets					
Financial assets	12	**38,083**	12,718	**37,832**	12,651
Trade and other receivables	16	**5,351**	4,776	**563,193**	152,016
Investments in associated companies and joint ventures	18	**146,401**	105,106	**14,348**	26,080
Investments in subsidiaries	19	**–**	–	**356,229**	292,890
Investment properties	20	**745,844**	638,818	**760,842**	633,826
Property, plant and equipment	21	**517,376**	329,984	**241,943**	250,286
Intangible assets	22	**583,193**	316,642	**227**	263
Deferred income tax assets	26	**5,544**	4,541	**–**	–
Other non-current assets	15	**6,408**	551	**–**	–
		2,048,200	1,413,136	**1,974,614**	1,368,012
Total assets		**2,415,805**	2,210,726	**2,232,867**	2,051,289

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

BALANCE SHEETS

AS AT 31 MARCH 2016

	Note	Group		Company	
		2016	2015	**2016**	2015
		S$'000	S$'000	**S$'000**	S$'000
			(Restated)		
LIABILITIES					
Current liabilities					
Trade and other payables	23	**385,712**	352,068	**274,432**	261,936
Current income tax liabilities	9	**35,918**	35,318	**29,950**	29,704
Deferred income	25	**7,268**	6,961	**7,268**	6,961
Derivative financial instruments	14	**801**	3,718	**759**	3,718
Borrowings	24	**71,090**	16,947	**33,000**	–
		500,789	415,012	**345,409**	302,319
Non-current liabilities					
Trade and other payables	23	**30,190**	10,688	**–**	–
Borrowings	24	**209,182**	221,380	**203,044**	203,749
Deferred income	25	**56,785**	59,569	**56,785**	59,569
Deferred income tax liabilities	26	**57,356**	36,340	**19,199**	17,278
		353,513	327,977	**279,028**	280,596
Total liabilities		**854,302**	742,989	**624,437**	582,915
NET ASSETS		**1,561,503**	1,467,737	**1,608,430**	1,468,374
EQUITY					
Capital and reserves attributable to the Company's equity holders					
Share capital	27	**448,775**	429,980	**448,775**	429,980
Treasury shares	27	**(2,116)**	(2,831)	**(2,116)**	(2,831)
Other reserves	29	**7,258**	7,448	**34,713**	5,802
Retained earnings	30	**749,647**	682,639	**780,232**	688,597
		1,203,564	1,117,236	**1,261,604**	1,121,548
Perpetual securities	28	**346,826**	346,826	**346,826**	346,826
		1,550,390	1,464,062	**1,608,430**	1,468,374
Non-controlling interests		**11,113**	3,675	**–**	–
Total equity		**1,561,503**	1,467,737	**1,608,430**	1,468,374

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

	Note	Attributable to ordinary shareholders of the Company Share capital S$'000	Treasury shares S$'000	Retained earnings S$'000	Other reserves S$'000	Total S$'000	Perpetual securities S$'000	Total S$'000	Non-controlling interests S$'000	Total equity S$'000
2016										
Balance at 1 April 2015		429,980	(2,831)	682,639	7,448	1,117,236	346,826	1,464,062	3,675	1,467,737
Transfer to statutory reserves		–	–	(2)	2	–	–	–	–	–
Acquisition of subsidiaries	36	–	–	–	–	–	–	–	2,740	2,740
Distribution paid on perpetual securities	28	–	–	–	–	–	(14,915)	(14,915)	–	(14,915)
Dividends	31	–	–	(166,985)	–	(166,985)	–	(166,985)	–	(166,985)
Total comprehensive income for the year		–	–	233,995	(2,116)	231,879	14,915	246,794	4,698	251,492
		429,980	(2,831)	749,647	5,334	1,182,130	346,826	1,528,956	11,113	1,540,069
Employee share option scheme:										
– Value of employee services	29(b)(i)	–	–	–	4,053	4,053	–	4,053	–	4,053
– New shares issued	27	18,795	–	–	(1,414)	17,381	–	17,381	–	17,381
– Treasury shares re-issued	27	–	715	–	(715)	–	–	–	–	–
Balance at 31 March 2016		448,775	(2,116)	749,647	7,258	1,203,564	346,826	1,550,390	11,113	1,561,503

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

	Note	Attributable to ordinary shareholders of the Company								
		Share capital S$'000	Treasury shares S$'000	Retained earnings S$'000	Other reserves S$'000	Total S$'000	Perpetual securities S$'000	Total S$'000	Non-controlling interests S$'000	Total equity S$'000
2015										
Balance at 1 April 2014 as previously reported		129,082	(35,346)	250,700	2,402	346,838	346,826	693,664	2,168	695,832
Effect of the change in accounting for investment properties		–	–	417,331	1,290	418,621	–	418,621	–	418,621
As restated		129,082	(35,346)	668,031	3,692	765,459	346,826	1,112,285	2,168	1,114,453
Distribution paid on perpetual securities	28	–	–	–	–	–	(14,874)	(14,874)	–	(14,874)
Dividends	31	–	–	(128,129)	–	(128,129)	–	(128,129)	–	(128,129)
Total comprehensive income for the year		–	–	142,737	3,777	146,514	14,874	161,388	1,507	162,895
		129,082	(35,346)	682,639	7,469	783,844	346,826	1,130,670	3,675	1,134,345
New shares issued	27	280,621	–	–	–	280,621	–	280,621	–	280,621
Treasury shares re-issued	27	–	31,915	–	–	31,915	–	31,915	–	31,915
Employee share option scheme:										
– Value of employee services	29(b)(i)	–	–	–	2,582	2,582	–	2,582	–	2,582
– New shares issued	27	20,277	–	–	(2,022)	18,255	–	18,255	–	18,255
– Treasury shares re-issued	27	–	600	–	(581)	19	–	19	–	19
Balance at 31 March 2015		429,980	(2,831)	682,639	7,448	1,117,236	346,826	1,464,062	3,675	1,467,737

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

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

	Note	Group	
		2016	2015
		S$'000	S$'000
			(Restated)
Cash flows from operating activities			
Total profit		**253,039**	159,556
Adjustments for:			
– Income tax expense		**34,189**	32,963
– Depreciation and amortisation – net		**25,865**	23,618
– Fair value gain on investment properties		**–**	(5,163)
– Net gain on disposals of investments, property, plant and equipment		**(109,856)**	(700)
– Share option expense		**4,053**	2,582
– Interest expense		**7,766**	6,283
– Interest income		**(4,268)**	(3,864)
– Share of profit of associated companies and joint ventures		**(9,066)**	(6,660)
– Write-off of intangible assets		**256**	6,464
		(51,061)	55,523
Operating cash flow before working capital changes		**201,978**	215,079
Changes in working capital, net of effects from acquisition and disposal of subsidiaries			
– Inventories		**332**	(1,223)
– Trade and other receivables		**(28,397)**	1,333
– Trade and other payables		**(11,975)**	55,266
Cash generated from operations		**161,938**	270,455
Income tax paid		**(30,582)**	(35,453)
Net cash provided by operating activities		**131,356**	235,002

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

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

	Note	Group	
		2016	2015
		S$'000	S$'000
			(Restated)
Cash flows from investing activities			
Acquisition of subsidiaries, net of cash acquired	36	**(272,403)**	(119,766)
Additions to property, plant and equipment and investment properties		**(279,742)**	(104,414)
Disposal of subsidiaries, net of cash disposed of	11	**50,962**	–
Investment in associated companies and joint ventures		**(49,430)**	(911)
Dividend received from associated companies		**2,167**	911
Interest received		**4,782**	8,252
Loan to an associated company		**(1,360)**	(14,187)
Payment relating to purchase of assets		**(250)**	–
Proceeds from partial divestment of an associated company		**78,910**	–
Proceeds from disposal of property, plant and equipment		**1,553**	11,020
Proceeds from sale of financial assets		**15,294**	–
Proceeds from maturity of financial assets, held-to-maturity		**19,250**	6,000
Purchase of financial assets, held-to-maturity		**(28,321)**	(23,340)
Repayment of loans by associated companies		**1,578**	518
Net cash used in investing activities		**(457,010)**	(235,917)
Cash flows from financing activities			
Proceeds from issuance of ordinary shares		**17,381**	298,876
Proceeds from re-issuance of treasury shares		**–**	31,932
Proceeds from bank loans		**296,029**	4,290
Repayment of bank loans		**(254,912)**	(4,355)
Interest paid		**(8,444)**	(7,115)
Dividends paid to shareholders		**(166,985)**	(128,129)
Distribution paid to perpetual securities		**(14,915)**	(14,874)
Net cash (used in)/provided by financing activities		**(131,846)**	180,625
Net (decrease)/increase in cash and cash equivalents		**(457,500)**	179,710
Cash and cash equivalents at beginning of financial year	11	**584,140**	404,430
Cash and cash equivalents at end of financial year	11	**126,640**	584,140

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

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

1. GENERAL INFORMATION

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

The principal activities of the Company consist of the operation and provision of postal, eCommerce logistics and retail services. Its subsidiaries are principally engaged in provision of business mail solutions and distribution of mail, investment holding and provision of electronic platform and recyclable lockers for merchandise distribution.

The Group acquired control of the following companies during the financial year (Note 36):

- Rotterdam Harbour Holding B.V. – The principal activities are general freight forwarder.
- Store Friendly Self Storage Group Pte Ltd – The principal activities are providing personal and business storage facilities services in Singapore.
- TG Acquisition Corporation and its subsidiaries ("TG Group") – The principal activities are a provider of integrated eCommerce enablement solutions, including fulfillment, customer care, logistics, web development, software and marketing services for the fashion retail industry.
- Jagged Peak, Inc. – The principal activities are eCommerce logistics enabler for high-velocity consumer products.

As at 31 March 2016, the Group and Company's current liabilities exceeded their current assets by $133,184,000 and $87,156,000 respectively. This was largely due to the deployment of cash under current assets into investments and property, plant and equipment under non-current assets. The financial statements have been prepared on a going concern basis as the net current liability position is expected to improve from plans to divest non-core assets and refinancing short term borrowings into long term borrowings.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

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

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

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

Interpretations and amendments to published standards effective in 2016

On 1 April 2015, the Group adopted the new or amended FRS and Interpretations to FRS ("INT FRS") that are mandatory for application from that date. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS and INT FRS.

The adoption of these new or amended FRS and INT FRS did not result in substantial changes to the Group's and Company's accounting policies and had no material effect on the amounts reported for the current or prior financial years.

2.2 Revenue recognition

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

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

(a) Sales of goods and services – Mail and Logistics related

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Revenue recognition (continued)

(a) Sales of goods and services – Mail and Logistics related (continued)

Accrual for unearned revenue is made for stamps which have been sold, but for which services have not been rendered as at the balance sheet date. This accrual is classified as advanced billings under trade and other payables.

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

(b) Sale of goods and services – eCommerce-related activities

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

Sales are recognised when the Company has delivered the products to the customers, the customers have accepted the products and the collectability of the related receivables is reasonably assured. Sales are presented, net of goods and service tax, rebates and discounts.

(c) Rendering of service – freight forwarding

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

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

Interest income is recognised using the effective interest method.

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 Group accounting

(a) *Subsidiaries*

(i) *Consolidation*

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group 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. They are deconsolidated from the date on 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 balance sheet. 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)

2.3 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.

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

Acquisition-related costs are expensed as incurred.

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

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

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the net identifiable assets acquired is recorded as goodwill. Please refer to the paragraph "Intangible assets – Goodwill on acquisitions" for the subsequent accounting policy on goodwill.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 Group accounting (continued)

(a) Subsidiaries (continued)

(iii) Disposals of subsidiaries or businesses

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

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

Please refer to Note 2.7 for the accounting policy on investments in subsidiaries in the separate financial statements of the Company.

(b) Transactions with non-controlling interests

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control over the subsidiary are accounted for as transactions with the non-controlling equity owners of that subsidiary. Any difference between the change in the carrying amounts of the non-controlling interest and the fair value of the consideration paid or received is recognised within equity attributable to the equity holders of the Company.

(c) Associated companies and joint ventures

Associated companies are entities over which the Group has significant influence, but not control, generally accompanied by a shareholding giving rise to voting rights of 20% and above but not exceeding 50%. The Group's joint ventures are entities over which the Group has contractual arrangements to jointly share the control over the economic activity of the entities with one or more parties.

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

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 Group accounting (continued)

(c) Associated companies and joint ventures (continued)

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

In applying the equity method of accounting, the Group's share of its associated companies' and joint ventures' post-acquisition profits or losses are recognised in profit or loss and its share of post-acquisition other comprehensive income is recognised in other comprehensive income. These post-acquisition movements and distributions received from associated companies and joint ventures are adjusted against the carrying amount of the investments. When the Group's share of losses in an associated company or joint venture equals or exceeds its interest in the associated company or joint venture, 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 2.7 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)

2.4 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.

(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 each balance sheet date. 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.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.4 Property, plant and equipment (continued)

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

2.5 Intangible assets

(a) Goodwill on acquisitions

Goodwill on acquisitions of subsidiaries and businesses on or after 1 January 2010 represents 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, net of the fair values of the liabilities and any contingent liabilities assumed.

Goodwill on acquisition of subsidiaries and businesses prior to 1 January 2010 and on acquisition of joint ventures and associated companies represents the excess of the cost of the acquisition over the fair value of the Group's share of the net identifiable assets acquired.

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

Goodwill on associated companies and joint ventures is included in the carrying amount of the investments.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.5 Intangible assets (continued)

(a) Goodwill on acquisitions (continued)

Gains and losses on the disposal of subsidiaries, joint ventures and associated companies include the carrying amount of goodwill relating to the entity sold, except for goodwill arising from acquisitions prior to 1 January 2001. Such goodwill was adjusted against retained profits in the year of acquisition and is not recognised in profit or loss on disposal.

(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. Amortisation is calculated using the straight line method over 7-18 years, which is the expected life of the customer relationships.

(c) Acquired licence

Licence fee represents a lump-sum fee paid to the Infocomm Development Authority of Singapore upon the granting of the postal licence. It is initially recognised at cost and is subsequently carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is calculated using the straight-line method to allocate the cost of the licence over the licence period of 25 years starting from year 1992.

(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) 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.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.5 Intangible assets (continued)

(f) Trademarked brands

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

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

The trademarked brand with indefinite useful life is not amortised and is subsequently tested for impairment annually. In connection with the annual impairment assessment of the trademarked brand, the critical accounting judgement in respect of the indefinite useful life 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 balance sheet date. The effects of any revision are recognised in profit or loss when the changes arise.

2.6 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. Where there is a change in intention to hold existing investment properties for sale without development, such investment properties will continue to be classified as investment properties but within current assets, until they are derecognised.

Investment properties are initially recognised at cost and subsequently carried at fair value, representing open market values determined on an annual basis by directors based on independent professional valuations. Changes in fair values are recognised in the income statement. In determining the fair values, the valuers have used valuation techniques including the direct comparison method, capitalisation approach and / or discounted cash flows in arriving at the open market values.

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.

Investment properties are subject to renovations or improvements at regular intervals. The cost of major renovations and improvements is capitalised and the carrying amounts of the replaced components are recognised in the income statement. The cost of maintenance, repairs and minor improvement is recognised in the income statement when incurred.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.6 Investment property (continued)

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

2.7 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 balance sheet. On disposal of such investments, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

2.8 Impairment of non-financial assets

(a) Goodwill

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

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

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

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

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

(b) Trademarked brand with indefinite useful life

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.8 Impairment of non-financial assets (continued)

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

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

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

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

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit and 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. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.9 Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those expected to be realised later than 12 months after the balance sheet date 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 balance sheet.

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

2.10 Financial assets

(a) Classification

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

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 balance sheet date 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 balance sheet date.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.10 Financial assets (continued)

(b) Recognition and derecognition

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

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

(c) Initial measurement

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

(d) Subsequent measurement

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

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

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

(e) Impairment

The Group assesses at each balance sheet date 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.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.10 Financial assets (continued)

(e) Impairment (continued)

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

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

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

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

(ii) Available-for-sale financial assets

In addition to the objective evidence of impairment described in Note 2.10(e)(i), a significant or prolonged decline in the fair value of an equity security below its cost is considered as an indicator that the available-for-sale financial asset is impaired.

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

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.11 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 in 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 balance sheet date are included in current borrowings in the balance sheet. Other borrowings with an unconditional right to defer settlement for at least twelve months after the balance sheet date are included in non–current borrowings in the balance sheet.

2.12 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.

2.13 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.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.13 Derivative financial instruments and hedging activities (continued)

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 designated as a hedge is presented as a non-current asset or liability if the remaining expected life of the hedged item is more than 12 months, and as a current asset or liability if the remaining expected life of the hedged item is less than 12 months.

Fair value hedge

The Group has entered into interest rate swaps that are fair value hedges for the fixed rate note and bonds. The fair value changes on the hedged item resulting from interest rate risk are recognised in profit or loss. The fair value changes on the effective portion of interest rate swaps designated as fair value hedges are recognised in profit or loss within the same line item as the fair value changes from the hedged item. The fair value changes on the ineffective portion of interest rate swaps are recognised separately in profit or loss.

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. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.14 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.

2.15 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. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.16 Income taxes

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 by the balance sheet date.

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 measured:

(i) 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 balance sheet date; and

(ii) based on the tax consequence that will follow from the manner in which the Group expects, at the balance sheet date, to recover or settle the carrying amounts of its assets and liabilities.

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

2.17 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)

2.18 Employee compensation

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

(a) Defined contribution plans

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

(b) Defined benefit plans

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

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.18 Employee compensation (continued)

(c) Share-based compensation

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

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

2.19 Currency translation

(a) Functional and presentation currency

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

(b) Transactions and balances

Transactions in a currency other than the functional currency (“foreign currency”) are translated into the functional currency using the exchange rates at the dates of the transactions. Currency exchange differences from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the balance sheet date are recognised in profit or loss. However, in the consolidated financial statements, currency translation differences arising from net investment in foreign operations are recognised in other comprehensive income and accumulated in the currency translation reserve.

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

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.19 Currency translation (continued)

(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 date of the balance sheet;

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

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

Goodwill and fair value adjustments arising on acquisition of foreign operations from January 2005 are treated as assets and liabilities of the foreign operations and translated at the closing rates at the date of the balance sheet.

2.20 Segment reporting

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

2.21 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. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.22 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.

2.23 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.

2.24 Dividends to Company's shareholders

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

2.25 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.

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.

(a) Estimated impairment of non-financial assets

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

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

The recoverable amounts of these non-financial assets and where applicable, the cash-generating units to which they belong, have been determined based on higher of its value-in-use calculations or fair value less cost to sell. Value-in-use calculations require the use of estimates [Note 22(a)].

(b) 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 each balance sheet date 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 2016 was S$517.4 million (2015: S$330.0 million). There were no significant revision to the estimated residual values and useful lives as at 31 March 2016 (2015: S$5.1 million).

(c) Use of indefinite useful assumption for trademarked brands

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 concludes 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.

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

	Group	
	2016	2015
	S$'000	S$'000
Revenue from services rendered	**1,130,414**	904,805
Sale of products	**21,128**	14,777
Revenue	**1,151,542**	919,582
Other income and gains (net):		
– Rental and property-related income	**39,373**	43,890
Miscellaneous:		
– Interest income		
– Bank deposits	**3,051**	3,134
– Financial assets, held-to-maturity	**1,138**	599
– Others	**79**	131
	4,268	3,864
– Currency exchange gains/(losses) (net)	**4,493**	(718)
– Net (loss)/gain on disposal of property, plant and equipment	**(2,242)**	819
– Net gain on disposal of investments		
– Subsidiaries (Note 11)	**33,344**	–
– Associated company	**64,749**	–
– Financial assets	**14,005**	–
– Others	**2,576**	2,628
	116,925	2,729
Other income and other gains (net)	**160,566**	50,483
	1,312,108	970,065

5. LABOUR AND RELATED EXPENSES

	Group	
	2016	2015
	S$'000	S$'000
Wages and salaries	**206,385**	175,792
Employer's contribution to defined contribution plans including Central Provident Fund	**29,044**	23,771
Share options expense (Note 29(b)(i))	**4,053**	2,582
Other benefits	**9,897**	8,917
Temporary and contract staff cost	**58,961**	59,508
Government grant	**(7,896)**	(7,432)
	300,444	263,138

6. VOLUME-RELATED EXPENSES

	Group	
	2016	2015
	S$'000	S$'000
Traffic expenses	**340,360**	255,151
Outsourcing services and delivery expenses	**195,065**	111,323
	535,425	366,474

7. ADMINISTRATIVE AND OTHER EXPENSES

	Group	
	2016	2015
	S$'000	S$'000
Included in administrative and other expenses are the following:		
Professional services	**30,663**	17,842
Repair and maintenance expenses	**18,466**	15,269
Rental on operating leases	**34,605**	24,937

8. FINANCE EXPENSES

	Group	
	2016	2015
	S$'000	S$'000
Interest expense:		
– Fixed rate notes	**6,314**	6,729
– Bank borrowings	**1,452**	565
Effect of hedging using interest rate swaps	**–**	(1,011)
	7,766	6,283
Currency exchange losses/(gains) – net	**2,599**	(1,913)
	10,365	4,370

9. INCOME TAXES

(a) Income tax expense

	Group	
	2016	2015
	S$'000	S$'000
Tax expense attributable to profit is made up of:		
– Current income tax	**33,244**	32,858
– Deferred income tax (Note 26)	**1,900**	550
	35,144	33,408
Under/(over) provision in preceding financial years:		
– Current income tax	**(1,151)**	(716)
– Deferred income tax (Note 26)	**196**	271
	34,189	32,963

9. INCOME TAXES (continued)

(a) Income tax expense (continued)

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	
	2016	2015
	S$'000	S$'000
Profit before tax	**287,228**	192,519
Less: Share of profit of associated companies and joint ventures	**(9,066)**	(6,660)
Profit before tax and share of profit of associated companies and joint ventures	**278,162**	185,859
Tax calculated at a tax rate of 17% (2015: 17%)	**47,288**	31,596
Effects of:		
– Different tax rates in other countries	**1,069**	825
– Withholding tax deducted at source	**16**	59
– Singapore statutory stepped income exemption	**(222)**	(233)
– Tax incentive	**(1,016)**	(878)
– Income not subject to tax	**(20,696)**	(4,297)
– Expenses not deductible for tax purposes	**7,305**	5,571
– Utilisation of tax losses and capital allowances	**–**	(203)
– Deferred income tax assets not recognised	**1,400**	968
– Over provision in preceding financial years	**(955)**	(445)
Tax charge	**34,189**	32,963

9. INCOME TAXES (continued)

(b) Movement in current income tax liabilities

	Group		Company	
	2016	2015	**2016**	2015
	S$'000	S$'000	**S$'000**	S$'000
Beginning of financial year	**35,318**	37,372	**29,704**	32,162
Acquisition of subsidiaries (Note 36)	**(235)**	271	**–**	–
Disposal of subsidiaries	**(491)**	–	**–**	–
Currency translation difference	**(185)**	986	**–**	–
Income tax paid	**(30,582)**	(35,453)	**(24,417)**	(30,086)
Tax expense	**33,244**	32,858	**24,663**	27,628
Over provision in preceding financial Years	**(1,151)**	(716)	**–**	–
End of financial year	**35,918**	35,318	**29,950**	29,704

10. 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	
	2016	2015
Net profit attributable to equity holders of the Company (S$'000)	**248,910**	157,611
Less: Net profit attributable to perpetual securities holders of the Company (S$'000)	**(14,915)**	(14,874)
Net profit attributable to ordinary shareholders of the Company	**233,995**	142,737
Weighted average number of ordinary shares outstanding for basic earnings per share ('000)	**2,154,955**	2,083,954
Basic earnings per share (cents per share)	**10.86**	6.85

(b) Diluted earnings per share

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

10. EARNINGS PER SHARE (continued)

(b) Diluted earnings per share (continued)

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	
	2016	2015
Net profit attributable to equity holders of the Company (S$'000)	**248,910**	157,611
Less: Net profit attributable to perpetual securities holders of the Company (S$'000)	**(14,915)**	(14,874)
Net profit attributable to ordinary shareholders of the Company	**233,995**	142,737
Weighted average number of ordinary shares outstanding for basic earnings per share ('000)	**2,154,955**	2,083,954
Adjustment for share options ('000)	**6,241**	11,424
Weighted average number of ordinary shares for diluted earnings per share ('000)	**2,161,196**	2,095,378
Diluted earnings per share (cents per share)	**10.83**	6.81

11. CASH AND CASH EQUIVALENTS

	Group		Company	
	2016	2015	**2016**	2015
	S$'000	S$'000	**S$'000**	S$'000
Cash at bank and on hand	**123,184**	227,986	**46,717**	139,803
Deposits with financial institutions	**3,456**	356,154	**2,909**	337,242
	126,640	584,140	**49,626**	477,045

Acquisition and disposal of subsidiaries

Please refer to Note 36 for the effects of acquisitions of subsidiaries on the cash flows of the Group.

11. CASH AND CASH EQUIVALENTS (continued)

Acquisition and disposal of subsidiaries (continued)

On 20 May 2015, the Group disposed of its entire interest in Novation Solutions Limited for a cash consideration of S$25,459,000. The effects of the disposal on the cash flows of the Group were:

	Group 2016 $'000
Carrying amounts of assets and liabilities disposed of	
Cash and cash equivalents	9,953
Trade and other receivables	7,920
Property, plant and equipment	2,250
Investment in associated companies	6
Deferred tax assets	188
Inventory	1,862
Total assets	**22,179**
Trade and other payables	(1,927)
Current income liabilities	(20)
Deferred income tax liabilities	(69)
Total liabilities	**(2,016)**
Net assets derecognised	20,163
Less: Non-controlling interest	(736)
Net assets disposed of	**19,427**

The aggregate cash inflows arising from the disposal of Novation Solutions Limited were:

	Group 2016 $'000
Net assets disposed of (as above)	19,427
– Reclassification of currency translation reserve	(1,961)
	17,466
Gain on disposal	7,993
Cash proceeds from disposal	25,459
Less: Cash and cash equivalents in subsidiaries disposed of	(9,953)
Net cash inflow on disposal	**15,506**

11. CASH AND CASH EQUIVALENTS (continued)

Acquisition and disposal of subsidiaries (continued)

On 20 May 2015, the Group disposed of its entire interest in DataPost (HK) Pte Limited for a cash consideration of S$977,000. The effects of the disposal on the cash flows of the Group were:

	Group 2016 $'000
Carrying amounts of assets and liabilities disposed of	
Cash and cash equivalents	388
Trade and other receivables	335
Property, plant and equipment	6
Total assets	729
Trade and other payables	(253)
Total liabilities	(253)
Net assets derecognised	476
Net assets disposed of	476

The aggregate cash inflows arising from the disposal of DataPost (HK) Pte Limited were:

	Group 2016 $'000
Net assets disposed of (as above)	476
– Reclassification of currency translation reserve	66
	542
Gain on disposal	435
Cash proceeds from disposal	977
Less: Cash and cash equivalents in subsidiaries disposed of	(388)
Net cash inflow on disposal	589

11. CASH AND CASH EQUIVALENTS (continued)

Acquisition and disposal of subsidiaries (continued)

On 1 September 2015, the Group partially disposed 90% of its interest in its wholly-owned subsidiary, DataPost Pte Ltd for a cash consideration of S$44,516,000. The effects of the disposal on the cash flows of the Group were:

	Group 2016 $'000
Carrying amounts of assets and liabilities disposed of	
Cash and cash equivalents	9,649
Trade and other receivables	20,800
Property, plant and equipment	4,012
Investment in associated companies and joint venture	2,975
Total assets	37,436
Trade and other payables	(12,458)
Current income liabilities	(471)
Deferred income tax liabilities	(462)
Total liabilities	(13,391)
Net assets derecognised	24,045
Net assets disposed of	24,045

The aggregate cash inflows arising from the disposal of DataPost Pte Ltd were:

	Group 2016 $'000
Net assets disposed of (as above)	24,045
– Reclassification of currency translation reserve	(83)
– Professional fees incurred for sale	199
	24,161
Gain on disposal	24,916
	49,077
Less: Fair value of retained interest	(4,561)
Cash proceeds from disposal	44,516
Less: Cash and cash equivalents in subsidiaries disposed of	(9,649)
Net cash inflow on disposal	34,867

11. CASH AND CASH EQUIVALENTS (continued)

Acquisition and disposal of subsidiaries (continued)

The Group recognised a gain of S$2,511,000 as a result of measuring at fair value its equity interest of 10% in DataPost Pte Ltd retained after the disposal. The gain is included within “Other income and gains (net)” in the Group’s consolidated income statement for the financial year ended 31 March 2016. Gains on disposal of DataPost Pte Ltd, Novation Solutions Limited and DataPost (HK) Pte Limited are allocated under the mail segment.

12. FINANCIAL ASSETS

	Group		Company	
	2016	2015	**2016**	2015
	S$’000	S$’000	**S$’000**	S$’000
Current				
Financial assets, held-to-maturity				
– Bonds – quoted in Singapore	**4,272**	17,386	**4,272**	17,386
Financial assets, available- for-sale				
– Equity securities – quoted	**3,508**	4,145	**3,508**	4,145
– Equity instrument – unquoted	**347**	347	**–**	–
	8,127	21,878	**7,780**	21,531
Non-current				
Financial assets, held-to-maturity				
– Bonds – quoted in Singapore	**33,271**	11,362	**33,271**	11,362
– Equity instrument – unquoted	**–**	1,289	**–**	1,289
Financial assets, available-for-sale				
– Equity instrument – unquoted	**4,812**	67	**4,561**	–
	38,083	12,718	**37,832**	12,651

The bonds are corporate bonds at fixed rates between 2.7% to 4.8% per annum and due between 29 June 2016 and 29 August 2022.

12. FINANCIAL ASSETS (continued)

The fair values of the financial assets at the balance sheet date are as follows:

	Group		Company	
	2016	2015	**2016**	2015
	S$'000	S$'000	**S$'000**	S$'000
Current				
Financial assets, held-to-maturity				
– Bonds – quoted in Singapore	**4,258**	17,353	**4,258**	17,353
Financial assets, available-for-sale				
– Equity security – quoted	**3,508**	4,145	**3,508**	4,145
– Equity instrument – unquoted	**347**	347	**–**	–
	8,113	21,845	**7,766**	21,498
Non-current				
Financial assets, held- to-maturity				
– Bonds – quoted in Singapore	**32,925**	11,398	**32,925**	11,398
– Equity instrument – unquoted	**–**	1,289	**–**	1,289
Financial assets, available-for-sale				
– Equity instrument – unquoted	**4,812**	67	**4,561**	–
	37,737	12,754	**37,486**	12,687

The fair values of quoted securities are based on published price quotations at the balance sheet date.

13. TRADE AND OTHER RECEIVABLES – CURRENT

	Group		Company	
	2016 **S$'000**	2015 S$'000	**2016** **S$'000**	2015 S$'000
Trade receivables				
– Subsidiaries	**–**	–	**85,595**	88,128
– Joint ventures	**–**	208	**–**	–
– Associated company	**31,397**	9,398	**31,397**	9,398
– Companies related by a substantial shareholder	**3,248**	5,041	**3,248**	4,990
– Non-related parties	**148,784**	130,753	**55,907**	51,190
	183,429	145,400	**176,147**	153,706
Less: Allowance for impairment of receivables – non-related parties	**(5,390)**	(5,270)	**(1,741)**	(1,566)
Trade receivables – net	**178,039**	140,130	**174,406**	152,140
Loan to subsidiaries	**–**	–	**–**	23,377
Loan to associated companies	**19,509**	19,717	**17,600**	–
Less: Non-current portion (Note 16)	**(743)**	(543)	**–**	–
	18,766	19,174	**17,600**	23,377
Staff loans (Note 17)	**38**	39	**38**	39
Interest receivable	**276**	808	**272**	791
Other receivables	**13,168**	3,903	**2,403**	2,297
	210,287	164,054	**194,719**	178,644

The loan of S$1,275,000 (2015: S$2,117,000) to an associated company is unsecured and repayable in full by 30 November 2016. Interest is fixed at 1.5% (2015: 1.5%) per annum for the first three years and at 8.5% (2015: 8.5%) per annum thereafter.

The loan of S$634,000 (2015: NIL) to an associated company is unsecured and repayable on demand. Interest is fixed at 2.15% per annum.

Remaining loan of S$17,600,000 (2015: S$17,600,000) to an associated company is unsecured and is payable in full on demand. Interest is fixed at 1.5% (2015: 1.5%) per annum.

14. DERIVATIVE FINANCIAL INSTRUMENTS

	Contract Notional amount 2016 S$'000	Fair value Assets/ (liabilities) 2016 S$'000	Contract Notional Amount 2015 S$'000	Fair value Assets/ (liabilities) 2015 S$'000
Group				
Net investment hedges				
Currency forwards	**30,303**	**784**	–	–
Other non-hedging derivatives				
Currency forwards	**81,767**	**(739)**	35,206	(3,718)
Total derivative financial instruments	**112,070**	**45**	35,206	(3,718)

	Contract Notional Amount 2016 S$'000	Fair value Assets/ (liabilities) 2016 S$'000	Contract Notional Amount 2015 S$'000	Fair value Assets/ (liabilities) 2015 S$'000
Company				
Net investment hedges				
Currency forwards	**30,303**	**826**	–	–
Other non-hedging derivatives				
Currency forwards	**76,908**	**(739)**	35,206	(3,718)
Total derivative financial instruments	**107,211**	**87**	35,206	(3,718)

14. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

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 balance sheet date. 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 2.13.

The fair value of derivative financial instruments are shown on the balance sheet as follows:

	Group		**Company**	
	2016 S$'000	2015 S$'000	**2016 S$'000**	2015 S$'000
Assets:				
– Current	**846**	–	846	–
Liabilities				
– Current	**(801)**	(3,718)	(759)	(3,718)

15. OTHER CURRENT ASSETS

	Group		**Company**	
	2016 S$'000	2015 S$'000	**2016 S$'000**	2015 S$'000
Current				
Deposits	**6,531**	12,123	**2,362**	2,988
Prepayments	**10,675**	9,097	**2,553**	2,585
	17,206	21,220	**4,915**	5,573
Non-current				
Deposits	**6,408**	551	**–**	–

Included within non-current deposits is an escrow deposit of S$5,519,000 (2015: Nil) for the acquisition of a subsidiary.

16. TRADE AND OTHER RECEIVABLES – NON-CURRENT

	Group		Company	
	2016 **S$'000**	2015 S$'000	**2016** **S$'000**	2015 S$'000
Loans to subsidiaries	**–**	–	**562,956**	151,772
Loan to an indirect associated company (Note 13)	**743**	543	**–**	–
Loan to a shareholder of a subsidiary	**4,371**	3,989	**–**	–
Staff loans (Note 17)	**237**	244	**237**	244
	5,351	4,776	**563,193**	152,016

Loan to a subsidiary of S$260,080,000 (2015: Nil) is non-trade related, unsecured and interest-free. Although there are no fixed terms of repayment, the loans are 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$48,229,000 (2015: S$17,372,000) are non-trade related, unsecured, interest bearing at SIBOR plus 1.2% per annum and will be repaid in full on 7 July 2017. The carrying amount of these loans approximate their fair value.

Loans to subsidiaries of S$254,647,000 (2015: S$134,400,000) are non-trade related, unsecured, interest bearing at 1.9% to 4.1% per annum and repayable in full on 14 July 2020. The fair value of the loans is S$248,494,000 (2015: S$134,400,000).

The loan to a shareholder of a subsidiary is unsecured, interest bearing at 1.3% to 1.7% per annum and repayable in full by 19 May 2019. The carrying amount of the loans approximate its fair value.

17. STAFF LOANS

	Group and Company	
	2016 **S$'000**	2015 S$'000
Not later than one year (Note 13)	**38**	39
Later than one year (Note 16)	**237**	244
– Between one and five years	**37**	93
– Later than five years	**200**	151
	275	283

As at balance sheet date, no loan was made to the key management personnel of the Group.

18. INVESTMENTS IN ASSOCIATED COMPANIES AND JOINT VENTURES

	Group		Company	
	2016	2015	**2016**	2015
	S$'000	S$'000	**S$'000**	S$'000
Investments in associated companies (Note (a))	**146,401**	104,413	**14,348**	26,080
Investments in joint ventures (Note (b))	**–**	693	**–**	–
	146,401	105,106	**14,348**	26,080

(a) Associated companies

	Group		Company	
	2016	2015	**2016**	2015
	S$'000	S$'000	**S$'000**	S$'000
Equity investment at cost			**14,348**	26,080
Beginning of financial year	**104,413**	97,168		
Acquisition of an associated company	**20,222**	–		
Additional investment in an associated company	**36,181**	911		
Partial disposal of an associated company	**(12,262)**	–		
Disposal of an associated company	**(2,142)**	–		
Share of profit	**9,031**	6,651		
Dividends received	**(2,167)**	(911)		
Currency translation differences	**(6,875)**	594		
End of financial year	**146,401**	104,413		

The Group's investments in associated companies include investments in listed associated companies with a carrying value of S$30,500,000 (2015: S$40,067,000), for which the published price quotations are S$100,683,000 (2015: S$194,615,000) at the balance sheet date, 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 39. In the opinion of the directors, these associated companies listed are individually immaterial to the Group.

18. INVESTMENTS IN ASSOCIATED COMPANIES AND JOINT VENTURES (continued)

(b) Joint ventures

	Group		Company	
	2016	2015	**2016**	2015
	S$'000	S$'000	**S$'000**	S$'000
Equity investments at cost			**–**	–
Beginning of financial year	**693**	739		
Disposal of joint venture	**(839)**	–		
Incorporation of joint venture	**255**	–		
Share of profit	**35**	9		
Write-off	**(255)**	(111)		
Currency translation difference	**111**	56		
End of financial year	**–**	693		

Details of the joint ventures are included in Note 39.

19. INVESTMENTS IN SUBSIDIARIES

	Company	
	2016	2015
	S$'000	S$'000
Equity investments at cost		
Beginning of financial year	**299,315**	190,932
Additional capital injection to an existing subsidiary	**71,439**	108,883
Disposal of subsidiaries	**(8,100)**	–
Merger of a subsidiary (Note 22(a))	**–**	(500)
	362,654	299,315
Less: Allowance for impairment	**(6,425)**	(6,425)
	356,229	292,890

Details of the subsidiaries are included in Note 39. The proportion of ownership interest held by the Group does not differ from the proportion of voting rights held by the Group. As at 31 March 2016 and 2015, there are no subsidiaries with material non-controlling interests.

20. INVESTMENT PROPERTIES

	Group		Company	
	2016	2015	**2016**	2015
	S$'000	S$'000	**S$'000**	S$'000
Beginning of financial year	**638,818**	629,086	**633,826**	628,896
Additions	**88,983**	85	**88,980**	–
Reclassification from/(to) property plant and equipment (Note 21)	**18,952**	5,060	**34,934**	(1,017)
Fair value gain recognised in income statement	**–**	5,163	**3,102**	5,947
Currency translation differences	**(909)**	(576)	**–**	–
End of financial year	**745,844**	638,818	**760,842**	633,826

Certain investment properties of the Group with carrying amounts of S$51.0 million (2015: S$56.1 million) are mortgaged to secure bank borrowings (Note 24).

The following amounts are recognised in profit or loss:

	Group		Company	
	2016	2015	**2016**	2015
	S$'000	S$'000	**S$'000**	S$'000
Rental and property-related income (Note 4)	**39,373**	43,890	**41,723**	39,424
Direct operating expenses arising from:				
– Investment property that generated income	**(11,799)**	(10,683)	**(9,801)**	(11,324)

Investment properties are leased to non-related parties under operating leases (Note 32(c)).

20. INVESTMENT PROPERTIES (continued)

At the balance sheet date, 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

20. INVESTMENT PROPERTIES (continued)

Location	Description/existing use	Tenure
6 Ayer Rajah Crescent	Building for warehousing and self-storage	Leasehold of 30 years expiring on 1 February 2026
755 Upper Serangoon Road	Building for commercial and retail	Leasehold of 99 years expiring on 31 March 2091
5 Mandai Road	Building for commercial and retail	Leasehold of 99 years expiring on 31 March 2091
21 Ghim Moh Road	Building for commercial and retail	Leasehold of 82 years expiring on 01 April 2076

	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 2016			
– Commercial and retail – Singapore	–	2,863	731,312
– Commercial and retail – Malaysia	–	–	11,669
31 March 2015			
– Commercial and retail – Singapore	–	–	624,755
– Commercial and retail – Malaysia	–	–	14,063

Valuation techniques used to derive Level 2 fair values

Level 2 fair values of the Group 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.

20. INVESTMENT PROPERTIES (continued)

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 residual land approach involves deducting current estimated construction costs and other relevant costs from the estimated gross development value of the proposed development assuming satisfactory completion. The gross development value is arrived at by the income or capitalisation method. The comparable sales method is used as reference.

There were no changes in valuation techniques during the year and no transfers into or out of fair value hierarchy levels for the financial years ended 31 March 2016 and 2015.

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
	2016				
Group					
Building for commercial and retail (Singapore Post Centre)	**588,964** (2015: 490,892)	Discounted cash flow approach	Discount rate	7.5% (2015: 7.5-8%)	The higher the discount rate, the lower the valuation
		Capitalisation/ income approach	Capitalisation rate	5-6.75% (2015: Nil)	The higher the capitalisation rate, the lower the valuation
		Residual land approach	Cost of construction	$415/psf (2015: Nil)	The higher the cost, the lower the valuation
Building for commercial and retail (10 SLA Properties)	**98,642** (2015: 85,786)	Capitalisation/ income approach	Capitalisation rate	4.75-5% (2015: 4.75%-5%)	The higher the capitalisation rate, the lower the valuation

20. INVESTMENT PROPERTIES (continued)

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

Description	Fair value (S$'000) 2016	Valuation techniques	Unobservable inputs	Range of unobservable inputs	Relationship of unobservable inputs to fair value
Group					
Building for warehousing and self-storage – Singapore	**43,706** (2015: 48,077)	Capitalisation/ income approach	Capitalisation rate	7-7.5% (2015: 7%-7.25%)	The higher the capitalisation rate, the lower the valuation
Warehousing – Malaysia	**11,669** (2015: 14,063)	Capitalisation/ income approach	Capitalisation rate	7.5-9% (2015: 8%)	The higher the capitalisation rate, the lower the valuation
Company					
Building for commercial and retail (Singapore Post Centre)	**659,337** (2015: 548,040)	Discounted cash flow approach	Discount rate	7.5% (2015: 7.5-8%)	The higher the discount rate, the lower the valuation
		Capitalisation/ income approach	Capitalisation rate	5-6.75% (2015: Nil)	The higher the capitalisation rate, the lower the valuation
		Residual land approach	Cost of construction	$415/psf (2015: Nil)	The higher the cost, the lower the valuation
Building for commercial and retail (10 SLA Properties)	**98,642** (2015: 85,786)	Capitalisation/ income approach	Capitalisation rate	4.75-5% (2015: 4.75%-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 2016 and 2015, the fair values of the Group's investment properties have been determined by Knight Frank Pte Ltd.

21. 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						
2016						
Cost						
Beginning of financial year	60,038	217,749	133,231	198,666	55,415	665,099
Acquisition of subsidiaries (Note 36(i)(c), (ii)(c), (iii)(c), (iv)(c))	–	4,478	–	33,112	–	37,590
Additions	–	66,708	–	13,656	109,767	190,131
Reclassifications from/(to) investment properties						
– At fair value (Note 20)	(10,048)	(8,904)	–	–	–	(18,952)
– Transfer to assets valuation (Note 29(b)(v))	7,726	12,303	–	–	–	20,029
	(2,322)	3,399	–	–	–	1,077
Disposals	–	(3,505)	(88,103)	(23,196)	–	(114,804)
Transfers	–	17,920	184	15,395	(33,499)	–
Currency translation differences	–	(191)	–	(1,801)	–	(1,992)
Disposal of subsidiaries (Note 11)	(63)	–	–	(20,475)	(257)	(20,795)
End of financial year	**57,653**	**306,558**	**45,312**	**215,357**	**131,426**	**756,306**
Accumulated depreciation and accumulated impairment losses						
Beginning of financial year	17,187	86,574	89,602	141,752	–	335,115
Depreciation charge	873	5,766	3,032	20,211	–	29,882
Disposals	–	(867)	(88,014)	(22,128)	–	(111,009)
Disposal of subsidiaries (Note 11)	(51)	–	–	(14,476)	–	(14,527)
Currency translation differences	–	(3)	–	(528)	–	(531)
End of financial year	**18,009**	**91,470**	**4,620**	**124,831**	**–**	**238,930**
Net book value						
End of financial year	**39,644**	**215,088**	**40,692**	**90,526**	**131,426**	**517,376**

21. 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						
2015						
Cost						
Beginning of financial year	65,332	227,091	94,468	186,454	13,030	586,375
Acquisition of subsidiaries (Note 36)	–	–	–	2,485	–	2,485
Additions	–	–	35,693	24,829	46,955	107,477
Reclassification to investment properties						
– At fair value (Note 20)	1,017	(2,156)	–	–	–	(1,139)
– Transfer to asset valuation reserve (Notes 26,29)	–	6,199	–	–	–	6,199
	1,017	4,043	–	–	–	5,060
Disposals	(6,311)	(13,385)	–	(16,369)	–	(36,065)
Transfers	–	–	3,070	1,500	(4,570)	–
Currency translation differences	–	–	–	(233)	–	(233)
End of financial year	60,038	217,749	133,231	198,666	55,415	665,099
Accumulated depreciation and accumulated impairment losses						
Beginning of financial year	17,622	90,181	87,096	136,550	–	331,449
Depreciation charge	931	4,440	2,506	18,069	–	25,946
Disposals	(1,366)	(8,047)	–	(12,347)	–	(21,760)
Currency translation differences	–	–	–	(520)	–	(520)
End of financial year	17,187	86,574	89,602	141,752	–	335,115
Net book value						
End of financial year	42,851	131,175	43,629	56,914	55,415	329,984

21. 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						
2016						
Cost						
Beginning of financial year	**61,675**	**187,958**	**133,231**	**154,604**	**15,026**	**552,494**
Additions	**–**	**–**	**–**	**3,368**	**28,048**	**31,416**
Reclassifications	**–**	**–**	**–**	**–**	**–**	**–**
– At fair value (Note 20)	**(13,034)**	**(21,900)**	**–**	**–**	**–**	**(34,934)**
– Transfer to asset valuation reserve (Note 29(b)(v))	**9,362**	**18,262**	**–**	**–**	**–**	**27,624**
	(3,672)	**(3,638)**	**–**	**–**	**–**	**(7,310)**
Disposals	**–**	**(3,506)**	**(88,103)**	**(32,526)**	**–**	**(124,135)**
Transfers	**–**	**–**	**184**	**12,892**	**(13,076)**	**–**
End of financial year	**58,003**	**180,814**	**45,312**	**138,338**	**29,998**	**452,465**
Accumulated depreciation and accumulated impairment losses						
Beginning of financial year	**15,997**	**76,923**	**89,602**	**119,686**	**–**	**302,208**
Depreciation charge	**853**	**3,942**	**3,032**	**9,770**	**–**	**17,597**
Disposals	**–**	**(867)**	**(88,014)**	**(20,402)**	**–**	**(109,283)**
End of financial year	**16,850**	**79,998**	**4,620**	**109,054**	**–**	**210,522**
Net book value						
End of financial year	**41,153**	**100,816**	**40,692**	**29,284**	**29,998**	**241,943**

21. 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
2015						
Cost						
Beginning of financial year	66,969	202,323	94,468	148,734	12,691	525,185
Additions	–	–	35,693	15,929	6,788	58,410
Reclassifications (Note 20)	1,017	–	–	–	–	1,017
Disposals	(6,311)	(14,365)	–	(11,442)	–	(32,118)
Transfers	–	–	3,070	1,383	(4,453)	–
End of financial year	61,675	187,958	133,231	154,604	15,026	552,494
Accumulated depreciation and accumulated impairment losses						
Beginning of financial year	16,486	80,832	87,096	116,586	–	301,000
Depreciation charge	877	4,138	2,506	11,057	–	18,578
Disposals	(1,366)	(8,047)	–	(7,957)	–	(17,370)
End of financial year	15,997	76,923	89,602	119,686	–	302,208
Net book value						
End of financial year	**45,678**	**111,035**	**43,629**	**34,918**	**15,026**	**250,286**

22. INTANGIBLE ASSETS

	Group		Company	
	2016	2015	**2016**	2015
	S$'000	S$'000	**S$'000**	S$'000
		(Restated)		
Composition:				
Goodwill on acquisitions (Note (a))	**493,504**	267,278	**227**	227
Customer relationships (Note (b))	**40,520**	964	**–**	–
Preferential rent (Note (c))	**5,393**	6,508	**–**	–
Acquired licence (Note (d))	**–**	36	**–**	36
Acquired software licence (Note (e))	**1,892**	–	**–**	–
Trademarked brands (Note (f))	**41,884**	41,856	**–**	–
	583,193	316,642	**227**	263

(a) Goodwill on acquisitions

	Group		Company	
	2016	2015	**2016**	2015
	S$'000	S$'000	**S$'000**	S$'000
		(Restated)		
Cost				
Beginning of financial year	**267,278**	167,202	**227**	–
Acquisition of subsidiaries (Note 36)	**235,998**	103,278	**–**	–
Merger of a subsidiary	**–**	–	**–**	227
Currency translation differences	**(9,772)**	(3,202)	**–**	–
End of financial year	**493,504**	267,278	**227**	227
Net book value	**493,504**	267,278	**227**	227

The business of EK Media, acquired in the financial year ended 31 March 2014 has been merged with the operations of the Company. Accordingly, the goodwill on the acquisition of EK Media is reflected directly in the balance sheet of the Company.

Impairment test 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:

22. INTANGIBLE ASSETS (continued)

(a) Goodwill on acquisitions (continued)

	Group	
	2016	2015
	S$'000	S$'000
		(Restated)
Quantium Solutions International Pte. Ltd.	**77,858**	77,858
General Storage Company Pte. Ltd.	**6,857**	6,857
Famous Holdings Pte. Ltd.	**80,508**	80,508
Couriers Please Holdings Pty Limited	**76,066**	76,962
Tras – Inter Co. Ltd	**2,272**	2,132
F.S. Mackenzie Limited	**5,520**	5,760
Famous Pacific Shipping (NZ) Limited	**5,271**	5,827
The Store House Limited	**10,875**	11,147
EK Media	**227**	227
Rotterdam Harbour Holding B.V.	**16,280**	–
Store Friendly Self Storage Group Private Limited	**10,679**	–
Jagged Peak, Inc	**31,969**	–
TG Acquisition Corporation	**169,122**	–
	493,504	267,278

The recoverable amount of Quantium Solutions International Pte Ltd ("QSI") CGU was determined based on fair value less costs to sell. The fair value of QSI CGU was derived using implied valuation based on the price offered by a potential investor under a conditional joint venture agreement entered into by the Group on 8 July 2015, and classified within Level 3 of the fair value measurement hierarchy.

The recoverable amounts of the other CGUs were determined based on value-in-use calculations. Cash flow projections used in the value-in-use calculations were based on financial budgets covering a minimally three-year period.

22. 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.	Store Friendly Self Storage Group Private Limited	TG Acquisition Corporation	Jagged Peak, Inc
2016											
Average cash flow growth rate	-	3.0%	1.9%	8.6%	2.2%	2.1%	1.0%	1.7%	8.6%	23.0%	18.0%
Terminal growth rate	-	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	3.0%	0.0%
Discount rate	-	5.7%	10.0%	8.7%	10.0%	9.7%	5.7%	11.4%	5.7%	10.5%	10.5%
2015											
Average cash flow growth rate	9.0%	13.0%	6.6%	10.0%	8.5%	11.0%	10.0%	-	-	-	-
Terminal growth rate	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	-	-	-	-
Discount rate	10.0%	6.2%	10.0%	8.7%	10.0%	10.0%	6.2%	-	-	-	-

The above assumptions were used for the analysis of each material CGU. Management determined cash flow growth based on past performance and its expectations of the market development.

There are no CGUs where a reasonably possible change in a key assumption on which management has based its determination of the CGUs recoverable amounts would cause the CGUs' carrying amount to exceed their recoverable amounts.

(b) Customer relationships

	Group	
	2016	2015
	S$'000	S$'000
Cost		
Beginning of financial year	**6,360**	6,360
Acquisition of subsidiary (Note 36 (iii)(c))	**42,992**	–
Additions	**250**	–
Currency translation differences	**(1,631)**	–
End of financial year	**47,971**	6,360
Accumulated amortisation		
Beginning of financial year	**(5,396)**	(4,484)
Amortisation charge	**(1,799)**	(912)
Write-off	**(256)**	–
End of financial year	**(7,451)**	(5,396)
Net book value	**40,520**	964

22. INTANGIBLE ASSETS (continued)

(c) Preferential rent

	Group	
	2016	2015
	S$'000	S$'000
		(Restated)
Cost		
Beginning of financial year	**7,497**	6,390
Acquisition of subsidiary	**–**	1,030
Currency translation differences	**(23)**	77
End of financial year	**7,474**	7,497
Accumulated amortisation		
Beginning of financial year	**(989)**	(533)
Amortisation charge	**(1,092)**	(456)
End of financial year	**(2,081)**	(989)
Net book value	**5,393**	6,508

(d) Acquired licence

	Group and Company	
	2016	2015
	S$'000	S$'000
Cost		
Beginning and end of financial year	**900**	900
Accumulated amortisation		
Beginning of financial year	**(864)**	(828)
Amortisation charge	**(36)**	(36)
End of financial year	**(900)**	(864)
Net book value	**–**	36

22. **INTANGIBLE ASSETS** (continued)

(e) Acquired software licence

	Group		Company	
	2016	2015	**2016**	2015
	S$'000	S$'000	**S$'000**	S$'000
Cost				
Beginning of financial year	**11,752**	11,752	**11,752**	11,752
Acquisition of subsidiary (Note 36 (iii)(c))	**1,876**	–	**–**	–
Additions	**342**	–	**–**	–
Currency translation differences	**(64)**	–	**–**	–
End of financial year	**13,906**	11,752	**11,752**	11,752
Accumulated amortisation				
Beginning of financial year	**(11,752)**	(3,134)	**(11,752)**	(3,134)
Amortisation charge	**(262)**	(8,618)	**–**	(8,618)
End of financial year	**(12,014)**	(11,752)	**(11,752)**	(11,752)
Net book value	**1,892**	–	**–**	–

(f) Trademarked Brands

	Group	
	2016	2015
	S$'000	S$'000
		(Restated)
Cost		
Beginning of financial year	**41,856**	–
Acquisition of subsidiary (Note 36 (iii)(c))	**560**	43,680
Currency translation differences	**(509)**	(1,824)
End of financial year	**41,907**	41,856
Accumulated amortisation		
Amortisation charge	**(23)**	–
End of financial year	**(23)**	–
Net book value	**41,884**	41,856

Included in the carrying amount is a trademarked brand with indefinite useful life of S$41,368,000 (2015: S$41,856,000).

22. INTANGIBLE ASSETS (continued)

(f) Trademarked Brands (continued)

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

	Group	
	2016	**2015**
Royalty rate	1.8%	1.8%
Terminal growth rate	0.0%	0.0%
Discount rate	8.7%	8.7%

23. TRADE AND OTHER PAYABLES

	Group		Company	
	2016 S$'000	2015 S$'000 (Restated)	**2016 S$'000**	2015 S$'000
Current				
Trade payables				
– Subsidiaries	**–**	–	**21,102**	9,847
– Companies related by a substantial shareholder	**315**	450	**315**	450
– Non-related parties	**166,247**	153,067	**125,541**	119,429
	166,562	153,517	**146,958**	129,726
Advance billings	**29,892**	28,723	**16,785**	16,555
Accrual for other operating expenses	**95,962**	76,483	**64,445**	59,681
Interest payable	**65**	38	**65**	38
Customers' deposits	**4,723**	4,702	**4,723**	4,702
Collections on behalf of third parties	**22,071**	28,205	**22,071**	28,205
Contingent consideration payable	**27,815**	20,600	**–**	–
Tender deposits	**18,699**	11,702	**11,204**	11,678
Other creditors	**19,923**	28,098	**8,181**	11,351
	385,712	352,068	**274,432**	261,936
Non-current				
Contingent consideration payable	**23,366**	6,172	**–**	–
Deferred lease	**2,318**	1,979	**–**	–
Accrual for other operating expenses	**4,506**	2,537	**–**	–
	30,190	10,688	**–**	–
Total trade and other payables	**415,902**	362,756	**274,432**	261,936

24. BORROWINGS

	Group		Company	
	2016	2015	**2016**	2015
	S$'000	S$'000	**S$'000**	S$'000
Other borrowings	**280,272**	238,327	**236,044**	203,749

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

	Group		Company	
	2016	2015	**2016**	2015
	S$'000	S$'000	**S$'000**	S$'000
Current				
– Borrowings (secured)	**11,667**	2,647	**–**	–
– Borrowings (unsecured)	**59,423**	14,300	**33,000**	–
	71,090	16,947	**33,000**	–
Non-current				
– Borrowings (secured)	**6,138**	17,631	**–**	–
– Borrowings (unsecured)	**203,044**	203,749	**203,044**	203,749
	209,182	221,380	**203,044**	203,749
	280,272	238,327	**236,044**	203,749

Secured borrowings comprise external bank loans and are secured over investment properties with carrying amount of S$51.0 million (2015: S$56.1 million) (Note 20) at the balance sheet date, 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% (2015: 3.5%) per annum respectively.

24. BORROWINGS (continued)

Fair value of non-current borrowings

	Group		Company	
	2016	2015	**2016**	2015
	S$'000	S$'000	**S$'000**	S$'000
Non-current				
– Borrowings (secured)	**6,138**	17,631	**–**	–
– Borrowings (unsecured)	**208,946**	209,168	**208,946**	209,168
	215,084	226,799	**208,946**	209,168

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 within Level 2 of the fair value hierarchy.

The exposure of non-current borrowings to interest rate risks is disclosed in Note 33(a)(ii).

25. DEFERRED INCOME

Deferred income relates to:

(a) Definitive agreements with respect to the postassurance collaboration with AXA Life Insurance Singapore Private Limited ("AXA") commenced on 19 January 2016. Deferred income received from AXA is recognised in profit or loss over the period of 10 years till 19 January 2025; and

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

The current and non-current portion of the deferred income for the Group and the Company at the balance sheet date are S$7,268,000 (2015: S$6,961,000) and S$56,785,000 (2015: S$59,569,000).

26. 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 fiscal authority. The amounts, determined after appropriate offsetting, are shown on the balance sheets as follows:

	Group		**Company**	
	2016	2015	**2016**	2015
	S$'000	S$'000	**S$'000**	S$'000
		(Restated)		
Deferred income tax assets				
– To be recovered within one year	**1,351**	1,621	**–**	–
– To be recovered after one year	**4,193**	2,920	**–**	–
	5,544	4,541	**–**	–
Deferred income tax liabilities				
– To be settled within one year	**5,199**	3,347	**1,473**	2,172
– To be settled after one year	**52,157**	32,993	**17,726**	15,106
	57,356	36,340	**19,199**	17,278

Group

Movement in the deferred income tax account is as follows:

	Group		**Company**	
	2016	2015	**2016**	2015
	S$'000	S$'000	**S$'000**	S$'000
		(Restated)		
Beginning of financial year	**31,799**	20,212	**17,278**	16,374
Acquisition of subsidiaries (Note 36)	**18,354**	9,843	**–**	–
Disposal of subsidiaries	**(320)**	–	**–**	–
Currency translation differences	**(117)**	(131)	**–**	–
Tax charged to profit or loss (Note 9(a))	**2,096**	821	**1,921**	904
Revaluation of properties, plant and equipment transferred to investment properties	**–**	1,054	**–**	–
End of financial year	**51,812**	31,799	**19,199**	17,278

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 of S$56,468,000 (2015: S$53,313,000) and capital allowances of NIL (2015: S$493,000) at the balance sheet date 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.

26. DEFERRED INCOME TAXES (continued)

Group (continued)

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

Deferred income tax liabilities

	Accelerated tax depreciation S$'000	Others S$'000	Total S$'000
2016			
Beginning of financial year	**20,343**	**16,109**	**36,452**
Currency translation differences	**(524)**	**19**	**(505)**
Acquisition of subsidiaries	**4,510**	**15,446**	**19,956**
Disposal of subsidiaries	**(533)**	**(1)**	**(534)**
Charged to profit or loss	**3,332**	**(1,161)**	**2,171**
End of financial year	**27,128**	**30,412**	**57,540**
2015			
Beginning of financial year	18,790	2,101	20,891
Currency translation differences	(556)	–	(556)
Acquisition of subsidiaries	116	12,739	12,855
Charged to profit or loss	1,993	215	2,208
Revaluation of property, plant and equipment transferred to investment properties	–	1,054	1,054
End of financial year	20,343	16,109	36,452

26. DEFERRED INCOME TAXES (continued)

Group (continued)

Deferred income tax assets

	Provisions S$'000	Tax losses S$'000	Total S$'000
2016			
Beginning of financial year	**(1,806)**	**(2,847)**	**(4,653)**
Currency translation difference	**53**	**335**	**388**
Acquisition of subsidiaries	**(1,602)**	**–**	**(1,602)**
Disposal of subsidiaries	**214**	**–**	**214**
Credited to profit or loss	**(75)**	**–**	**(75)**
End of financial year	**(3,216)**	**(2,512)**	**(5,728)**
2015			
Beginning of financial year	(679)	–	(679)
Currency translation difference	260	165	425
Acquisition of subsidiaries	–	(3,012)	(3,012)
Credited to profit or loss	(1,387)	–	(1,387)
End of financial year	(1,806)	(2,847)	(4,653)

Company

Deferred income tax liabilities

	Accelerated tax depreciation S$'000	Others S$'000	Total S$'000
2016			
Beginning of financial year	**17,144**	**243**	**17,387**
Charged to profit or loss	**1,587**	**389**	**1,976**
End of financial year	**18,731**	**632**	**19,363**
2015			
Beginning of financial year	16,107	366	16,473
Charged/(credited) to profit or loss	1,037	(123)	914
End of financial year	17,144	243	17,387

26. DEFERRED INCOME TAXES (continued)

Company (continued)

Deferred income tax assets

	Provisions S$'000
2016	
Beginning of financial year	**(109)**
Credited to profit or loss	**(55)**
End of financial year	**(164)**
2015	
Beginning of financial year	(99)
Credited to profit or loss	(10)
End of financial year	(109)

27. 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				
2016				
Beginning of financial year	**2,149,518**	**(2,744)**	**429,980**	**(2,831)**
Employee share option scheme				
– New shares issued	**13,483**	**–**	**18,795**	**–**
– Treasury shares re-issued	**–**	**698**	**–**	**715**
End of financial year	**2,163,001**	**(2,046)**	**448,775**	**(2,116)**
2015				
Beginning of financial year	1,938,730	(33,327)	129,082	(35,346)
New shares issued	190,096	–	280,621	–
Treasury shares re-issued	–	30,000	–	31,915
Employee share option scheme				
– New shares issued	20,692	–	20,277	–
– Treasury shares re-issued	–	583	–	600
End of financial year	2,149,518	(2,744)	429,980	(2,831)

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

27. SHARE CAPITAL AND TREASURY SHARES (continued)

(a) Treasury shares

The Company re-issued 698,000 (2015: 30,583,000) treasury shares during the financial year pursuant to the Singapore Post Share Option Scheme at exercise prices at S$1.03 (2015: S$1.03 to S$1.07) each. The cost of the treasury shares re-issued amounted to S$715,000 (2015: S$32,515,000).

(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 Tan Yam Pin (Chairman[1]), Mr Zulkifli Bin Baharudin, Mr Goh Yeow Tin[2] and Mr Bill Chang York Chye during the financial year ended 31 March 2016.

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 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).

1 Mr Tan Yam Pin was appointed as the chairman of the Compensation Committee on 1 January 2016 in place of Mr Goh Yeow Tin who stepped down as chairman and member of the Compensation Committee on 1 January 2016.
2 Mr Goh Yeow Tin stepped down as chairman and member of the Compensation Committee on 1 January 2016.

27. SHARE CAPITAL AND TREASURY SHARES (continued)

(b) Share options (continued)

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

- The vesting schedule for the share options granted to eligible employees (including executive directors) on 1 July 2005 and 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

27. SHARE CAPITAL AND TREASURY SHARES (continued)

(b) Share options (continued)

- Other than the share options granted on 17 March 2015, share options granted to eligible employees (including executive directors) effective 26 June 2006 to 24 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

- 100% of the share options granted on 17 March 2015 will vest after one year from the date of grant and are exercisable for a period of ten years.

- 100% of the share options granted to non-executive directors vest after one year from the date of grant and are exercisable for a period of five years.

- On 11 May 2012, 17 January 2014, 7 March 2014, 24 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 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.

27. SHARE CAPITAL AND TREASURY SHARES (continued)

(b) Share options (continued)

Since the adoption of the Scheme to 31 March 2015, a total of 147,875,936 share options were granted. Particulars of the options were set out in the Directors' Report for the respective financial years.

During the financial year ended 31 March 2016, 23,751,000 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[1]**	**Balance At 1.4.15 ('000)**	**Granted during financial year ('000)**	**Options exercised ('000)**	**Options forfeited ('000)**	**Balance At 31.3.16 ('000)**
Options Granted Under Singapore Post Share Options Scheme							
For employees (including executive directors)							
01.07.05[1]	02.07.06 to 01.07.15	S$0.923	77	–	50	27	–
26.06.06	27.06.07 to 26.06.16	S$1.048	114	–	60	27	27
26.06.07	27.06.08 to 26.06.17	S$1.278	251	–	15	40	196
30.06.08	01.07.09 to 30.06.18	S$1.100	380	–	60	40	280
29.06.09	30.06.10 to 29.06.19	S$0.890	208	–	198	–	10
29.06.10	30.06.11 to 29.06.20	S$1.140	785	–	252	–	533
01.04.11[2]	02.04.12 to 01.04.21	S$1.160	25	–	25	–	–
11.04.11[2]	12.04.12 to 11.04.21	S$1.160	38	–	38	–	–
26.07.11	27.07.12 to 26.07.21	S$1.100	1,905	–	997	53	855
03.01.12	04.01.13 to 03.01.22	S$0.940	113	–	100	13	–
19.03.12	20.03.13 to 19.03.22	S$0.980	200	–	–	–	200
10.05.12	11.05.13 to 10.05.22	S$1.030	200	–	–	–	200
11.05.12	19.05.14 to 11.05.22	S$1.030	3,595	–	1,925	620	1,050
10.08.12	11.08.13 to 10.08.22	S$1.070	4,996	–	2,143	263	2,590
03.09.12	04.09.13 to 03.09.22	S$1.080	100	–	50	–	50
07.05.13	08.05.13 to 07.05.23	S$1.290	150	–	75	–	75
17.01.14	18.01.17 to 17.01.24	S$1.350	14,700	–	1,609	1,775	11,316
07.03.14	08.03.17 to 07.03.24	S$1.330	500	–	–	–	500
10.03.14	11.03.15 to 10.03.24	S$1.330	100	–	20	–	80
24.03.14[2]	25.03.15 to 24.03.24	S$1.320	1,000	–	1,000	–	–
24.03.14	25.03.17 to 24.03.24	S$1.320	1,500	–	900	600	–
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	13,408	–	2,107	3,612	7,689

27. SHARE CAPITAL AND TREASURY SHARES (continued)

(b) Share options (continued)

Date of grant	Exercise Period	Exercise Price(1)	Number of ordinary shares under options outstanding: Balance At 1.4.15 ('000)	Granted during financial year ('000)	Options exercised ('000)	Options forfeited ('000)	Balance At 31.3.16 ('000)
Options Granted Under Singapore Post Share Options Scheme							
For employees (including executive directors)							
07.08.14	08.08.15 to 07.08.24	S$1.760	768	–	60	–	708
28.11.14	29.11.15 to 28.11.24	S$1.920	200	–	–	–	200
18.12.14	19.12.15 to 18.12.24	S$1.900	300	–	–	300	–
17.03.15	18.03.16 to 17.03.25	S$1.980	3,500	–	–	3,500	–
07.04.15	08.04.16 to 07.04.25	S$1.960	–	1,588	–	–	1,588
13.05.15	14.05.16 to 13.05.25	S$1.910	–	1,150	–	200	950
19.05.15	20.05.16 to 19.05.25	S$1.890	–	20,973	–	5,040	15,933
12.06.15	13.06.16 to 12.06.25	S$1.880	–	40	–	–	40
			49,313	23,751	11,684	16,110	45,270
For non-executive directors							
07.08.14(2)	08.08.15 to 07.08.19	S$1.760	1,799	–	1,799	–	–
			1,799	–	1,799	–	–
Total Share Options			**51,112**	**23,751**	**13,483**	**16,110**	**45,270**

(1) Exercise prices of all outstanding share options granted before 29 December 2005 have been reduced in view of the Special Dividend payment during the financial year ended 31 March 2006. Exercise prices disclosed are the revised exercise prices.

(2) All outstanding share options granted on 1 April 2011, 11 April 2011, 24 March 2014 and 7 August 2014 had been exercised before the expiry date.

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.

27. SHARE CAPITAL AND TREASURY SHARES (continued)

(b) Share options (continued)

Restricted Share Plan

The Singapore Post Restricted Share Plan 2013 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.

The Plan is a share incentive scheme. It is proposed on the basis that it is important to retain staff whose contributions are essential to the well-being and prosperity of the Group and to give recognition to key employees and directors of the Group and Associated Companies who contribute to the growth of the Group. The Plan will 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) 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 2015, a total of 2,562,584 restricted shares were granted.

27. SHARE CAPITAL AND TREASURY SHARES (continued)

(b) Share options (continued)

During the financial year ended 31 March 2016, 839,895 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 1.4.15 ('000)	Share Awards Granted ('000)	Share Awards Vested ('000)	Share Awards Cancelled ('000)	Balance As At 31.3.16 ('000)
05.08.13	985	–	478	106	401
20.05.14	701	–	221	37	443
19.05.15	–	728	–	66	662
03.08.15	–	112	–	–	112
Total Shares	**1,686**	**840**	**699**	**209**	**1,618**

Of the outstanding options (including Performance Share Option Plan but excluding Restricted Share Plan) for 45,270,000 (2015: 51,112,000) shares, 10,407,000 (2015: 4,193,000) options are exercisable as at 31 March 2016. Options exercised in the financial year ended 31 March 2016 resulted in 13,483,000 (2015: 20,707,000) new ordinary shares being issued for options with average exercise price of S$1.289 (2015: S$1.090), rounded to 3 decimal places. Options were exercised throughout the year. The weighted average share price during the financial year was S$1.76 (2015: S$1.79).

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	Singapore Post Share Option Scheme 2012	Performance Share Option Plan	Restricted Share Plan
2016			
Total fair value of options granted during financial year	**S$3,373,539**	**–**	**S$1,361,024**
Valuation Model	**Trinomial option Pricing model**	**–**	**Adjusted Share Price model**
Weighted average share price at the grant dates	**S$1.871**	**–**	**S$1.872**
Weighted average exercise price	**S$1.896**	**–**	**S$1.882**
Expected volatility	**16%**	**–**	**–**
Expected option life	**5 years**	**–**	**10 years**
Annual risk-free interest rate (per annum)	**1.7%**	**–**	**0.9%**
Expected dividend yield	**3.4%**	**–**	**3.5%**

27. SHARE CAPITAL AND TREASURY SHARES (continued)

(b) Share options (continued)

Type of Share Options	Singapore Post Share Option Scheme 2012	Performance Share Option Plan	Restricted Share Plan
2015			
Total fair value of options granted during financial year	S$2,873,339	S$15,360	S$1,017,348
Valuation Model	Trinomial option Pricing model	Monte Carlo simulation	Adjusted Share Price model
Weighted average share price at the grant dates	S$1.623	S$1.36	S$1.50
Weighted average exercise price	S$1.594	S$1.36	S$1.45
Expected volatility	14%	17%	–
Expected option life	5 years	10 years	10 years
Annual risk-free interest rate (per annum)	1.5%	2.5%	3.6%
Expected dividend yield	3.6%	4.6%	4.2%

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

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

28. 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 incurred were recognised in equity as a deduction from proceeds.

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

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

During the financial year, distributions amounting to S$14,915,000 (2015: S$14,874,000) were made to perpetual securities holders.

29. OTHER RESERVES

	Group		Company	
	2016	2015	**2016**	2015
	S$'000	S$'000	**S$'000**	S$'000
(a) Composition:				
Share option reserve	**6,904**	4,980	**6,904**	4,980
Fair value reserve	**(1,105)**	(468)	**(1,105)**	(468)
Currency translation reserve	**(25,042)**	(3,534)	**–**	–
Other capital reserve	**37**	35	**–**	–
Asset valuation reserve	**26,464**	6,435	**28,914**	1,290
	7,258	7,448	**34,713**	5,802
(b) Movements:				
(i) Share option reserve				
Beginning of financial year	**4,980**	5,001	**4,980**	5,001
Employee share option scheme:				
Value of employee services (Note 5)	**4,053**	2,582	**4,053**	2,582
Issue of shares	**(1,414)**	(2,022)	**(1,414)**	(2,022)
Re-issuance of treasury shares	**(715)**	(581)	**(715)**	(581)
End of financial year	**6,904**	4,980	**6,904**	4,980
(ii) Fair value reserve				
Beginning of financial year	**(468)**	(49)	**(468)**	(49)
Fair value loss	**(637)**	(419)	**(637)**	(419)
End of financial year	**(1,105)**	(468)	**(1,105)**	(468)
(iii) Currency translation reserve				
Beginning of financial year	**(3,534)**	(2,585)	**–**	–
Reclassification on disposal of subsidiaries & associated companies and joint ventures	**(2,026)**	–	**–**	–
Net currency translation differences of financial statements of foreign subsidiaries, associated companies and joint ventures	**(20,051)**	(511)	**–**	–
Less: Non-controlling interests	**569**	(438)	**–**	–
End of financial year	**(25,042)**	(3,534)	**–**	–

29. OTHER RESERVES (continued)

	Group		Company	
	2016	2015	**2016**	2015
	S$'000	S$'000	**S$'000**	S$'000
(b) Movements: (continued)				
(iv) Other capital reserve				
Beginning of financial year	**35**	35	**–**	–
Transfer from retained earnings of subsidiaries to statutory reserves	**2**	–	**–**	–
End of financial year	**37**	35	**–**	–
(v) Asset valuation reserve				
Beginning of financial year	**6,435**	1,290	**1,290**	1,290
Revaluation gain on property, plant and equipment upon transfer to investment Property (Note 21)	**20,029**	5,145	**27,624**	–
End of financial year	**26,464**	6,435	**28,914**	1,290

Other reserves are non-distributable.

30. RETAINED EARNINGS

(a) Retained profits of the Group are distributable except for accumulated retained profits of associated companies and joint ventures amounting to S$18,871,000 (2015: S$13,210,000) and the amount of S$2,116,000 (2015: S$2,831,000) utilised to purchase treasury shares. Retained profits of the Company are distributable except for the amount of S$2,116,000 (2015: S$2,831,000) utilised to purchase treasury shares.

(b) Movement in retained earnings for the Company is as follows:

	Company	
	2016	2015
	S$'000	S$'000
Beginning of financial year	**688,597**	678,422
Net profit	**273,535**	153,121
Merger of a subsidiary	**–**	57
Dividends paid (Note 31)	**(166,985)**	(128,129)
Reserved distribution to perpetual securities (Note 28)	**(14,915)**	(14,874)
End of financial year	**780,232**	688,597

31. DIVIDENDS

	Group and Company	
	2016	2015
	S$'000	S$'000
Ordinary dividends paid		
Final exempt (one-tier) dividend paid in respect of the previous financial year of 2.5 cents (2015: 2.5 cents) per share	**53,777**	47,793
Special exempt (one-tier) dividend paid in respect of the previous financial year of 0.75 cents (2015: NIL) per share	**16,133**	–
Interim exempt (one-tier) dividend paid in respect of the first quarter of current financial year of 1.50 cents (2015: 1.25 cents) per share	**32,291**	26,691
Interim exempt (one-tier) dividend paid in respect of the second quarter of current financial year of 1.50 cents (2015: 1.25 cents) per share	**32,375**	26,818
Interim exempt (one-tier) dividend paid in respect of the third quarter of current financial year of 1.50 cents (2015: 1.25 cents) per share	**32,409**	26,827
	166,985	128,129

At the Annual General Meeting on 14 July 2016, a final exempt (one-tier) dividend of 2.5 cents per share amounting to S$54.0 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 2017.

32. COMMITMENTS

(a) Capital commitments

Capital expenditures contracted for at the balance sheet date but not recognised in the financial statements are as follows:

	Group		Company	
	2016	2015	**2016**	2015
	S$'000	S$'000	**S$'000**	S$'000
Property, plant and equipment	**246,774**	137,439	**215,974**	15,919

32. COMMITMENTS (continued)

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

The Group and Company leases 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 balance sheet date but not recognised as liabilities, are as follows:

	Group		**Company**	
	2016	2015	**2016**	2015
	S$'000	S$'000	**S$'000**	S$'000
Not later than one year	**35,454**	28,758	**12,597**	9,244
Between one and five years	**60,750**	45,245	**16,586**	9,597
Later than five years	**53,112**	37,797	**3,456**	1,457
	149,316	111,800	**32,639**	20,298

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

The Group and Company leases 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 balance sheet date but not recognised as receivables, are as follows:

	Group		**Company**	
	2016	2015	**2016**	2015
	S$'000	S$'000	**S$'000**	S$'000
Not later than one year	**34,059**	33,092	**33,760**	34,201
Between one and five years	**54,117**	23,276	**53,723**	26,502
Later than five years	**4,686**	75	**4,686**	75
	92,862	56,443	**92,169**	60,778

33. 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 interest rate swaps and 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) <u>Market risk</u>

(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 US dollars. 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, associated companies and joint ventures 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.

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

33. 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	Others S$'000	Total S$'000
Group								
As at 31 March 2016								
Financial assets								
Cash and cash equivalents	50,926	–	14,258	11,241	10,452	10,779	28,984	126,640
Trade and other receivables	119,562	6,263	6,450	33,973	8,256	19,830	21,304	215,638
Other financial assets	4,190	–	–	321	1,136	45	839	6,531
Financial assets	46,210	–	–	–	–	–	–	46,210
Derivative financial instruments	846	–	–	–	–	–	–	846
	221,734	6,263	20,708	45,535	19,844	30,654	51,127	395,865
Financial liabilities								
Derivative financial instruments	–	–	(207)	(465)	–	–	(129)	(801)
Borrowings	(263,531)	–	–	(9,423)	–	–	(7,318)	(280,272)
Trade and other payables	(202,942)	(104,233)	(4,896)	(41,933)	(3,140)	(22,341)	(36,417)	(415,902)
	(466,473)	(104,233)	(5,103)	(51,821)	(3,140)	(22,341)	(43,864)	(696,975)
Net financial assets/ (liabilities)	(244,739)	(97,970)	15,605	(6,286)	16,704	8,313	7,263	
Less: Net financial assets denominated in the respective entities' functional currencies	(244,739)	–	4,702	(12,378)	10,464	7,992	11,422	
Add: Currency forwards	–	64,115	10,522	6,731	–	569	–	
Currency exposure	–	(33,855)	21,425	12,823	6,240	890	(4,159)	

33. 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	Others S$'000	Total S$'000
As at 31 March 2015 (Restated)								
Financial assets								
Cash and cash equivalents	506,800	–	1,239	23,663	12,462	11,180	28,796	584,140
Trade and other receivables	106,588	6,932	–	218	12,612	15,384	27,096	168,830
Other financial assets	10,287	–	–	–	1,232	25	579	12,123
Financial assets	34,596	–	–	–	–	–	–	34,596
	658,271	6,932	1,239	23,881	26,306	26,589	56,471	799,689
Financial liabilities								
Derivative financial instruments	–	–	(3,685)	–	–	–	(33)	(3,718)
Borrowings	(229,944)	–	–	–	–	–	(8,383)	(238,327)
Trade and other payables	(210,780)	(96,855)	–	(283)	(4,605)	(23,739)	(26,494)	(362,756)
	(440,724)	(96,855)	(3,685)	(283)	(4,605)	(23,739)	(34,910)	(604,801)
Net financial assets/ (liabilities)	217,547	(89,923)	(2,446)	23,598	21,701	2,850	21,561	
Less: Net financial assets denominated in the respective entities' functional currencies	217,547	–	–	42	21,946	61	17,545	
Add: Currency forwards	–	22,466	11,809	–	–	–	931	
Currency exposure	–	(67,457)	9,363	23,556	(245)	2,789	4,947	

33. FINANCIAL RISK MANAGEMENT (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

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

	SGD S$'000	SDR S$'000	EUR S$'000	USD S$'000	AUD S$'000	Others S$'000	Total S$'000
Company							
As at 31 March 2016							
Financial assets							
Cash and cash equivalents	28,292	–	10,005	3,510	21	7,798	49,626
Trade and other receivables	751,649	6,263	–	–	–	–	757,912
Other financial assets	2,362	–	–	–	–	–	2,362
Financial assets	45,612	–	–	–	–	–	45,612
Derivative financial instruments	846	–	–	–	–	–	846
	828,761	6,263	10,005	3,510	21	7,798	856,358
Financial liabilities							
Derivative financial instruments	–	–	(129)	(493)	–	(137)	(759)
Borrowings	(236,044)	–	–	–	–	–	(236,044)
Trade and other payables	(170,199)	(104,233)	–	–	–	–	(274,432)
	(406,243)	(104,233)	(129)	(493)	–	(137)	(511,235)
Net financial assets/(liabilities)	422,518	(97,970)	9,876	3,017	21	7,661	
Less: Net financial assets denominated in the respective entities' functional currencies	422,518	–	–	–	–	–	
Add: Currency forwards	–	64,115	5,651	6,731	569	–	
Currency exposure	–	(33,855)	15,527	9,748	590	7,661	

33. 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$'000	Others S$'000	Total S$'000
As at 31 March 2015							
Financial assets							
Cash and cash equivalents	444,985	–	1,239	22,348	1,105	7,368	477,045
Trade and other receivables	323,728	6,932	–	–	–	–	330,660
Other financial assets	2,988	–	–	–	–	–	2,988
Financial assets	34,182	–	–	–	–	–	34,182
	805,883	6,932	1,239	22,348	1,105	7,368	844,875
Financial liabilities							
Derivative financial instruments	–	–	(3,685)	–	–	(33)	(3,718)
Borrowings	(203,749)	–	–	–	–	–	(203,749)
Trade and other payables	(165,081)	(96,855)	–	–	–	–	(261,936)
	(368,830)	(96,855)	(3,685)	–	–	(33)	(469,403)
Net financial assets/(liabilities)	437,053	(89,923)	(2,446)	22,348	1,105	7,335	
Less: Net financial assets denominated in the respective entities' functional currencies	437,053	–	–	–	–	–	
Add: Currency forwards	–	22,466	11,809	–	–	931	
Currency exposure	–	(67,457)	9,363	22,348	1,105	8,266	

33. FINANCIAL RISK MANAGEMENT (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

If the SDR changes against the SGD by 2% (2015: 2%) with all other variables including tax rate being held constant, the effects arising from the net financial liability/asset position will be as follows:

	Increase/(decrease) Profit after tax	
	2016	2015
	S$'000	S$'000
Group		
SDR against SGD		
– strengthened	**(562)**	(1,120)
– weakened	**562**	1,120
Company		
SDR against SGD		
– strengthened	**(562)**	(1,120)
– weakened	**562**	1,120

If the EUR changes against the SGD by 5% (2015: 5%) with all other variables including tax rate being held constant, the effects arising from the net financial asset/liability position will be as follows:

	Increase/(decrease) Profit after tax	
	2016	2015
	S$'000	S$'000
Group		
EUR against SGD		
– strengthened	**889**	389
– weakened	**(889)**	(389)
Company		
EUR against SGD		
– strengthened	**644**	389
– weakened	**(644)**	(389)

33. FINANCIAL RISK MANAGEMENT (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

If the USD changes against the SGD by 4% (2015: 3%) with all other variables including tax rate being held constant, the effects arising from the net financial asset/liability position will be as follows:

	Increase/(decrease) Profit after tax	
	2016 S$'000	2015 S$'000
Group		
USD against SGD		
– strengthened	**426**	587
– weakened	**(426)**	(587)
Company		
USD against SGD		
– strengthened	**324**	556
– weakened	**(324)**	(556)

If the AUD changes against the SGD by 6% (2015: 7%) with all other variables including tax rate being held constant, the effects arising from the net financial asset/liability position will be as follows:

	Increase/(decrease) Profit after tax	
	2016 S$'000	2015 S$'000
Group		
AUD against SGD		
– strengthened	**44**	162
– weakened	**(44)**	(162)
Company		
AUD against SGD		
– strengthened	**29**	64
– weakened	**(29)**	(64)

33. FINANCIAL RISK MANAGEMENT (continued)

(a) Market risk (continued)

(ii) Fair value interest rate risks

Fair value 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 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 fair value interest rate risk from its bonds and fixed rate notes.

During the financial year ended 31 March 2015, the Group terminated the interest rate swaps that were fair value hedges for the fixed rate notes. The gain arising from the termination have been recognised in other borrowings, to be amortised to income over the remaining term of the fixed rate notes due 30 March 2020.

At 31 March 2016, if the interest rates had increased / decreased by 1% with all other variables, including tax rate being held constant, it would have insignificant impact on the profit after tax for the year.

(b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The major classes of financial assets of the Group and of the Company are bank deposits, trade 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. The Group and the Company have no significant concentrations of credit risk.

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

33. FINANCIAL RISK MANAGEMENT (continued)

(b) Credit risk (continued)

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

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

	Group		Company	
	2016	2015	**2016**	2015
	S$'000	S$'000	**S$'000**	S$'000
By geographical areas				
Singapore	**75,105**	66,133	**133,685**	132,073
Other countries	**102,934**	73,997	**40,721**	20,067
	178,039	140,130	**174,406**	152,140
By types of customers				
Related parties	**34,644**	39,284	**120,240**	125,894
Non-related parties:				
– Government bodies	**6,936**	6,295	**6,885**	4,838
– Banks	**8,704**	23,739	**8,448**	8,049
– Overseas postal administrations	**6,167**	6,847	**6,167**	6,847
– Other companies	**121,588**	63,965	**32,666**	6,512
	178,039	140,130	**174,406**	152,140

(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.

33. FINANCIAL RISK MANAGEMENT (continued)

(b) Credit risk (continued)

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

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

	Group		Company	
	2016	2015	**2016**	2015
	S$'000	S$'000	**S$'000**	S$'000
Past due up to 3 months	**64,668**	49,494	**38,658**	24,077
Past due over 3 months	**8,872**	8,758	**2,302**	3,495
	73,540	58,252	**40,960**	27,572

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	
	2016	2015	**2016**	2015
	S$'000	S$'000	**S$'000**	S$'000
Gross amount	**5,390**	5,270	**1,741**	1,566
Less: Allowance for impairment	**(5,390)**	(5,270)	**(1,741)**	(1,566)
	–	–	**–**	–
Beginning of financial year	**5,273**	5,533	**1,566**	1,237
Allowance made	**472**	178	**351**	331
Allowance utilised	**(355)**	(441)	**(176)**	(2)
End of financial year	**5,390**	5,270	**1,741**	1,566

(c) Liquidity risk

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

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

33. FINANCIAL RISK MANAGEMENT (continued)

(c) 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 2016				
Trade and other payables	**(385,712)**	**(26,119)**	**–**	**–**
Borrowings	**(78,090)**	**(7,000)**	**(220,138)**	**–**
Gross settled currency forwards	**(801)**	**–**	**–**	**–**
	(464,603)	**(33,119)**	**(220,138)**	**–**
At 31 March 2015 (Restated)				
Trade and other payables	(352,068)	(8,709)	–	–
Borrowings	(23,947)	(7,000)	(221,000)	–
Net settled currency forwards	(3,718)	–	–	–
	(379,733)	(15,709)	(221,000)	–
Company				
At 31 March 2016				
Trade and other payables	**(274,432)**	**–**	**–**	**–**
Borrowings	**(7,000)**	**(7,000)**	**(214,000)**	**–**
Gross settled currency forwards	**(801)**	**–**	**–**	**–**
	(282,233)	**(7,000)**	**(214,000)**	**–**
At 31 March 2015				
Trade and other payables	(261,936)	–	–	–
Borrowings	(7,000)	(7,000)	(221,000)	–
Net settled currency forwards	(3,718)	–	–	–
	(272,654)	(7,000)	(221,000)	–

(d) Capital risk

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

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

33. FINANCIAL RISK MANAGEMENT (continued)

(d) Capital risk (continued)

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	
	2016	2015	**2016**	2015
	S$'000	S$'000	**S$'000**	S$'000
Net debt/(cash)	**153,632**	(345,813)	**186,418**	(273,296)
Total equity	**1,561,503**	1,467,737	**1,608,430**	1,468,374
Gearing ratio	**10%**	(24%)	**12%**	(19%)

The Group and Company have no externally imposed capital requirements for the financial years ended 31 March 2016 and 2015.

(e) Fair value estimation of financial assets and liabilities

The fair values of financial instruments traded in active markets (such as exchange-traded and over-the-counter derivatives) are based on quoted market prices at the balance sheet date. 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 each balance sheet date. 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 36 for details.

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

33. FINANCIAL RISK MANAGEMENT (continued)

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

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 (ie as prices) or indirectly (ie derived from prices) (Level 2); and
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

	Level 1 S$'000	Level 2 S$'000	Level 3 S$'000	Total S$'000
Group				
2016				
Assets				
Available-for-sale financial assets	**3,508**	**–**	**5,159**	**8,667**
Held-to-maturity financial assets	**37,543**	**–**	**–**	**37,543**
Derivatives financial instruments	**–**	**846**	**–**	**846**
Liabilities				
Derivative financial instruments	**–**	**801**	**–**	**801**
Contingent consideration payable	**–**	**–**	**51,181**	**51,181**
2015				
Assets				
Available-for-sale financial assets	4,145	–	414	4,559
Held-to-maturity financial assets	28,748	–	1,289	30,037
Liabilities				
Derivative financial instruments	–	3,718	–	3,718
Contingent consideration payable	–	–	26,772	26,772

33. FINANCIAL RISK MANAGEMENT (continued)

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

	Level 1 S$'000	Level 2 S$'000	Level 3 S$'000	Total S$'000
Company				
2016				
Assets				
Available-for-sale financial assets	**3,508**	**–**	**4,561**	**8,069**
Held-to-maturity financial assets	**37,543**	**–**	**–**	**37,543**
Derivative financial instruments	**–**	**846**	**–**	**846**
Liabilities				
Derivative financial instruments	**–**	**801**	**–**	**801**
2015				
Available-for-sale financial assets	4,145	–	–	4,145
Held-to-maturity financial assets	28,748	–	1,289	30,037
Liabilities				
Derivative financial instruments	–	3,718	–	3,718

The following table presents the changes in Level 3 instruments:

	Group and Company		Group	
	Held-to-maturity financial assets $'000	Available-for-sale financial assets $'000	Contingent Consideration $'000	Total $'000
2016				
Beginning of financial year	**1,289**	**414**	**26,772**	**28,475**
Transfers	**–**	**–**	**–**	**–**
Purchases	**–**	**4,745**	**–**	**4,745**
Disposal	**(1,289)**	**–**	**(1,301)**	**(2,590)**
Acquisition of subsidiaries and associates	**–**	**–**	**26,289**	**26,289**
Fair value gains/(losses) recognised in				
– Profit or loss	**–**	**–**	**201**	**201**
Currency translation differences	**–**	**–**	**(780)**	**(780)**
End of financial year	**–**	**5,159**	**51,181**	**56,340**
Total gains for the year included in the profit or loss for assets and liabilities held at the end of the financial year	**–**	**–**	**201**	**201**

33. FINANCIAL RISK MANAGEMENT (continued)

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

	Group and Company		Group	
	Held-to-maturity financial assets $'000	**Available-for-sale financial assets $'000**	**Contingent consideration $'000**	**Total $'000**
2015 (restated)				
Beginning of financial year	–	420	20,600	21,020
Transfers	–	–	–	–
Purchases	1,289	–	–	1,289
Acquisition of a subsidiary	–	–	6,172	6,172
Currency translation differences	–	(6)	–	(6)
End of financial year	1,289	414	26,772	28,475
Total gains or (losses) for the period included in the profit or loss for assets and liabilities held at the end of the financial year	–	–	–	–

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

(f) Financial instruments by category

The carrying amount of the different categories of financial instruments is as disclosed on the face of the balance sheets and in Notes 12,14 and 24 to the financial statements, except for the following:

	Group		Company	
	2016 S$'000	2015 S$'000 (Restated)	**2016 S$'000**	2015 S$'000
Loans and receivables	**355,217**	765,644	**809,900**	810,693
Financial liabilities at amortised cost	**415,902**	362,756	**274,432**	261,936

33. FINANCIAL RISK MANAGEMENT (continued)

(g) Offsetting financial assets and financial liabilities

The Group has the following financial instruments subject to enforceable master netting arrangements or similar agreement as follows:

	(a)	(b)	(c)=(a)–(b)	(d)		(e)=(c)+(d)
	Related amounts set off in the balance sheet			Related amounts not set off in the balance sheet		
	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 balance sheet S$'000	(d)(i), (d)(ii) Financial instruments S$'000	(d)(ii) Cash collateral pledged S$'000	Net amount S$'000
At 31 March 2015						
Currency forwards	3	3,721	(3,718)	–	–	(3,718)

There were no financial instruments subject to enforceable master netting arrangement for the year ended 31 March 2016.

34. RELATED PARTY TRANSACTIONS

In addition to the related party information disclosed elsewhere in the financial statements, the following transactions took place between the Group and related parties at terms agreed between the parties:

(a) Sales and purchases of goods and services

	Group	
	2016 S$'000	2015 S$'000
Services rendered to an associated company	**71,227**	67,009
Services received from an associated company	**64**	–
Services rendered to related companies of a substantial shareholder	**14,747**	15,564
Services received from related companies of a substantial shareholder	**910**	430

During the financial year ended 31 March 2016, the Company made payments on behalf of subsidiaries totalling S$46.2 million (2015: S$17.9 million) which were subsequently reimbursed.

34. RELATED PARTY TRANSACTIONS (continued)

(b) Key management personnel compensation is as follows:

	Group	
	2016	2015
	S$'000	S$'000
Salaries and other short-term employee benefits	**7,185**	5,711
Post-employment benefits – contribution to CPF	**47**	37
Share-based staff costs	**721**	1,628
	7,953	7,376

Included in the above is total compensation to directors of the Company amounting to S$1,690,160 (2015: S$1,491,270).

35. SEGMENT INFORMATION

Management has determined the operating segments based on the reports reviewed by the Executive Director 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. Management manages and monitors the business in the three primary business areas: Mail, Logistics and Retail & eCommerce:

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

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

- **Retail & eCommerce** – Retail & eCommerce segment provides a wide variety of products and services beyond the scope of traditional postal services, including agency services, financial services and front-end eCommerce solutions.

35. SEGMENT INFORMATION (continued)

Other operations include the provision of commercial property rental and investment holding; but these are not included within the reportable operating segments, 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.

The segment information provided to the CODM for the reportable segments for the years ended 31 March 2016 and 31 March 2015 are as follows:

	Mail S$'000	Logistics S$'000	Retail & eCommerce S$'000	All other segments S$'000	Eliminations S$'000	Total S$'000
2016						
Revenue:						
– External	466,597	552,173	132,772	–	–	1,151,542
– Inter-segment	33,205	73,799	27,888	–	(134,892)	–
	499,802	625,972	160,660	–	(134,892)	1,151,542
Other income and gains (net)						
– Rental, property-related and miscellaneous income						
– External	461	2,912	(56)	152,982	(1)	156,298
– Inter-segment	–	583	–	33,394	(33,977)	–
	461	3,495	(56)	186,376	(33,978)	156,298
Operating profit	147,775	37,696	2,249	96,539	–	284,259
Depreciation and amortisation	7,562	10,775	5,342	8,207	–	31,886
Segment assets	104,445	659,949	366,620	1,196,731	–	2,327,745
Segment assets includes:						
Investment in associated companies	–	70,238	–	76,163	–	146,401
Intangible assets	227	338,999	243,967	–	–	583,193
Additions to:						
– Property, plant and equipment	5,270	160,809	7,365	16,687	–	190,131
– Investment properties	–	3	–	88,980	–	88,983

35. SEGMENT INFORMATION (continued)

	Mail S$'000	Logistics S$'000	Retail & eCommerce S$'000	All other segments S$'000	Eliminations S$'000	Total S$'000
2015						
(Restated)						
Revenue:						
– External	467,567	387,758	64,257	–	–	919,582
– Inter-segment	32,685	77,000	27,745	–	(137,430)	–
	500,252	464,758	92,002	–	(137,430)	919,582
Other income and gains (net)						
– Rental, property-related and miscellaneous income						
– External	945	1,675	910	48,252	–	51,782
– Inter-segment	–	–	–	35,684	(35,684)	–
	945	1,675	910	83,936	(35,684)	51,782
Operating profit	143,989	21,542	9,746	11,088	–	186,365
Depreciation and amortisation	7,626	7,230	1,537	18,152	–	34,545
Segment assets	153,296	550,080	24,484	977,466	–	1,705,326
Segment assets includes:						
Investment in associated companies	1,776	16,278	–	86,359	–	104,413
Intangible assets	323	316,319	–	–	–	316,642
Additions to:						
– Property, plant and equipment	42,715	13,936	4,035	51,814	–	112,500
– Investment property	–	6,141	–	21	–	6,162

35. SEGMENT INFORMATION (continued)

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

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 profit of associated companies and joint ventures. Interest income and finance expenses are not allocated to segments.

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

	2016 S$'000	2015 S$'000
Operating profit for reportable segments	**187,720**	175,277
Other segments operating profit	**96,539**	11,088
Finance expense	**(10,365)**	(4,370)
Interest income	**4,268**	3,864
Share of profit of associated companies and joint ventures	**9,066**	6,660
Profit before tax	**287,228**	192,519

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 balance sheet 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, held-to-maturity. Cash and cash equivalents are allocated to reportable segments where applicable.

	2016 S$'000	2015 S$'000 (Restated)
Segment assets for reportable segments	**1,131,014**	727,860
Other segments assets	**1,196,731**	977,466
Unallocated:		
Cash and cash equivalents	**41,602**	471,218
Financial assets, held-to-maturity	**45,612**	34,182
Derivative financial instruments	**846**	–
Total assets	**2,415,805**	2,210,726

35. SEGMENT INFORMATION (continued)

Revenue from major products and services

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

	2016 **S$'000**	2015 S$'000
Domestic and International Mail services	**466,597**	467,567
Domestic and International distribution and delivery services	**552,173**	387,758
Retail & eCommerce sale of products and services	**132,772**	64,257
Revenue	**1,151,542**	919,582

Geographical information

The Group's three business segments operate principally in Singapore, where over 56% (2015: 65%) of its revenues are generated. The remaining revenues are generated mainly from Australia, Japan, Europe and USA.

The Group does not rely on any major customers.

36. BUSINESS COMBINATIONS

(i) On 15 July 2015, the Group acquired 80% equity interest of Rotterdam Harbour Holding B.V. ("FPS Rotterdam") through its subsidiary. The principal activity of FPS Rotterdam is that of freight forwarding service.

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

	Group **S$'000**
(a) Purchase consideration	
Cash paid	12,663
Contingent consideration (Note (e) below)	5,222
Total purchase consideration	**17,885**

36. BUSINESS COMBINATIONS (continued)

(i) (continued)

	Group S$'000
(b) Effect on cash flows of the Group	
Cash paid (as above)	12,663
Less: Cash and cash equivalents in FPS Rotterdam acquired	(1,369)
Cash outflow on acquisition	**11,294**

	At fair value (Provisional) S$'000
(c) *Identifiable assets acquired and liabilities assumed, at provisional fair value*	
Cash and cash equivalents	1,369
Property, plant and equipment	1,850
Current income tax recoverable	235
Trade and other receivables	5,515
Total assets	8,969
Trade and other payables	6,597
Deferred tax liabilities	17
Total liabilities	6,614
Total identifiable net assets	2,355
Less: Non-controlling interest at proportionate share	(493)
Add: Goodwill on acquisition	16,023
Total purchase consideration for the business	**17,885**

(d) Acquisition-related cost

Acquisition-related costs of S$238,000 are included in "administrative expenses" in the consolidated statement of comprehensive income and in operating cash flows in the consolidated statement of cash flows.

36. BUSINESS COMBINATIONS (continued)

(i) *(continued)*

(e) *Contingent consideration*

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.

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

(f) *Acquired receivables*

The fair value of trade and other receivables is S$5,515,000 and includes trade receivables with a fair value of S$5,400,000. The gross contractual amount for trade receivables due is S$6,000,000, of which S$600,000 is expected to be uncollectible.

(g) *Goodwill*

The goodwill of S$16,023,000 arising from the acquisition is attributable to the synergies expected to arise from economies of scale in combining the operations of the Group to strengthen the Group's capability to provide customers with an integrated eCommerce logistics solution and to complement the Group's existing postal and parcel networks.

(h) *Revenue and profit contribution*

The acquired business contributed S$35,971,000 of revenue and S$2,171,000 of net profit to the Group for the period 15 July 2015 to 31 March 2016.

Had FPS Rotterdam been consolidated from 1 April 2015, consolidated revenue and consolidated net profit for the year ended 31 March 2016 would have been increased by S$21,587,000 and S$674,000 respectively.

36. BUSINESS COMBINATIONS (continued)

(ii) On 1 September 2015, the Group acquired 100% equity interest of Store Friendly Self Storage Group ("SFG") through its subsidiary. The principal activity of SFG is that of providing personal and business storage facilities services in Singapore.

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

		Group S$'000
(a)	*Purchase consideration*	
	Cash paid	11,805
	Total purchase consideration	**11,805**
(b)	*Effect on cash flows of the Group*	
	Cash paid (as above)	11,805
	Less: Cash and cash equivalents in SFG acquired	(724)
	Cash outflow on acquisition	**11,081**

		At fair value (Provisional) S$'000
(c)	*Identifiable assets acquired and liabilities assumed, at provisional fair value*	
	Cash and cash equivalents	724
	Property, plant and equipment	1,709
	Trade and other receivables	783
	Total assets	3,216
	Trade and other payables	828
	Advance billing	1,262
	Total liabilities	2,090
	Total identifiable net assets	1,126
	Add: Goodwill on acquisition	10,679
	Total purchase consideration for the business	**11,805**

36. BUSINESS COMBINATIONS (continued)

(ii) (continued)

(d) Acquisition-related cost

Acquisition-related costs of S$891,000 are included in "administrative expenses" in the consolidated statement of comprehensive income and in operating cash flows in the consolidated statement of cash flows.

(e) Acquired receivables

The fair value of trade and other receivables is S$783,000 and includes trade receivables with a fair value of S$196,000. The gross contractual amount for trade receivables due is S$235,000, of which S$39,000 is expected to be uncollectible.

(f) Goodwill

The goodwill of S$10,679,000 arising from the acquisition is attributable to the synergies expected to arise from economies of scale in business processes and marketing with those of Lock + Store.

(g) Revenue and profit contribution

The acquired business contributed S$2,362,000 of revenue and S$114,000 of net profit to the Group for the period 1 September 2015 to 31 March 2016.

Had SFG been consolidated from 1 April 2015, consolidated revenue and consolidated net profit for the year ended 31 March 2016 would have been increased by S$699,000 and decreased by S$371,000.

36. BUSINESS COMBINATIONS (continued)

(iii) On 13 November 2015, the Group acquired 96.4% equity interest of TG Group. The principal activity of TG Group is that of provision of integrated eCommerce enablement solutions, including fulfilment, customer care, logistics, web development, software and marketing services for the fashion retail industry.

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

	Group S$'000
(a) Purchase consideration	
Cash paid	236,101
Total purchase consideration	**236,101**
(b) Effect on cash flows of the Group	
Cash paid (as above)	236,101
Less: Cash and cash equivalents in TG Group acquired	(5,415)
Cash outflow on acquisition	**230,686**

36. BUSINESS COMBINATIONS (continued)

(iii) (continued)

	At fair value (Provisional) S$'000
(c) Identifiable assets acquired and liabilities assumed, at provisional fair value	
Cash and cash equivalents	5,415
Inventories	395
Customer relationships (included in intangibles) (Note 22(b))	42,992
Acquired software licence (included in intangibles) (Note 22(e))	1,876
Trademarked brand (included in intangibles) (Note 22(f))	560
Property, plant and equipment	27,789
Deferred tax income assets	560
Trade and other receivables	18,504
Total assets	98,091
Trade and other payables	10,952
Borrowings	5,601
Deferred income tax liabilities	19,117
Total liabilities	35,670
Total identifiable net assets	62,421
Less: Non-controlling interest at proportionate share	(2,247)
Add: Goodwill on acquisition	175,927
Total purchase consideration for the business	**236,101**

(d) Acquisition-related cost

Acquisition-related costs of S$7,017,000 are included in "administrative expenses" in the consolidated statement of comprehensive income and in operating cash flows in the consolidated statement of cash flows.

(e) Acquired receivables

The fair value of trade and other receivables is S$18,504,000 and includes trade receivables with a fair value of S$17,107,000. The gross contractual amount for trade receivables due is S$18,755,000, of which S$1,648,000 is expected to be uncollectible.

36. Business combinations (continued)

(iii) (continued)

(f) Goodwill

The goodwill of S$175,927,000 arising from the acquisition is attributable to the synergies from increased eCommerce services of web design, content management, marketing and analytics, fulfilment and logistics and the increased geographical access to customers.

(g) Revenue and profit contribution

The acquired business contributed S$56,325,000 of revenue, S$3,345,000 of EBITDA and S$77,000 of net loss to the Group for the period 14 November 2015 to 31 March 2016.

Had TG Group been consolidated from 1 April 2015, consolidated revenue, consolidated EBITDA and consolidated net loss for the year ended 31 March 2016 would have increased by S$74,112,000, S$5,268,000 and S$1,483,000 respectively.

(iv) On 7 March 2016, the Group acquired 71.1% equity interest of Jagged Peak, Inc. ("JP") through its subsidiary. The principal activity of JP is that of provision of eCommerce logistics enabler for high-velocity consumer products based in the United States of America.

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

	Group S$'000
(a) Purchase consideration	
Cash paid to vendor	18,858
Cash consideration in escrow	1,405
Contingent consideration (Note (e) below)	13,809
Total purchase consideration	**34,072**
(b) Effect on cash flows of the Group	
Cash paid (as above)	18,858
Add: Bank overdraft in JP acquired	484
Cash outflow on acquisition	**19,342**

36. BUSINESS COMBINATIONS (continued)

(iv) *(continued)*

	At fair value (Provisional) S$'000
(c) Identifiable assets acquired and liabilities assumed, at provisional fair value	
Property, plant and equipment	6,242
Trade and other receivables	14,724
Deferred income tax assets	1,042
Total assets	22,008
Trade and other payables	17,886
Borrowings	1,816
Deferred income tax liabilities	822
Advance billings	297
Bank overdraft	484
Total liabilities	21,305
Total identifiable net assets	703
Add: Goodwill	33,369
Total purchase consideration for the business	**34,072**

(d) *Acquisition-related cost*

Acquisition-related costs of S$2,544,000 are included in "administrative expenses" in the consolidated statement of comprehensive income and in operating cash flows in the consolidated statement of cash flows.

(e) *Contingent consideration*

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

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

36. BUSINESS COMBINATIONS (continued)

(iv) (continued)

(e) Contingent consideration (continued)

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

(f) Acquired receivables

The fair value of trade and other receivables is S$14,725,000 and includes trade receivables with a fair value of S$13,691,000. The gross contractual amount for trade receivables due is S$14,465,000, of which S$774,000 is expected to be uncollectible.

(g) Goodwill

The goodwill of S$33,369,000 arising from the acquisition is attributable to the synergies expected to arise from enabling end-to-end fulfilment of eCommerce orders across the United States of America.

(h) Revenue and profit contribution

The acquired business contributed S$8,715,000 of revenue, S$480,000 of EBITDA and S$363,000 of net profit to the Group for the period 8 March 2016 to 31 March 2016.

Had JP been consolidated from 1 April 2015, consolidated revenue, consolidated EBITDA and consolidated net profit for the year ended 31 March 2016 would have increased by S$92,278,000, S$5,043,000 and S$1,109,000 respectively.

(v) During the financial year ended 31 March 2015, the Group acquired F.S. Mackenzie Limited ("FSML"), Famous Pacific Shipping (NZ) Limited ("FPSNZ"), The Store House Limited ("TSH"), and Couriers Please Holdings Pty Limited and its subsidiaries ("CP Holdings group"). The fair values of assets and liabilities of FSML, FPSNZ, TSH and CP Holdings group from the acquisition had initially been determined in the Financial Statements of the Group for the financial year ended 31 March 2015 based on provisional fair values. The Group completed the Purchase Price Allocation ("PPA") exercise in the financial year ended 31 March 2016 for FSML, FPSNZ, TSH and CP Holdings group and the effects of the PPA exercise, together with the revision to contingent consideration payable, is summarised below. These adjustments are accounted for as if they had been recognised on acquisition date and adjusted in the comparative financial statements as prior year adjustments. The effects to the 31 March 2015 Group balance sheet are as follows:

36. BUSINESS COMBINATIONS (continued)

(v) (continued)

	As previously reported S$'000	After adjustment S$'000	Increase/ (Decrease) S$'000
As at 31 March 2015			
Assets			
Goodwill	296,492	267,278	(29,214)
Intangible assets, excluding goodwill	6,401	49,364	42,963
Deferred income tax assets	5,371	4,541	(830)
Net increase			**12,919**
Liabilities			
Trade and other payables	10,508	10,688	180
Deferred income tax liabilities	23,601	36,340	12,739
Net increase			**12,919**

There is no material effect to the 31 March 2015 Group financial results.

37. NEW OR REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS

Below are the mandatory standards, amendments and interpretations to existing standards that have been published, and are relevant for the Group's accounting periods beginning on or after 1 April 2016 and which the Group has not early adopted:

- FRS 16 *Property plant and equipment* and FRS 38 *Intangible assets* (effective for annual periods beginning on or after 1 January 2016)

  This amendment clarifies that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset. This has also clarified that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. The presumption may only be rebutted in certain limited circumstances. These are where the intangible asset is expressed as a measure of revenue; or where it can be demonstrated that revenue and the consumption of the economic benefits of the intangible asset are highly correlated.

  Management is in the midst of assessing whether there is any significant impact on the financial statements of the Group.

37. NEW OR REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS (continued)

- FRS 111 *Joint Arrangements* (effective for annual periods beginning on or after 1 January 2016)

  This amendment provides new guidance on how to account for the acquisition of an interest in a joint venture operation that constitutes a business. The amendments require an investor to apply the principles of business combination accounting when it acquires an interest in a joint operation that constitutes a 'business'. The amendments are applicable to both the acquisition of the initial interest in a joint operation and the acquisition of additional interest in the same joint operation. However, a previously held interest is not re-measured when the acquisition of an additional interest in the same joint operation results in retaining joint control.

  This amendment is not expected to have any significant impact on the financial statements of the Group.

- FRS 110 *Consolidated financial statements* and FRS 28 *Investments in associates and joint ventures* (effective date to be determined by the ASC)

  These amendments address an inconsistency between FRS 110 and FRS 28 in the sale or contribution of assets between an investor and its associate or joint venture. A full gain or loss is recognised when a transaction involves a business. A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if those assets are in a subsidiary.

  This amendment is not expected to have any significant impact on the financial statements of the Group.

- FRS 1 *Presentation of financial statements* (effective for annual periods beginning on or after 1 January 2016)

  The amendment clarifies guidance in FRS 1 on materiality and aggregation, the presentation of subtotals, the structure of financial statements and the disclosure of accounting policies.

  Management is in the midst of assessing whether there is any significant impact on the financial statements of the Group.

37. NEW OR REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS (continued)

- FRS 115 *Revenue from contracts with customers* (effective for annual periods beginning on or after 1 January 2018)

  This is the converged standard on revenue recognition. It replaces FRS 11 Construction contracts, FRS 18 Revenue, and related interpretations. Revenue is recognised when a customer obtains control of a good or service. A customer obtains control when it has the ability to direct the use of and obtain the benefits from the good or service. The core principle of FRS 115 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity recognises revenue in accordance with that core principle by applying the following steps:

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

  FRS 115 also includes a cohesive set of disclosure requirements that will result in an entity providing users of financial statements with comprehensive information about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

  Management is in the midst of assessing whether there is any significant impact on the financial statements of the Group.

- FRS 109 *Financial instruments* (effective for annual periods beginning on or after 1 January 2018)

  The complete version of FRS 109 replaces most of the guidance in FRS 39. FRS 109 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through Other Comprehensive Income (OCI) and fair value through Profit or Loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in OCI. There is now a new expected credit losses model that replaces the incurred loss impairment model used in FRS 39.

  For financial liabilities there were no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value, through profit or loss. FRS 109 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the 'hedged ratio' to be the same as the one management actually use for risk management purposes. Contemporaneous documentation is still required but is different to that currently prepared under FRS 39.

  This amendment is not expected to have any significant impact on the financial statements of the Group.

38. AUTHORISATION OF FINANCIAL STATEMENTS

These financial statements were authorised for issue on 11 May 2016 in accordance with a resolution of the Board of Directors of Singapore Post Limited.

39. LISTING OF COMPANIES IN THE GROUP

Name	Principal activities	Country of incorporation	Percentage of effective equity held by the Group		by the NCI	
			2016 %	2015 %	**2016** %	2015 %
SUBSIDIARIES						
Held by the Company						
SingPost eCommerce II Pte Ltd.	Online sale of luxury products	Singapore	**100**	100	**–**	–
DataPost Pte. Ltd.	Electronic printing and despatching services	Singapore	**–**	100	**–**	–
SingPost eCommerce Pte. Ltd.	eCommerce specialising in the provision of online sale of products	Singapore	**100**	100	**–**	–
SingPost Logistics Holding Pte Ltd[(1)]	Investment holding, provision of management and consultancy services to related entities	Singapore	**100**	100	**–**	–
Singapore Post Enterprise Private Limited	Investment holding	Singapore	**100**	100	**–**	–
SingPost Investments Pte Ltd	Investment holding	Singapore	**100**	100	**–**	–
SingPost Logistics Investments Pte. Ltd.	Investment holding	Singapore	**100**	100	**–**	–
Held by the subsidiaries						
DataPost (HK) Pte Limited[(4)]	Electronic printing and enveloping services	Hong Kong	**–**	100	**–**	–
eP2M Services Sdn. Bhd.	Electronic printing and despatching services	Malaysia	**–**	100	**–**	–
SP Jagged Peak LLC[(5)]	Investment holding	United States	**100**	–	**–**	–

39. LISTING OF COMPANIES IN THE GROUP (continued)

Name	Principal activities	Country of incorporation	Percentage of effective equity held by the Group 2016 %	by the Group 2015 %	by the NCI 2016 %	by the NCI 2015 %
SUBSIDIARIES (continued)						
Held by subsidiaries (continued)						
Jagged Peak, Inc[5]	eCommerce logistics enabler for high-velocity consumer products	United States	**71.1**	–	**28.9**	–
SingPost Distribution Pte. Ltd.[2]	Provision of business mail solutions and distribution of mail	Singapore	**100**	100	**–**	–
SP Commerce Holdings, Inc[5]	Investment holding	United States	**100**	–	**–**	–
SP Commerce, Inc[5]	Provison of global sale & marketing services	United States	**100**	–	**–**	–
TG Acquisition Corporation[5]	Investment holding	United States	**96.4**	–	**3.6**	–
TradeGlobal Holdings, Inc[5]	eCommerce enablement provider	United States	**96.4**	–	**3.6**	–
TradeGlobal North America Holding, Inc[5]	eCommerce enablement provider	United States	**96.4**	–	**3.6**	–
TradeGlobal North America LLC[5]	eCommerce enablement provider	United States	**96.4**	–	**3.6**	–
TradeGlobal Asia Holdings Limited[5]	eCommerce enablement provider	Hong Kong	**96.4**	–	**3.6**	–
Trade Global Europe TGE GmbH	eCommerce enablement provider	Germany	**96.4**	–	**3.6**	–
Netrada Trade and Consulting (Shanghai) Co Ltd	eCommerce enablement provider	China	**96.4**	–	**3.6**	–
SingPost Logistics Enterprise Pte Ltd	Investment holding, provision of management and consultancy services to related entities	Singapore	**100**	–	**–**	–
SingPost Logistics Australia Holdings Pty Ltd	Investment holding, provision of management and consultancy services to related entities	Australia	**100**	–	**–**	–

39. LISTING OF COMPANIES IN THE GROUP (continued)

Name	Principal activities	Country of incorporation	Percentage of effective equity held by the Group 2016 %	by the Group 2015 %	by the NCI 2016 %	by the NCI 2015 %
SUBSIDIARIES (continued)						
Held by subsidiaries (continued)						
Quantium Solutions International Pte. Ltd.	Investment holding, provision of management and consultancy services to related entities	Singapore	**100**	100	**–**	–
Quantium Solutions (Singapore) Pte. Ltd.	Provision of delivery services and e-commerce logistics solutions	Singapore	**100**	100	**–**	–
Quantium Mail Logistics Solutions (India) Private Limited	Provision of delivery services and e-commerce logistics solutions	India	**100**	100	**–**	–
Quantium Express Solutions (India) Private Limited	Provision of delivery services and e-commerce logistics solutions	India	**100**	–	**–**	–
Quantium Solutions (Australia) Pty Limited	Provision of delivery services and e-commerce logistics solutions	Australia	**100**	100	**–**	–
Quantium Solutions (Hong Kong) Limited	Provision of delivery services and e-commerce logistics solutions	Hong Kong	**100**	100	**–**	–
Quantium Solutions (Japan) Inc.	Provision of delivery services and e-commerce logistics solutions	Japan	**100**	100	**–**	–
Quantium Solutions International (Malaysia) Sdn Bhd	Provision of delivery services and e-commerce logistics solutions	Malaysia	**100**	100	**–**	–
Quantium Solutions (New Zealand) Pty Limited	Provision of delivery services and e-commerce logistics solutions	New Zealand	**100**	100	**–**	–
Quantium Solutions (Philippines) Inc+	Provision of delivery services and e-commerce logistics solutions	Philippines	**40**	40	**60**	60
Quantium Solutions (Taiwan) Co., Ltd	Provision of delivery services and e-commerce logistics solutions	Taiwan	**100**	100	**–**	–

39. LISTING OF COMPANIES IN THE GROUP (continued)

Name	Principal activities	Country of incorporation	Percentage of effective equity held by the Group		by the NCI	
			2016 %	2015 %	**2016** %	2015 %
SUBSIDIARIES (continued)						
Held by subsidiaries (continued)						
Quantium Solutions (Thailand) Co., Ltd.	Provision of delivery services and e-commerce logistics solutions	Thailand	**100**	100	**–**	–
PT Quantium Solutions Logistics Indonesia+	Provision of delivery services and e-commerce logistics solutions	Indonesia	**49**	49	**51**	51
Couriers Please Holdings Pty Limited	Provision of delivery services and e-commerce logistics solutions	Australia	**100**	100	**–**	–
Couriers Please Australia Pty Limited	Provision of delivery services and e-commerce logistics solutions	Australia	**100**	100	**–**	–
Couriers Please Pty Limited	Provision of delivery services and e-commerce logistics solutions	Australia	**100**	100	**–**	–
Novation Solutions Limited	Security printing and transaction mail Provider	Hong Kong	**–**	100	**–**	–
Novation Printing (Shenzhen) Limited(6)	Security printing and transaction mail provider	China	**–**	100	**–**	–
SingPost Storage Company Ltd	Investment holding	Mauritius	**100**	100	**–**	–
SingPost Investments (Tampines) Pte Ltd	Investment holding	Singapore	**100**	100	**–**	–
SingPost Investments (Toh Guan) Pte Ltd	Investment holding	Singapore	**100**	100	**–**	–
SingPost Investments (Ecommerce Logistics) Pte Ltd	Investment holding	Singapore	**100**	100	**–**	–
SingPost Centre (Retail) Pte Ltd	Investment holding	Singapore	**100**	100	**–**	–

39. LISTING OF COMPANIES IN THE GROUP (continued)

Name	Principal activities	Country of incorporation	Percentage of effective equity held by the Group		by the NCI	
			2016	2015	**2016**	2015
			%	%	**%**	%
SUBSIDIARIES (continued)						
Held by subsidiaries (continued)						
General Storage Company	Investment holding company	Singapore	**100**	100	**–**	–
Lock + Store (Chai Chee) Pte Ltd	Provision of warehousing, storage & logistics services	Singapore	**100**	100	**–**	–
Lock + Store (Tanjong Pagar) Pte Ltd	Provision of warehousing, storage & logistics services	Singapore	**100**	100	**–**	–
Lock + Store (Ayer Rajah) Pte Ltd	Provision of warehousing, storage & logistics services	Singapore	**100**	100	**–**	–
The Store House Limited(7)	Provision of personal & business storage facilities	Hong Kong	**100**	100	**–**	–
The Store House Operating Company Limited(7)	Provision of administrative & management services	Hong Kong	**75**	75	**25**	25
Lock and Store (Glenmarie) Sdn. Bhd.	Provision of warehousing, storage & rental services	Malaysia	**100**	100	**–**	–
Store Friendly Self Storage Group Pte Ltd	Provision of general warehousing, self-storage and value added logistics services	Singapore	**100**	–	**–**	–
Japan Self Storage Company Ltd(5)	Provision of self-storage services	Japan	**60**	–	**40**	–
SingPost eCommerce Logistics Holdings Pte Ltd	Investment holding	Singapore	**100**	–	**–**	–
SP Parcels Pte Ltd(1)	Courier activities other than national post activities	Singapore	**100**	–	**–**	–

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

39. LISTING OF COMPANIES IN THE GROUP (continued)

Name	Principal activities	Country of incorporation	Percentage of effective equity held by the Group		by the NCI	
			2016 %	2015 %	**2016** %	2015 %
SUBSIDIARIES (continued)						
Held by subsidiaries (continued)						
Famous Holdings Pte Ltd	Investment holding and provision of management services	Singapore	**62.5**	62.5	**37.5**	37.5
Famous Air & Sea Services Pte Ltd	Freight forwarding	Singapore	**62.5**	62.5	**37.5**	37.5
FPS Global Logistics Pte Ltd	Freight forwarding	Singapore	**62.5**	62.5	**37.5**	37.5
Famous Pacific Shipping (S) Pte Ltd(3)	Freight forwarding	Singapore	**–**	62.5	**–**	37.5
FPS Famous Pacific Shipping Sdn Bhd(8)	Freight forwarding	Malaysia	**62.5**	62.5	**37.5**	37.5
Famous Pacific Shipping (WA) Pty Ltd	Freight collections transhipments	Australia	**62.5**	62.5	**37.5**	37.5
F.S. Mackenzie Limited(9)	Freight forwarding	United Kingdom	**62.5**	62.5	**37.5**	37.5
Famous Pacific Shipping (NZ) Limited(10)	Freight forwarding	New Zealand	**56.25**	56.25	**43.75**	43.75
Mercury Worldwide (NZ) Limited(10)	Freight forwarding	New Zealand	**56.25**	56.25	**43.75**	43.75
FPS Logistics (USA) Inc.(11)	Logistics management and services	USA	**62.5**	62.5	**37.5**	37.5
Sino Famous Intertrans Co Ltd(12)	Freight forwarding	China	**62.5**	62.5	**37.5**	37.5
Famous Container Lines Co Ltd(12)	Freight forwarding	China	**62.5**	62.5	**37.5**	37.5

39. LISTING OF COMPANIES IN THE GROUP (continued)

Name	Principal activities	Country of incorporation	Percentage of effective equity held by the Group 2016 %	by the Group 2015 %	by the NCI 2016 %	by the NCI 2015 %
SUBSIDIARIES (continued)						
Held by subsidiaries (continued)						
Shinyei Shipping Co Ltd	Freight forwarding	Japan	**55.6**	55.6	**44.4**	44.4
Tras – Inter Co. Ltd(13)	Customs brokerage and freight forwarding	Japan	**55.6**	55.6	**44.4**	44.4
Rotterdam Harbour Holding B.V.(14)+	Management, asset, accounting and custom services	Netherlands	**50**	–	**50**	–
FPS Famous Pacific Shipping B.V.(14)+	Logistics services	Netherlands	**50**	–	**50**	–
Trans Ocean Pacific Forwarding B.V.(14)+	Logistics services	Netherlands	**50**	–	**50**	–
EWC East Way Commodities B.V.(14)+	Trading company and purchase organisation for oceanfreight services	Netherlands	**50**	–	**50**	–
FPS Famous Pacific Shipping Germany GmbH(15)+	Sales company for logistics services of parent in Rotterdam	Germany	**50**	–	**50**	–
FPS Famous Pacific Shipping s.r.o.(16)+	Logistics services	Netherlands	**25.5**	–	**74.5**	–
SP eCommerce (Thailand) Co Ltd(17)	eCommerce specialising in the provision of online shopping platforms and services	Thailand	**100**	100	**–**	–
SP eCommerce (Korea) Co Ltd(17)	eCommerce specialising in the provision of online shopping platforms and services	Korea	**100**	100	**–**	–
SP eCommerce (Malaysia) Sdn. Bhd(17)	eCommerce specialising in the provision of online shopping platforms and services	Malaysia	**100**	–	**–**	–

39. LISTING OF COMPANIES IN THE GROUP (continued)

Name	Principal activities	Country of incorporation	Percentage of effective equity held by the Group	
			2016	2015
			%	%
ASSOCIATED COMPANIES				
Held by the Company				
GD Express Carrier Berhad[18]	Provision of express delivery and customised logistics services	Malaysia	**11.23**	24.2
Held by subsidiaries				
Postea, Inc.[5]	Provision of technology and support in postal, courier and other distribution markets	USA	**27**	27
Indo Trans Logistics Corporation[19]	Provision of integrated logistics, freight and transport management and aviation services	Vietnam	**30**	30
Dash Logistics Company Ltd[17]	Provision of integrated logistics, freight and transport management and aviation services	Vietnam	**51**	51
Shenzhen 4PX Information and Technology Co Ltd.[20]	Provision of international express delivery services, international freight forwarding, import and export of goods and technology	China	**35.91**	18
Efficient E-Solutions Berhad[21]	Provision of data print, record management, data and document processing	Malaysia	**20.81**	20.81
Hubbed Holdings Pty Ltd[22]	Ecommerce and logistics retail network	Australia	**30**	–
Morning Express & Logistics Holding Ltd[23]	Provision of courier services and provision of management services to its related company	Hong Kong	**33**	–
E Link Station Ltd[23]	Provision of redemption services	Hong Kong	**50**	–
ePDS, Inc.[24]	Provision of electronic printing	Philippines	**–**	33
Shanghai Yihui Printing[17]	General printing	China	**–**	30
Novation Efficient Logistics Limited[17]	Provision of logistics services	Hong Kong	**–**	40

39. LISTING OF COMPANIES IN THE GROUP (continued)

Name	Principal activities	Country of incorporation	Percentage of effective equity held by the Group	
			2016 **%**	2015 %
JOINT VENTURES				
Held by subsidiaries				
Thai British Dpost Company Limited[25]	Provision of laser printing and enveloping services and despatching services	Thailand	**–**	49
PT Trio Specommerce Indonesia	e-commerce specialising in the provision of online sale of products	Indonesia	**33**	–

Notes

(1) Formerly known as Quantium Solutions Holding Pte Ltd
(2) Formerly known as Quantium Solutions Distribution Pte Ltd
(3) The company has been legally merged into FPS Global Logistics Pte Ltd

All companies as at 31 March 2016 are audited by member firms of PricewaterhouseCoopers International Limited, except for the following:

(4) Audited by Dominic K.F. Chan & Co. but work was performed by PricewaterhouseCoopers LLP, Singapore
(5) Not required to be audited for the financial year ended 31 March 2016
(6) Audited by Shenzhen Tian British Institute of Certified Public Accountants
(7) Audited by Cheng & Cheng Limited, Hong Kong
(8) Audited by Thiang & Co, Malaysia
(9) Audited by Blick Rothenberg LLP, United Kingdom
(10) Audited by KPMG LLP, New Zealand
(11) Audited by DNW & Associates Inc. United States of America
(12) Audited by Tianjin Guangxin Certified Public Accountants Co., Ltd, China
(13) Audited by HLB Meisei LLC, Japan
(14) Audited by Crowe Horwath Peak Audit & assurance, Netherlands
(15) Audited by Crowe Horwath Trinavis Audit & assurance, Germany
(16) Audited by Ucetnictvi on-line, s.r.o., Czech Republic
(17) Audited by local statutory auditors in the countries of incorporation
(18) Audited by Deloitte KassimChan, Malaysia
(19) Audited by KPMG Limited, Vietnam
(20) Audited by Deloitte Touche Tohmatsu, Certified Public Accountants LLP, Shenzhen Branch, China
(21) Audited by PKF International, Malaysia
(22) Audited by Assura Group
(23) Audited by Esmond W.T. Leung & Co
(24) Audited by SyCip Gorres Velayo & Co, Philippines
(25) Audited by KPMG Phoomchai Audit Ltd, Thailand
\+ 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.