
SINGAPORE
LOGISTICS
SINGAPORE
MAIL
SINGAPORE
RETAIL
WHERE IT ALL
HAPPENS
SINGPOST
Annual Report
2003/04
EXPRESS

Contents

SingPost today provides an integrated suite of mail, logistics and retail services within Singapore and around the world. With more than 95 per cent share of the local mail market, 62 post offices island wide, and a competitive position in logistics solutions, our aim is to add value to our customers by offering them an even broader range of services, from one delivery point. Which is why beyond our traditional mail services we are forging strategic partnerships to give global reach to our logistics business, and are leveraging our retail network to introduce financial services. Our vision is to be a comprehensive one-stop shop for our customers' needs, to be the place 'Where it all happens'.

VISION

We want to be recognised as a leading world-class solutions provider of all communications and distribution needs in mail, logistics and retail.

MISSION

We are in business to communicate information, distribute goods and provide services for our customers through the most reliable and efficient domestic and global networks.

DELIVERING ON OUR COMMITMENTS

Dear Shareholders,

Our first year as a public listed company was a challenging one. The negative effects of the Iraqi war and the outbreak of Severe Acute Respiratory Syndrome (SARS) reverberated through the first few months of the financial year 2003/04. The economic environment then, both local and global, was difficult. Fortunately, business conditions improved as the year progressed.

Despite the challenging environment, the Group was able to maintain profitability at above S$100 million. The performance of our core business was essentially stable throughout the year. This is a demonstration of the resilience of our businesses and operational functions. It is also a testimony of the commitment of our management and staff.

For the financial year ended 31 March 2004, operating revenue fell slightly by 1.3 per cent to S$368.2 million while operating costs were down by 1.1 per cent at S$256.3 million. Net profit of S$104.3 million was 4.0 per cent lower than last year's S$108.7 million, mainly due to the SARS-impacted first quarter, lower other income, increase in net finance cost and additional costs associated with the public listing of the Company. Earnings before interest, tax, depreciation and amortisation (EBITDA) amounted to S$177.7 million. Our cash resources remained strong, with free cash flow of S$114.4 million generated in FY 2003/04.

Dividends

The Board is recommending a final dividend of 2.1 cents per share amounting to S$40 million net of tax. Together with the net interim dividend of 2.1 cents per share, the total net dividend for FY 2003/04 would amount to 4.2 cents per share, or S$80 million – in accordance with our stated intention in our Initial Public Offering (IPO) prospectus.

The Group's aim is to have a consistent dividend policy that reflects our current desire to maintain and potentially increase dividend levels, barring any unforeseen circumstances.

Commitment to Shareholders

We are committed to achieving high standards of corporate conduct to ensure greater transparency and protect shareholders' interests. To this end, we will continue to refine our corporate governance policies and practices. Indeed, we are gratified that in our first year as a listed company, we won an award for Best in Corporate Governance (Tier 3) in The Asset Awards 2003.

We make it our business to deliver

Singapore POST

We are also pleased that our good work in relation to the IPO of SingPost was widely recognised. The IPO was accorded the IFR Asia Singapore Equity Deal of the Year Award, FinanceAsia Best Deal by Country Award and was one of Institutional Investors' 2003 Deals of the Year.

Going Forward

The Board and the management are committed to enhancing the long-term shareholder value of our Company.

We aim to find new growth drivers to strengthen our core businesses in Mail, Logistics and Retail. Like other forward-thinking postal companies in the world, we are expanding our range of services to include the provision of financial services, which will be introduced at our post offices over the next two years. Besides maximising the use of our post office network, which receives more than 20 million customer visits a year, we are confident that the Financial Services operation would contribute favourably to our revenue and profitability in the medium term.

The major challenges facing us continue to be the deregulation of postal services in 2007 and e-substitution. In addition, cost-cutting by the goverment has affected our business. We are responding by adopting a more commercially driven approach to the management of SingPost and by actively seeking new revenue streams to compensate for the declines in mail revenue.

Conclusion

Financial year 2003/04 was a major transition year for SingPost. We have made progress and will do even more to realise the full potential of SingPost. I am glad that the management and staff have risen to the occasion. I thank them for their commitment and dedication. I also thank the members of the Board for their active involvement in the company. Most importantly, I thank you, our shareholders, for your support and confidence.

Lim Ho Kee
Chairman

We make it our business to deliver

WHERE IT ALL HAPPENS

Business Review

INTRODUCTION

Through our licence granted by the Info-communications Development Authority of Singapore (IDA), we are the exclusive provider of basic mail services for letters and postcards in Singapore until 31 March 2007 and a non-exclusive provider of these services until 31 March 2017. We believe we have an estimated domestic mail market share of more than 95 per cent even though about 60 per cent of our domestic mail volume is open to competition.

In addition to our core mail business, we provide local and international express delivery services, warehousing, fulfilment and distribution services, and retail services through our distribution channels.

Our principal strategies are to maintain and strengthen our market positions in both the domestic and international mail markets; be recognised as a leading world-class solutions provider of all our customers' distribution needs in mail, logistics and retail; and expand internationally through partnerships and alliances with like-minded corporations.

We aim to be the one-stop shop for our customers' mailing and distribution needs, offering a range of value-added services and providing tailor-made solutions and advice. As international economies become more integrated, our customers increasingly look for global reach, which we offer by leveraging our domestic and global network.

BUSINESS REVIEW

Our three main operating divisions are Mail, Logistics and Retail. Mail contributed 78.5 per cent of the Group's total operating revenue in FY 2003/04, while Logistics and Retail accounted for 13.5 per cent and 6.2 per cent respectively. Philatelic revenue made up the remaining 1.8 per cent.

Towards the end of 2003, we set up a new division, Financial Services, to focus on rolling out a new suite of financial products and services at our post offices over FY 2004/05 and FY 2005/06.

MAIL

With our strong leadership position in the domestic mail market, the Mail division continues to be the major contributor to SingPost's total revenue. To prepare for deregulation in 2007, we are continually improving process efficiencies which boost productivity and save costs, as well as introducing innovative services that add value to our customers.

More than

1,000

postmen work six days a week, delivering mail to over 1 million addresses in Singapore

804

Postboxes

719.3m

Total domestic mail volume
for FY 2003/04

99.8%

of mail to the CBD is delivered
by the next working day

MAIL

Postal workers prepare mail items for processing by the Culler-Facer-Canceller machine which processes up to 35,000 mail items per hour. >

Automatic Guided Vehicles transport mail efficiently to designated locations for processing. v

The provision of postal services in Singapore is licensed by the IDA under the Postal Services Act, Chapter 237A. The IDA requires SingPost to provide mandatory services in return for exclusive rights to provide basic mail services with respect to letters and postcards (excluding express letters).

By virtue of our strong position in the Singapore market, mail activities continue to provide a stable source of earnings and cash flow. Although growth in traditional mail services is limited, direct mail has been an engine of growth in our Mail business over the last few years. Together with publications, this segment recorded a 10 per cent increase in traffic volume for FY 2003/04. We will continue to promote the use of direct mail through relevant industry platforms so that direct mail can be seen as an integral part of advertising, customer acquisition and customer relationship management.

To counter the decline in traditional mail volumes as a result of e-substitution, we are offering delivery solutions to support e-commerce activities as well as innovative value-added products and services for a total one-stop solution to our customers.

New Mail Delivery Standard From 1 April 2004

SingPost consistently delivers on its commitment to customers. In FY 2003/04, we delivered a 99.8 per cent level of efficiency in our next-day delivery standard for mail posted to addresses within the Central Business District (CBD) and 99.1 per cent for mail posted to all other addresses.

From 1 April 2004, the percentage of mail required to be delivered outside CBD areas by the next working day was raised by the IDA from 95 per cent to 98 per cent. The percentage of mail required to be delivered within CBD areas by the next working day was also raised from 98 per cent to 99 per cent.

Mail Productivity

During the year, our postman delivered an average of 2,781 mail items per effective man-day, up from 2,736 last year. Our mail processing officer processed an average of 5,477 mail items per effective man-day, up from 5,397 last year.

To enhance the efficiency levels of our postmen's sorting operation, we introduced a new double-sided vertical sorting frame at ten delivery bases. The frame enables two sorting steps to be merged into one, contributing to better mail quality and higher productivity.

New Joint Venture –ePDS, Inc.

Our subsidiary, DataPost Pte Ltd, entered into a joint venture in June 2003 with G3 Worldwide Aspac Pte Ltd and ePLDT Inc., a wholly-owned subsidiary of the Philippines Long Distance Telephone Company. The joint venture company, ePDS, Inc., is engaged in the business of laser printing, enveloping statements, bills and invoices and related value-added services in the Philippines. ePDS, Inc. began operating on 2 December 2003.

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Trays of preprocessed mail arrive at the Delivery Barcode Sorter machine to be sorted to delivery sequence before despatch.

REPORT ON THE PERFORMANCE OF SINGAPORE POST'S MAIL DELIVERY SERVICE

We have undertaken an independent test of Singapore Post's Mail Delivery System against its delivery target for the year from 1 April 2003 to 31 March 2004. Singapore Post's delivery targets are:-

- to have at least 98% of domestic letters addressed to recipients in the Central Business District; and
- to have at least 95% of domestic letters addressed to recipients outside the Central Business District

delivered on the next working day from the date of mailing at a collection point prior to the latest indicated collection time for that day. Our test covered stamped domestic letters.

Our procedures were designed to test the service performance for letters posted during the year ended 31 March 2004. This was based on letters posted to a representative selection of addresses from a representative selection of entry points in the postal system. Our test was based on a statistically valid sample of 15,628 test letters determined in conjunction with Assoc Prof Koh Hian Chye.*

In our opinion, at a 95% confidence level, Singapore Post has achieved both of the above delivery targets for stamped domestic letters for the year ended 31 March 2004.

KPMG
Certified Public Accountants
Singapore
27 April 2004

*Assoc Prof Koh Hian Chye is an associate professor with the Nanyang Technological University.

LOGISTICS

Our sorting equipment processes up to

6,000

parcels per hour of up to 30kg per parcel

Our Logistics business covers the full range of logistics services from express delivery, to warehousing, fulfillment and distribution. We are strengthening our logistics offering by widening our services to attract a broader client base and expanding our global reach through forging strategic alliances with complementary partners worldwide.

Speedpost deploys more than **200** postal couriers

Speedpost Worldwide delivers to about **200** countries throughout the world

LOGISTICS

The ISO-certified Logistics Division provides one-stop domestic and international door-to-door distribution services including express delivery services, offered under the Speedpost brand, as well as warehousing, fulfilment and distribution services.

We are working to increase awareness of our logistics products and services by introducing marketing initiatives aimed at small and medium sized enterprises. To complement and widen our range of services, as well as to increase value-added services, we aim to expand our network through partnerships and alliances with forerunning and like-minded postal administrations and corporations.

Speedpost Operations Streamlined

During the year, we introduced a new processing system for Speedpost items which integrates both the processing and customer service functions. This system gives us the means to streamline these functions, enabling Speedpost items to be processed in the shortest possible time. Furthermore, the delivery

One-stop fulfillment solutions to meet every distribution need; pick-and-pack, labelling and documentation right up to delivery.

status of Speedpost items is immediately updated on-line at the Speedpost website, www.speedpost.com.sg. This means that customers can track their items online and receive the latest delivery status of their items.

To improve the efficiency of our couriers, we made enhancements to our parcel sorting machine, which is now able to sort all parcel items to courier delivery routes instead of postal sectors previously. This enhancement has reduced the time the courier takes to perform indoor sorting, resulting in better productivity and customer service.

Screening Of Speedpost Items

To enhance the security of our operations and to provide our customers with greater assurance, we worked with the customs authority to screen all Speedpost items from June 2003.

With a strong Speedpost fleet, efficient collection and delivery network, coupled with real-time online tracking capabilities, Speedpost satisfies urgent delivery needs.

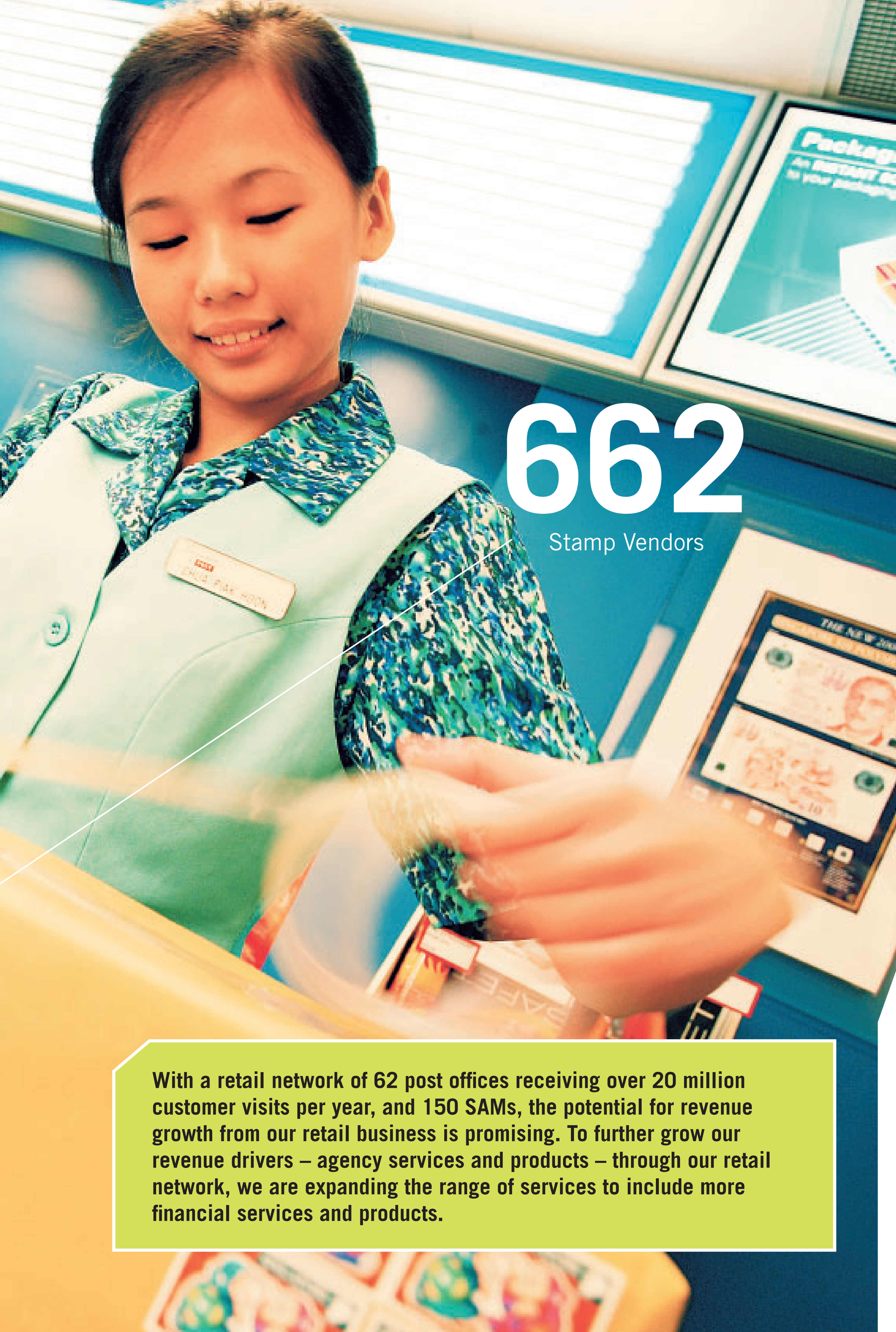
More than just delivery: SingPost offers integrated back-office support through warehousing, inventory tracking/replenishment and reporting.

RETAIL

81
Authorised Agencies

150
Self-service Automated Machines (SAMs)

62
Post Offices



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Stamp Vendors

With a retail network of 62 post offices receiving over 20 million customer visits per year, and 150 SAMs, the potential for revenue growth from our retail business is promising. To further grow our revenue drivers – agency services and products – through our retail network, we are expanding the range of services to include more financial services and products.

RETAIL

Our Retail Division provides postal and agency services and products through three main channels of distribution to consumers: post offices, Self-service Automated Machines (SAMs) and our Internet portal, www.vpost.com.sg (vPOST). As at 31 March 2004, there were 62 post offices, 81 authorised postal agencies, 662 stamp vendors and 150 SAMs.

We expanded our network of SAMs to a total of 150 as at 31 March 2004 from 123 previously. This included the installation of SAMs at selected Mass Rapid Transit (MRT) train stations along the North-East line and at certain petrol stations.

As part of our continual enhancement efforts, all our SAMs were upgraded with a Chinese interface and Mandarin options were introduced on our Interactive Voice Response hotline 1605 in 2003.

We aim to enhance profitability through leveraging our significant retail presence, sophisticated IT infrastructure, reputation for reliability and security, and experienced and well-trained staff to deliver traditional and non-traditional products and services.

A key element of our strategy is to expand agency services and find new revenue streams to counter the decline in contributions from traditional postal services and bill payments. In tandem, we will work to raise awareness of our service offerings at the post offices through marketing initiatives.

We are actively promoting the use of our highly convenient and easily accessible SAMs. The growth in SAMs transactions will enable us to continue to improve our service standards and waiting time at our post offices while we introduce more value-added services and products. We will also work to expand the base of subscribers and billers on vPOST to make it a one-stop online bill presentment and payment portal.

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Experienced and well-trained staff is the key to quality customer service.

< With more billers onboard vPOST, subscribers can look forward to more service offerings on SingPost's one-stop bill presentment and payment portal.

Enjoy 24-hour convenience with our easily accessible and easy to use SAMs. v

FINANCIAL SERVICES

We constantly look for new opportunities of growth in our business and to leverage our distribution network by expanding our range of services. We view our venture into the offering of financial services as a natural and logical step, considering that we already offer micro remittance services in 33 post offices as well as financial products such as international bank drafts.

With more than 20 million customer visits to the post offices annually, we believe our financial services, targeting at the general masses, will provide service offerings that meet the needs of our customers. Our value propositions include more product choices, greater convenience and an alternative channel in obtaining financial services.

The Financial Services Division, dedicated to developing, launching and operating SingPost's financial services, was set up at the end of 2003. We will offer a suite of products such as Secured Personal Finance, micro remittance, PostAssurance (i.e. the distribution of investment and insurance products), the distribution of consumer financial products such as housing and renovation loans, and business cash flow management. Subject to regulatory clearance for some of the services, we intend to introduce the full suite of products and services over FY 2004/05 and FY 2005/06.

OTHERS

PROPERTY

Singapore Post Centre

Our flagship building, Singapore Post Centre (SPC), houses our mail processing centre and is a premier commercial centre with an office block and a retail mall. The property market in Singapore remained weak during the year. Overall occupancy at SPC averaged 89.3 per cent for the year. To improve returns on our properties, we are studying and undertaking measures to enhance rental yields of all our properties.

Airmail Transit Centre

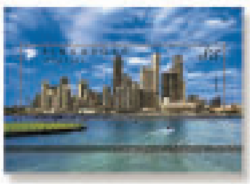
The new Airmail Transit Centre began its operations on 13 April 2003. This purpose-built centre, which processes international mail, parcels and Speedpost items, enables us to offer a regional processing hub to companies involved in regional distribution and processing.

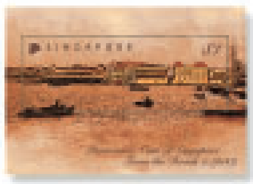
PHILATELY AND STAMPS

We released a total of 11 stamp issues during FY 2003/04.

In March 2004, as a mark of cooperation between the People's Republic of China and Singapore to foster closer ties and fruitful relationships, we worked with the postal administration of the People's Republic of China on a joint stamp issue to commemorate the tenth anniversary of the Suzhou Industrial Park.

Locally, a set of stamps juxtaposing the 1900 Singapore skyline and today's modern skyline was released. The impressive modern skyline was specially engraved by world-renowned engraver Czeslaw Slania.





In our preparation for the World Stamp Championship, the philatelic equivalent of the Olympics, which will be held in Singapore in August 2004, SingPost is issuing three stamp issues surrounding the theme Singapore, A Global City. Proceeds from the sale of these stamp issues will help fund this mega philatelic event.

COMMUNITY RELATIONS

At SingPost, we make effective use of our capabilities and resources to reach out to the community. One of these ways is via stamp issues, which feature and convey messages of concern for the community.

SingPost is a major corporate sponsor of the Singapore Philatelic Museum (SPM), a member museum of the National Heritage Board (NHB). Through its annual financial contributions to the operations of the SPM, SingPost is a major sponsor of the NHB.

During the year, we issued a special stamp sheet with personalised messages of gratitude to healthcare workers in Singapore for their contribution in the fight against SARS. Twenty thousand pre-cancelled covers were given to all healthcare workers in Singapore.

After more than ten years since a stamp issue was released to mark the country's birthday, a National Day stamp issue was released on 9 August 2003, the first in a series which will be issued to commemorate National Day each year. Net proceeds from the sale of the pre-cancelled National Day first day covers in 2003 were donated to charities under the Community Chest.

We also participate in the Community Chest's corporate SHARE programme in which every dollar donated to the Community Chest by our employees is matched by the Company.

In addition, we were the Official Delivery Partners for various worthy causes. Capitalising on our network and capabilities, we provided processing and delivery services for SingTel's Touching Lives Fund as well as for the national Senior Citizens Awards supported by the Ministry of Community Development and Sports. We were also the Official Delivery Partner for the Traffic Police's Road Safety Outreach Programme.

AWARDS

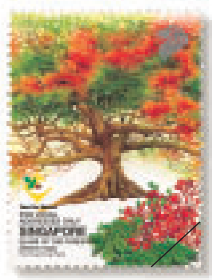
In all areas of our operations, we give our best efforts and strive to excel.

SingPost received a total of six gold and 27 silver awards in 2003 in our fourth year of participation in the national Excellent Service Awards.

Of these awards, in Retail, we received six gold and 13 silver awards in 2003. A total of 27 post offices were awarded the Retail Courtesy Gold Awards in a nation-wide programme organised by the Singapore Kindness Movement Council. These awards are handed out to the top 25 per cent of retail outlets in Singapore for courteous service as voted by the public.

Our pioneering Speech Recognition Postal Code Helpline was voted by Speech Technology magazine as one of the world's top 20 most innovative solutions award. The Helpline was also a finalist in the Customer Service Award category in the 2003 World Mail Awards.

For the third consecutive year, SingPost was awarded a Gold Certification Level Award, the highest accolade awarded by the Universal Postal Union, for our Speedpost Worldwide courier service.



In Philately, we submitted one stamp in the beautiful Heritage Trees stamp issue to the Stamp World Cup organised by Timbropresse of Paris. The stamp featuring the Flame of the Forest tree won the second prize in the 2003 World's Most Beautiful Stamp and the Most Beautiful Stamp in Asia.

The IPO of SingPost was well received by the financial community. In 2003, the IPO won the IFR Asia Singapore Equity Deal of the Year Award, the Best Deal By Country Award by FinanceAsia and was one of Institutional Investors' 2003 Deals of the Year. The IPO also received an Honourable Mention in the PR Week Awards in Hong Kong. In addition, we were accorded an award for Best in Corporate Governance (Tier 3) in The Asset Awards 2003.

AT YOUR SERVICE

new services introduced during the year

Your Travel Needs

On 1 October 2003, selected post offices began accepting bookings and payments for AirAsia. This was extended to ten post offices in November 2003. These ten post offices also started selling return coach tickets to Kuala Lumpur on behalf of Luxury Tours & Travel from 13 February 2004.

For Your Finances

For the first time, we began accepting loan payments, namely SDL Leasing Loan Payments, at our SAMs and post offices from 4 December 2003.

Our post offices and SAMs started accepting payments for American Express credit/charge cards from 16 February 2004. Customers have also been able to use American Express credit/charge cards as a mode of payment at our post offices from 17 February 2004.

We also introduced another remittance channel to the People's Republic of China from 12 January 2004.

In addition, post offices offering financial remittance services increased in number from 27 to 33 from 1 October 2003.

Expediency For Your Bill Payments

Enhancing the range of payment facilities at our SAMs, customers can now make payments of Pasir Ris-Punggol Town Council bills from January 2004. In addition, we introduced facilities to donate to the Community Chest via SAMS. Economic Restructuring Shares (ERS) top-ups were also accepted at SAMs from 25 October 2003. Bill payments for additional telcos were also introduced at SAMs and post offices during the year.

Your Delivery And Pick-Up Needs

We began delivering Speedpost parcel and courier items to Sm@rtLockers (a service of our subsidiary First Cube Pte Ltd) in initially 24 condominiums from 31 March 2004. This enables residents who are not at home at the time of delivery to pick up their Speedpost items at these lockers located in their condominiums.

Balikbayan ("Going Home") boxes to the Philippines were introduced to cater to the shipping needs of the Filipino workforce in Singapore. Launched on 15 November 2003 and available to four provinces of Metro Manila, Luzon, Visayas and Mindanao, this service enables customers to ship items of up to 50 kg to the Philippines.

Speedpost Worldwide Courier service introduced the Time Certain Service to Thailand from 1 July 2003. With this service, we now deliver by a stated time to four countries and cooperate with six countries to deliver inbound Speedpost items by a stated time in Singapore.

Also from 1 July 2003, FedEx items were accepted at all our post offices, compared to 11 previously.

For The Web-Users

On 11 March 2004, an additional avenue was made available at www.singpost.com for the public to request for transfer or re-delivery of Registered Articles. This complements the existing avenues of calling our toll-free enquiry line 1605 to speak with an operator or using the interactive voice response (IVR) system. Customers get an email confirmation each time a request is submitted.

This followed the new Registered Article (RA) Tracker introduced on the Company's website www.singpost.com in May 2003. The Registered Article (RA) Tracker allows customers to track the movement of their international and local registered mail via the Internet anytime and from virtually anywhere, in addition to other options such as sending an email or filling out an enquiry form at the post office.

Eleven new billers were introduced on www.vpost.com.sg during the year. As at 31 March 2004, vPOST offered bill presentment and payment services on behalf of a total of 41 billers.

To provide a shipping service for customers purchasing items from US merchants' websites, we introduced vPOSTUSA in October 2003. The service has been well received by customers in Singapore who are now able to purchase items online from US merchants.

GROUP FINANCIAL HIGHLIGHTS

	FY 2003/04	FY 2002/03	FY 2001/02	FY 2000/01	FY 1999/00
Consolidated income statements (S$'M)					
Operating revenue	**368.2**	373.0	380.9	371.2	349.6
Operating profit	**128.9**	135.0	132.8	149.6	138.8
Profit before interest and tax	**139.4**	145.0	134.2	148.7	138.7
Net profit	**104.3**	108.7	101.3	113.2	102.2
Consolidated balance sheets (S$'M)					
Total assets	**772.3**	828.3	901.7	949.4	863.1
Net assets	**303.0**	318.2	608.7	733.8	649.3
Borrowings	**300.0**	120.0	–	–	–
Total shareholders' equity	**300.4**	316.0	605.9	730.5	647.8
Consolidated cash flow statements (S$'M)					
Net cash inflow from operating activities	**121.7**	112.7	158.2	138.4	170.3
Net cash inflow/(outflow) from investing activities	**9.1**	23.1	(105.4)	(14.7)	(54.7)
Net cash outflow from financing activities	**(146.3)**	(150.0)	(156.1)	(29.8)	(157.4)
Net (decrease)/increase in cash and cash equivalents held	**(15.5)**	(14.3)	(103.3)	93.9	(41.8)
Financial ratios					
Basic earnings per share (Note 1) (cents)	**5.49**	5.72	5.33	5.96	5.38
Diluted earnings per share (Note 1) (cents)	**5.48**	5.72	5.33	5.96	5.38
Total shareholders' equity per share (Note 1) (cents)	**15.8**	16.6	31.9	38.4	34.1
Dividend per share (Note 1) (cents)	**6.3**	21.1	11.9	1.6	3.4
Return on turnover (%)	**28.3**	29.1	26.6	30.5	29.2
Return on average equity (%)	**33.8**	23.6	15.2	16.4	16.2
Productivity data					
Average number of employees	**2,234**	2,235	2,263	2,245	2,251
Number of employees at financial year-end	**2,233**	2,234	2,235	2,291	2,198
Average number of mail items delivered per postman (per effective man-day)	**2,781**	2,736	2,668	2,564	2,462
Average number of mail items processed per processing officer (per effective man-day)	**5,477**	5,397	5,224	4,889	4,457

Note 1: Based on the assumption that the issued share capital of SingPost has been sub-divided into 1,900 million ordinary shares of par value S$0.05 each for each of the five financial years.

FINANCIAL REVIEW

	FY 2003/04 S$'000	FY 2002/03 S$'000	Variance %
Operating revenue	**368,180**	373,009	(1.3)
Operating profit	**128,919**	135,019	(4.5)
Associated and joint venture companies	**10,491**	9,951	5.4
Profit before interest and tax	**139,410**	144,970	(3.8)
Finance (cost)/income – net	**(5,368)**	1,479	N.M.
Profit before tax	**134,042**	146,449	(8.5)
Net profit	**104,292**	108,677	(4.0)

N.M. – Not meaningful

The global and local economic conditions were generally weak throughout 2003. For the financial year ended 31 March 2004, the Group recorded a turnover of S$368.2 million. As a result of the impact of SARS in the first quarter, lower other income, expected higher finance cost and additional costs associated with the listing of the Company, the Group's profit before tax declined S$12.4 million to S$134.0 million. Excluding net finance cost, the Group's profit before tax declined S$5.6 million to S$139.4 million.

The reduction in corporate tax rate from 22% to 20% with effect from Year of Assessment 2005 resulted in a S$2.8 million decrease in the current period tax charge and a downward adjustment of deferred taxation of S$2.8 million. For FY 2003/04, the Group recorded a net profit of S$104.3 million, a decrease of 4.0% from the S$108.7 million for FY 2002/03. Net profit margin of 28.3% was comparable to the 29.1% in FY 2002/03.

Cash flow from operating and investing activities amounted to S$130.8 million for the year, with higher dividend receipts from associated and joint venture companies and lower capital expenditure levels.

OPERATING REVENUE

	FY 2003/04 S$'000	FY 2002/03 S$'000	Variance %
Mail	**289,624**	295,648	(2.0)
Logistics	**49,882**	48,320	3.2
Retail	**43,703**	44,100	(0.9)
Others	**6,721**	6,806	(1.2)
Inter-segment eliminations	**(21,750)**	(21,865)	(0.5)
Operating revenue	**368,180**	373,009	(1.3)

Compared to the previous year, operating revenue for FY 2003/04 decreased S$4.8 million to S$368.2 million. While Mail and Retail recorded lower operating revenues as a result of the difficult economic environment, Logistics posted a 3.2% increase in revenue due to traffic growth for Speedpost delivery services.

MAIL OPERATING REVENUE

	FY 2003/04 S$'000	FY 2002/03 S$'000	Variance %
Domestic mail	**187,853**	188,432	(0.3)
International mail	**89,345**	93,742	(4.7)
Hybrid mail	**12,426**	13,474	(7.8)
Mail operating revenue	**289,624**	295,648	(2.0)

Overall mail operating revenue decreased S$6.0 million to S$289.6 million due largely to lower revenue recorded by international and hybrid mail. International mail revenue fell by S$4.4 million to S$89.3 million as traffic volumes declined following the slowdown in global economies. The lower hybrid mail revenue was due to reduced mailings following the economic slowdown and continued downward pressure on our pricing.

	FY 2003/04 '000 items	FY 2002/03 '000 items	Variance %
Public mail (stamped and franked)	**177,263**	181,147	(2.1)
Government and business mail	**208,383**	216,485	(3.7)
Publications and direct mail	**333,669**	303,439	10.0
Domestic mail volume	**719,315**	701,071	2.6

Although public mail, government and business mail recorded a drop in volume, the strong 10% growth in publications and direct mail helped domestic mail volume to register a 2.6% increase. The decline in government mail was mainly due to one-off postings last year. However the higher domestic mail traffic was offset by lower unit revenue as a result of continued migration of non-standard mail to standard mail and higher volume of Admail which carries a lower postage rate.

LOGISTICS OPERATING REVENUE

	FY 2003/04 S$'000	FY 2002/03 S$'000	Variance %
Speedpost	**45,159**	43,428	4.0
Warehousing, fulfillment and distribution	**4,723**	4,892	(3.5)
Logistics operating revenue	**49,882**	48,320	3.2

Despite the tough economic conditions, Logistics operating revenue increased S$1.6 million to S$49.9 million due largely to an overall increase in Speedpost traffic.

RETAIL OPERATING REVENUE

	FY 2003/04 S$'000	FY 2002/03 S$'000	Variance %
Agency services	**22,727**	22,630	0.4
Internal revenue from mail and logistics	**20,976**	21,470	(2.3)
Retail operating revenue	**43,703**	44,100	(0.9)

Revenue from agency services was comparable to that of the previous year. However, internal revenue from mail and logistics showed a decrease of S$0.5 million to S$21.0 million due to a reduction in public mail handled through our post offices.

OPERATING EXPENSES

	FY 2003/04 S$'000	FY 2002/03 S$'000	Variance %
Staff costs	**75,784**	74,452	1.8
Depreciation	**33,688**	37,589	(10.4)
Traffic and related expenses	**78,623**	81,079	(3.0)
General administrative and others	**68,218**	65,954	3.4
Operating expenses	**256,313**	259,074	(1.1)

Operating expenses dropped 1.1% to S$256.3 million in FY 2003/04, mainly on the back of lower depreciation and traffic and related expenses.

The lower depreciation expense of S$33.7 million, down S$3.9 million from the previous year, was primarily due to the effect of the sale of Crosby House to SingTel in December 2003.

Traffic and related expenses fell S$2.5 million to S$78.6 million in line with the decrease in revenue from international mail.

Staff costs, which accounted for 29.6% of the Group's operating expenses, registered a marginal increase of S$1.3 million to S$75.8 million compared to that of the previous year. Staff strength averaged 2,234 during the financial year, comparable to the previous year's 2,235.

The rise in general administrative and other expenses of S$2.3 million to S$68.2 million was due mainly to additional costs associated with the public listing of the Company, as well as higher insurance premiums and security costs.

OPERATING PROFIT

	FY 2003/04 S$'000	FY 2002/03 S$'000	Variance %
Mail	**105,678**	106,655	(0.9)
Logistics	**5,851**	5,896	(0.8)
Retail	**7,189**	6,748	6.5
Others	**10,201**	15,720	(35.1)
Operating profit	**128,919**	135,019	(4.5)

Our core business performance remained stable even as the Group recorded a decline in operating profit for FY 2003/04 to S$128.9 million. The decrease in operating profit was mainly due to a reduction in the non-core property segment, namely a one-time gain on disposal of Crosby House recorded in FY 2002/03, consequent loss of rental income from Crosby House and lower rental yields as a result of the weak property market. There were also additional costs incurred due to the public listing of the Company during the year.

NET PROFIT

Despite the expected higher net finance cost, the Group recorded a net profit of S$104.3 million on the back of stable performance in our core business and contributions by associated and joint venture companies, aided by a reduction in corporate tax rate from 22% to 20%. Net profit was 4.0%, or S$4.4 million, lower than the S$108.7 million in FY 2002/03.

CASH FLOW AND LIQUIDITY

Our cash flow remained strong with net cash inflow from operating and investing activities of S$130.8 million for the year on the back of our stable core business, higher dividend receipts from associated and joint venture companies and lower capital expenditure levels.

During the year, the Company raised S$300.0 million in long term debt by issuing unsecured bonds for its operational needs. We subsequently repaid the S$120.0 million bank term loan obtained in the previous financial year and settled all the outstanding special dividends for FY 2002/03 to SingTel by December 2003.

As at 31 March 2004, the Group's cash and cash equivalent stood at S$98.4 million. The majority of the funds were invested in deposits with financial institutions.

SHAREHOLDER RETURNS (EARNINGS PER SHARE, RETURN ON EQUITY AND DIVIDENDS)

The basic and diluted earnings per share (EPS) for FY 2003/04 was 5.49 cents and 5.48 cents respectively (FY 2002/03: 5.72 cents and 5.72 cents).

Return on equity (ROE) improved 10.2 percentage points to 33.8% in FY 2003/04 because of a lower average shareholders' equity resulting from the capital restructuring undertaken during the IPO.

The Board is recommending a final net dividend of S$40 million. Together with the interim net dividend of S$40 million paid out on 19 January 2004, total net dividend for FY 2003/04 would amount to S$80 million.

The Group's aim is to have a consistent dividend policy which reflects our current desire to maintain and potentially increase dividend levels, barring any unforeseen circumstances.

CORPORATE GOVERNANCE REPORT

INTRODUCTION

SingPost believes that sound corporate governance is fundamental to our aim of building a competitive franchise and value for our stakeholders. We are committed to achieving high standards of corporate conduct and place importance on our corporate governance processes and systems so as to ensure greater transparency and protection of shareholders' interests. Since 13 May 2003, SingPost's shares have been listed and traded on the Singapore Exchange Securities Trading Limited (SGX-ST) and it is SingPost's intention, as far as possible, to comply with the corporate governance requirements of the SGX-ST.

The key elements underpinning SingPost's corporate governance are: timely and transparent disclosure; a management team with strong values and principles; a balanced management structure that is actively monitored by an independent Board of Directors; and a pervasive risk management and compliance culture. This report describes SingPost's corporate governance practices with specific reference to the Code of Corporate Governance (the Code) issued by the Council on Corporate Disclosure and Governance (CCDG). In developing its corporate governance policies and practices, SingPost has adopted a balanced approach by observing the spirit, and not just the letter, of the Code, an approach recommended by the CCDG.

BOARD MATTERS

The Board's Conduct Of Its Affairs

The Board oversees the business affairs of SingPost and therefore every director is expected to act in good faith and to always consider the interests of the Group. It assumes responsibility for the Group's overall strategic plans, key operational initiatives, major funding and investment proposals, financial performance reviews and corporate governance practices. SingPost has in place financial authorisation and approval limits for operating and capital expenditure, procurement of goods and services as well as acquisitions and disposal of investments. Within these guidelines, the Board approves transactions above certain thresholds. The Board also approves the Group's financial results.

The Board meets at least quarterly. In addition, the Board meets as and when warranted by particular circumstances between the scheduled meetings. An aggregate of six scheduled Board meetings were held in the financial year ended 31 March 2004. SingPost's Articles of Association provide for meetings to be held via telephone and video conferencing.

Board Composition And Balance

The majority of our directors are non-executive and independent. The Board comprises nine directors, six of whom are non-executive independent directors, two of whom are non-executive and non-independent and only one executive non-independent director. The non-independent directors are Mr Lee Hsien Yang, the President and CEO of SingTel, a substantial shareholder of SingPost; Mrs Lim Hwee Hua, Managing Director, Strategic Relations of Temasek Holdings (Private) Limited, the majority shareholder of SingTel; and Mr William Tan Soo Hock, the Chief Executive Officer of SingPost.

The Nominations Committee, which reviews the independence of each director on an annual basis, adopts the Code's definition of what constitutes an independent director.

As a group, the directors bring with them a broad range of expertise and experience in areas such as accounting, finance, law, business and management experience, industry knowledge, strategic planning experience and customer-based experience and knowledge. The diversity of the directors' experience allows for the useful exchange of ideas and views. The profile of all Board members is set out in the section entitled "Information on Board of Directors and Executive Officers".

Chairman And Chief Executive Officer

There is a clear separation of the roles and responsibilities between the non-executive Chairman and the Chief Executive Officer. Different individuals assume the Chairman and the Chief Executive Officer functions in SingPost, whose posts are, and will remain separate. The Chairman is responsible for the Board and the Board has delegated day-to-day management of SingPost to the Chief Executive Officer.

Both the Chairman's and Chief Executive Officer's appointments require the prior written approval of the Info-communications Development Authority of Singapore (IDA).

Board Membership

The Nominations Committee reviews and assesses candidates for directorships (including executive directorships) before making recommendations to the Board. In recommending new directors to the Board, the Nominations Committee takes into consideration the skills and experience required and the current composition of the Board, and strives to ensure that the Board has an appropriate balance of independent directors as well as directors with the right profile of expertise, skills, attributes and ability. The appointment of the Board of Directors requires the prior written approval of the IDA.

In evaluating a director's contribution and performance for the purpose of re-nomination, the Nominations Committee takes into consideration a variety of factors such as attendance, preparedness, participation and candour.

Recommendations for nominations of new directors and retirement of directors are made by the Nominations Committee and considered by the Board as a whole. At each Annual General Meeting (AGM) of SingPost, not less than one third of the directors for the time being (being those who have been longest in office since their appointment or re-election) are required to retire from office by rotation. In addition, a director is required to retire at the AGM if, were he not to retire, he would at the next AGM have held office for more than three years. In accordance with the guidelines set out in the Code, SingPost's Articles of Association provide that the Chief Executive Officer, being an executive director of SingPost, will also retire by rotation. A retiring director is eligible for re-election by the shareholders of SingPost at the AGM. Also, all newly appointed directors during the year will hold office only until the next AGM and will be eligible for re-election. Such directors are not taken into account in determining the number of directors who are to retire by rotation.

Board Performance

The Nominations Committee has recommended and the Board has approved an appraisal process for assessing the Board as a whole.

In these initial stages of implementing the Board appraisal system, the Board felt that it would be more appropriate to focus on collective Board performance and defer individual assessment to a later stage.

The Board and the Nominations Committee have strived to ensure that directors appointed to the Board possess the experience, knowledge and skills critical to the Group's business to enable the Board to make sound and well-considered decisions.

Access To Information

Prior to each Board meeting, the Board is supplied with relevant information by our Management pertaining to matters to be brought before the Board for decision as well as ongoing reports relating to operational and financial performance of the Group. The Board also has separate and independent access to our senior management and the Company Secretary at all times. To assist our Board members in fulfilling their responsibilities, procedures have been put in place for directors to seek independent professional advice, where appropriate, at the expense of SingPost.

BOARD COMMITTEES

To assist the Board in the execution of its duties, the Board has established various Board committees, namely the Audit Committee, the Nominations Committee and the Compensation Committee, all constituted on 20 March 2003, and the Executive Committee which was established on 5 August 2003, each of which is empowered to make decisions on matters within its terms of reference and applicable limits of authority. Membership in the different committees requires careful consideration to ensure an equitable distribution of responsibilities among Board members. The need to maximise the effectiveness of the Board and foster active participation and contribution from Board members are also factors that are taken into consideration.

The Chief Executive Officer is in attendance at meetings of all the Board committees, including those committees of which he is not a member.

Nominations Committee
The members of the Nominations Committee are Mr Lim Ho Kee (Committee Chairman), Mr Ong Ah Heng and Mr Kenneth Michael Tan Wee Kheng, all of whom are non-executive independent directors. Mr Kenneth Tan was appointed on 29 March 2004 in place of Ms Janet Ang who stepped down as a Committee member. The responsibilities of the Nominations Committee include the following:

- reviews and assesses candidates for directorships (including executive directorships) before making recommendations to the Board for appointment of directors;
- reviews and recommends to the Board the retirement and re-election of directors in accordance with our Articles of Association at each annual general meeting;
- reviews the composition of the Board annually to ensure that our Board has an appropriate balance of independent directors and to ensure an appropriate balance of expertise, skills, attributes and ability among our directors; and
- reviews the independence of our directors.

The Nominations Committee held four meetings in the financial year ended 31 March 2004.

Compensation Committee
The Compensation Committee comprises Mr Lim Ho Kee (Committee Chairman), Mr Tommie Goh Thiam Poh, Mr Lee Hsien Yang, Mrs Lim Hwee Hua and Mr Keith Tay Ah Kee. All members are independent non-executive directors except Mr Lee Hsien Yang and Mrs Lim Hwee Hua. The responsibilities of the Compensation Committee include the following:

- recommends to the Board for endorsement the remuneration policies and guidelines for setting remuneration for the directors and key executives;
- approves performance targets for assessing the performance of each executive director and the Chief Executive Officer;
- administers the SingPost Share Option Scheme; and
- recommends specific remuneration packages for each executive director and the Chief Executive Officer.

While the Chief Executive Officer is in attendance at Compensation Committee meetings, he does not attend discussions relating to the review of his performance and compensation.

Audit Committee
The Audit Committee comprises three non-executive independent directors: Mr Keith Tay Ah Kee (Committee Chairman), Mr Tommie Goh Thiam Poh and Mr Kenneth Michael Tan Wee Kheng.

The responsibilities of the Audit Committee include the following:

- assists the Board in discharging its statutory responsibilities on financial and accounting matters;
- reviews the audit plans and reports of the external auditors and internal auditors and considers the effectiveness of the actions taken by management on the auditors' recommendations;
- appraises and reports to the Board on the audits undertaken by the external auditors and internal auditors, the adequacy of disclosure of information, and the appropriateness and quality of the system of management and internal controls; and
- reviews interested person transactions, as defined in the Listing Manual of the SGX-ST.

The Audit Committee has explicit authority to investigate any matters within its terms of reference and has full access to and cooperation from management, in addition to its direct access to the external auditors.

Audit Committee Activities
The Committee held four meetings during the financial year.

The Committee has reviewed the overall scope of both internal and external audits and the assistance given by the Company's officers to the auditors. It met with the Company's internal and external auditors to discuss the results of their respective examinations and their evaluation of the Company's system of internal accounting controls. During the financial year, the Committee has met with the internal and external auditors, without the presence of management.

The Committee has also reviewed the quarterly and annual financial statements of the Company and the Group for the financial year ended 31 March 2004 as well as the auditors' reports thereon.

The Committee has reviewed the guidelines and procedures set up to identify, record, report, and where necessary, seek appropriate approval for interested person transactions of the Group. Interested person transactions of the Group in the financial year have also been reviewed by the Committee.

The Committee has reviewed with management all the non-audit services provided by the external auditors to the Company and the Group in the financial year ended 31 March 2004. The Committee is of the opinion that the independence of the external auditors would not be affected by the provision of these non-audit services.

Executive Committee
The members of the Executive Committee are Mr Lim Ho Kee (Committee Chairman), a non-executive independent director, Mr William Tan Soo Hock, an executive non-independent director and Mr Lee Hsien Yang and Mrs Lim Hwee Hua, who are both non-executive non-independent directors.

The Executive Committee develops and recommends to the Board the overall strategy for the SingPost Group, considers and approves major investment projects, determines investment policies and manages the Group's assets and liabilities in line with the Board's policies and directives.

Attendance At Board And Board Committee Meetings
The attendance of each Director at Board meetings and Board committee meetings during the financial year ended 31 March 2004 is as follows:

	Board	Executive Committee	Audit Committee	Nominations Committee	Compensation Committee
Number Of Meetings Held:	**6**	**1**	**4**	**4**	**3**
Name	**Number Of Meetings Attended**	**Number Of Meetings Attended**	**Number Of Meetings Attended**	**Number Of Meetings Attended**	**Number Of Meetings Attended**
Lim Ho Kee	6	1		4	3
Janet Ang Guat Har	4			2	
Tommie Goh Thiam Poh	5		4		3
Lee Hsien Yang	6	1			2
Lim Hwee Hua	6	1			2
Ong Ah Heng	4			4	
Ong Keng Yong*	1				
William Tan Soo Hock	6	1			
Kenneth Michael Tan Wee Kheng*	5		2		
Keith Tay Ah Kee	6		4		2

* Mr Ong Keng Yong ceased to be a director on 26 August 2003. He attended 1 out of 1 Board meeting between 1 April 2003 and 26 August 2003.
* Mr Kenneth Michael Tan Wee Kheng was appointed as a member of the Nominations Committee on 29 March 2004.

ACCOUNTABILITY AND AUDIT

Annual budgets of the Company and the Group are approved by the Board. Monthly financial reports, comparing the actual performance with budget and with highlights on key business indicators and major issues, are provided to Board members. Other business reports are also provided to Board members on a timely and regular basis for up-to-date information and effective decision making.

Key internal controls of the Group include:
- identification of risks and implementation of risk management measures;
- establishment of policies and approval limits for key financial and operational matters, and the rules relating to the delegation of authorities;
- documentation of key processes and procedures;
- segregation of incompatible functions which give rise to a risk of errors or irregularities not being promptly detected;
- safeguarding of assets;
- maintenance of proper accounting records;
- ensuring reliability of financial information;
- ensuring compliance with appropriate legislation and regulations; and
- having qualified and experienced persons to take charge of important functions.

Operational risk reviews are carried out annually to identify areas of significant risks with the objective of implementing measures to mitigate and manage the risks identified. These measures include the implementation of safety, security and internal control measures, development of business continuity plans and taking up appropriate insurance coverage.

The Group has established risk management policies, guidelines and control procedures to manage its exposure to financial risks. Details of the various risk factors and the management of such risks are outlined in Note 26 to the Financial Statements.

The internal auditors perform detailed work to assist the Audit Committee in the evaluation of internal controls. The external auditors, in the course of conducting their normal audit procedures on the statutory financial statements of the Group, also review the Group's material internal controls to the extent of their scope as laid out in their audit plan. Material internal control weaknesses noted, if any, by the auditors and their recommendations are reported to the Audit Committee. The Board is kept informed of the Audit Committee's activities.

The internal audit function reports functionally to the Chairman of the Audit Committee and administratively to the Chief Executive Officer. The Audit Committee reviews the adequacy of the internal audit function and its standing within the Company to ensure it is able to perform its functions effectively and objectively.

COMMUNICATION WITH SHAREHOLDERS

SingPost is committed to conveying accurate and timely information to our shareholders. In disseminating material information, we take care to ensure that the information is made publicly available on a timely and non-selective basis to all shareholders, in compliance with the Corporate Disclosure Policy set by the SGX-ST.

The Company's communications with shareholders are jointly managed by the Corporate Communications and Investor Relations Departments. To facilitate more effective investor communication, the Corporate Communications Department focuses on the needs and concerns of retail investors, while the Investor Relations Department is responsible for servicing institutional investors.

SingPost holds briefings for investment analysts and the media for the half-year and full-year results releases. To ensure proper dissemination of information, the Company first publishes the results through the MASNET. Thereafter, our management meets with the media and analysts for a briefing and to clarify questions and issues. The Company's MASNET announcements and news releases are readily available from a dedicated investor relations section on our website.

Our management communicates regularly with the investment community. To provide investors and analysts with a good understanding of our business, our top management met with institutional investors locally as well as overseas.

SingPost fully supports the Code's principle to encourage shareholder participation at general meetings. The Board and management are present at the meetings to address shareholders' queries concerning the Group.

SingPost's Articles of Association allow a member entitled to attend and vote to appoint a proxy to attend and vote instead of the member and that proxy need not be a member of SingPost. Voting in absentia by mail, facsimile or electronic mail may only be possible following careful study to ensure that integrity of information so transmitted and authentication of the identity of shareholders are not compromised.

SECURITIES TRADING

The Group has adopted the SGX-ST Best Practices Guide with respect to the dealings in securities for the guidance of directors and officers. SingPost's securities trading policy provides that directors and officers of the Group should not deal in SingPost's shares during the periods commencing one month before the announcement of SingPost's annual results, and two weeks before the announcement of its quarterly results and ending on the date of the announcement of the relevant results, or if they are in possession of unpublished price-sensitive information on the Group.

REMUNERATION FOR BOARD OF DIRECTORS

SingPost's non-executive directors are paid directors' fees according to their roles and responsibilities in the Board and the various Board committees. The fees are set in accordance with a remuneration framework comprising basic retainer fees for each director, additional fees for their appointments to the various committees established by the Board and an attendance fee component. Directors' fees are recommended by the Compensation Committee in consultation with the Chairman of the Board and submitted for endorsement by the entire Board. Directors' fees are subject to the approval of the shareholders at the AGM. The executive director and Chief Executive Officer, who is a lead member of the management team, is not paid directors' fees.

Details of the directors' remuneration for the financial year ended 31 March 2004 are as follows:

	Fixed Component (1) %	Variable Component (2) %	Provident Fund (3) %	Benefits (4) %	Director's Fees %	Total Compensation (5) %	SingPost Share Option Scheme No. Awarded & Accepted ('000) (6)	SingPost Share Option Scheme Value (S$'000) (7)
S$250,000 to below S$500,000								
William Tan Soo Hock, Chief Executive Officer and Director	55	33	2	10		100	5,301	290
Below S$250,000								
Lim Ho Kee, Chairman & Director (Independent)					100	100	48	3
Janet Ang Guat Har, Director (Independent)					100	100		
Tommie Goh Thiam Poh, Director (Independent)					100	100		
Lee Hsien Yang, Director					100	100		
Lim Hwee Hua, Director					100	100		
Ong Ah Heng, Director (Independent)					100	100		
Ong Keng Yong (8), Director (Independent)					100	100		
Kenneth Michael Tan Wee Kheng, Director (Independent)					100	100		
Keith Tay Ah Kee, Director (Independent)					100	100	48	3

(1) Fixed Component refers to base salary earned and Annual Wage Supplement, if applicable, for the year ended 31 March 2004.
(2) Variable Component refers to variable bonus for the year ended 31 March 2004.
(3) Provident Fund represents payment in respect of the Company's statutory contributions to the Singapore Central Provident Fund.
(4) Benefits are stated on the basis of direct costs to the Company. Include benefits such as medical scheme, flexible benefits, club membership and car allowance.
(5) Total Compensation excludes the value of share options.
(6) Includes the SingPost share options that were granted on 13 May 2003 in return for the cancellation of SingTel share options which had been granted by SingTel prior to the IPO of SingPost.
(7) The option valuation adopted simulation methodologies consistent with assumptions that apply under the Modified Roll Model and returned a fair value at point of grant as follows:

Date Of Grant	Exercise Period	Exercise Price (S$)	Fair Value (S$)
13.05.03	13.05.04 – 13.05.08	0.600	0.0519
13.05.03	14.05.04 – 13.05.13	0.600	0.0541
28.07.03	29.07.04 – 28.07.13	0.675	0.0625

(8) Mr Ong Keng Yong resigned from the Board on 26 August 2003.

No employee of the Company and its subsidiary companies was an immediate family of a director and whose remuneration exceeded S$150,000 during the financial year ended 31 March 2004.

REMUNERATION POLICY FOR EXECUTIVE MANAGEMENT

SingPost has a remuneration strategy that supports a pay for performance philosophy. Rewards are directly aimed at:

- supporting business plans and corporate strategies; and
- rewarding performance improvement.

SingPost's executives participate in an annual performance review process that assesses the individual's performance against set performance factors and accountabilities. Performance against these factors impacts their remuneration.

The components that make up total compensation are:

Fixed Component
Fixed pay comprises a basic salary, fixed allowances and Annual Wage Supplement, which is normally paid out in December each year. Progress to the next higher salary grade is subject to good performance, increase in job responsibilities and the individual's potential. References are made to market surveys when determining the remuneration components of its executives.

Variable Component
The variable component comprises the variable bonus that is paid based on the Company's and individual's performance. To ensure rewards are closely linked to performance, the percentage of the variable component against total compensation is higher for the Executive Director and Chief Executive Officer, and other key executives.

Provident Fund
This component is made up of the Company's contribution towards the Singapore Central Provident Fund.

Benefits
Benefits are provided consistent with market practice, and include medical scheme, flexible benefits, car allowance and club membership. Eligibility for these benefits will depend on individual salary grade and scheme of service.

Share Options
The objective of the grant of share options is to align employees' interests with that of shareholders. These options are granted with reference to the desired remuneration structure target and valued based on the Modified Roll Model valuation methodology. More information on the SingPost Share Option Scheme can be found on page 43.

The following information relates to the remuneration of the top five (in terms of compensation) executive officers (not being directors) of SingPost for the financial year ended 31 March 2004.

	Fixed Component (1) %	Variable Component (2) %	Provident Fund (3) %	Benefits (4) %	Total Compensation (5) %	SingPost Share Option Scheme No. Awarded & Accepted ('000) (6)	SingPost Share Option Scheme Value (S$'000) (7)
S$250,000 to below S$500,000							
Teo Yew Hwa	56	26	7	11	100	3,107	171
Celine Wang Chi Lin	58	25	8	9	100	1,506	84
Below S$250,000							
Lynette Koh Hwee Ching	78	12	9	1	100	454	25
Tan Swee Guan	77	14	8	1	100	767	42
Woo Keng Leong	73	17	9	1	100	554	31

(1) Fixed Component refers to base salary earned for the year ended 31 March 2004. Include Annual Wage Supplement and Leave Compensation Allowance, if applicable.
(2) Variable Component refers to variable bonus for the year ended 31 March 2004.
(3) Provident Fund represents payment in respect of the Company's statutory contributions to the Singapore Central Provident Fund.
(4) Benefits are stated on the basis of direct costs to the Company. Include benefits such as medical scheme and flexible benefits.
(5) Total Compensation excludes the value of share options.
(6) Includes the SingPost share options that were granted on 13 May 2003 in return for the cancellation of SingTel share options which had been granted by SingTel prior to the IPO of SingPost.
(7) The option valuation adopted simulation methodologies consistent with assumptions that apply under the Modified Roll Model and returned a fair value at point of grant as follows:

Date Of Grant	Exercise Period	Exercise Price (S$)	Fair Value (S$)
13.05.03	14.05.04 – 13.05.13	0.600	0.0541
28.07.03	29.07.04 – 28.07.13	0.675	0.0625

INFORMATION ON BOARD OF DIRECTORS AND EXECUTIVE OFFICERS

PROFILE OF DIRECTORS

Mr Lim Ho Kee, 60, is a non-executive, independent Director of SingPost. He was appointed as a Director in April 1998 and subsequently as Chairman in March 2003. Mr Lim was last re-elected in 2002. He is also the chairman of the Executive, Nominations and Compensation Committees. Mr Lim is currently a Director of Cycle & Carriage Limited, MCL Land Limited, Keppel Land Limited and Vertex Venture Holdings Limited.

With more than 35 years of experience in both the public and private sectors, Mr Lim's portfolio includes directorship of the former TAS Board, SingTel and Keppel Tatlee Bank Limited. He was an independent director of SingTel between April 1992 and September 2000.

Mr Lim had a career spanning 15 years with UBS A.G. Switzerland from 1984 to 1999. He was the Chief Executive Officer of UBS East Asia from 1991 to 1993, Executive Vice President of the UBS Group from 1993 to 1996 and Chairman of UBS East Asia from 1997 to 1999.

Before his appointment at UBS A.G. Switzerland, Mr Lim was General Manager of Treasury at Overseas Union Bank from 1982 to 1983 and was Deputy Managing Director (Operations) of the Monetary Authority of Singapore (on secondment from Overseas Union Bank) from 1981 to 1982. Prior to joining Overseas Union Bank, Mr Lim had a career spanning seven years with JP Morgan from 1975 to 1981. He held positions as Managing Director of Morgan Guaranty Pacific as well as Head of Treasury of JP Morgan Singapore.

Mr Lim obtained his Bachelor of Science degree in Economics from the London School of Economics, UK, in 1968.

Ms Janet Ang Guat Har, 44,is a non-executive, independent Director of SingPost. She was appointed as a Director in March 2003 and is a member of the Nominations Committee. Ms Ang is currently the Vice President of Personal System Group in IBM Greater China region (PSG GCG). Her career with IBM spans more than 20 years. Before her appointment as Vice President of PSG GCG in January 2004, she was Managing Director of IBM Singapore from April 2001 to December 2003, Director of Sales Operations for IBM Asia Pacific from 1999 to 2001, Director of Marketing (Global, Small and Medium Business) for IBM Asia Pacific from 1998 to 1999 and was General Manager (Government and Education Industries) for IBM ASEAN/ South Asia from 1995 to 1998. She served as Vice-President of the Singapore Computer Society between 1996 and 1997 and helped launch the National IT Leaders' Award in 1997.

Ms Ang is presently a member of the Singapore Tourism Board, the National University of Singapore Business School Advisory Board and Singapore Management University School of Business Advisory Board and CHIJ Schools Board of Management.

Ms Ang obtained her Bachelor of Business Administration (Honours) degree from the National University of Singapore in 1982.

Mr Tommie Goh Thiam Poh, 54, is a non-executive, independent Director of SingPost. He was appointed as a Director in March 2003 and is a member of the Compensation and Audit Committees. Mr Goh is currently the Chairman of 2G Capital Pte Ltd. He also sits on the board of Vision Technologies System Inc, and SGX-listed Seksun Corporation Ltd. Prior to his appointment with SingPost, Mr Goh was the co-founder and Executive Chairman of JIT Holdings Ltd from 1988 to 2000. He founded JIT Electronics in 1988 with 20 employees in a 5,000 square feet rented factory space. He spearheaded JIT Electronics' rise to become one of the top 20 largest electronics manufacturing service providers in the world before its merger in August 2000 with Flextronics International. By 2000, JIT Electronics had over 5,000 employees with over 1 million square feet of owned factory space in Singapore, Malaysia, Indonesia, China and Hungary, as well as a sales and marketing network in the Asia Pacific and the United States.

In 2000, Mr Goh was conferred the Doctor of Philosophy in Business Administration by Wisconsin International University. In recognition of his business achievements, he was named the Rotary-Asme Entrepreneur of the Year in 1997 by the Rotary Club of Singapore. He was also named Businessman of the Year in Singapore in 1999 at the Singapore Business Awards jointly organised by The Business Times and DHL Worldwide Express. In 1998, JIT Holdings Limited was awarded the Singapore Business Enterprise Award. In 2002, Mr Goh was conferred the Public Service Medal.

Mr Lee Hsien Yang, 46, is a non-executive, independent Director of SingPost. He was appointed as a Director in May 1995 and was last re-elected in 2003. Mr Lee is a member of the Executive and Compensation Committees. He is the President and Chief Executive Officer of SingTel. Presently, Mr Lee is the Chairman of Republic Polytechnic's Board of Governors. He is also a board member of Singapore's Land Transport Authority and sits on the Board of Directors, INSEAD.

Mr Lee was a President's Scholar and obtained first class honours in engineering from the University of Cambridge, UK, in 1979, and a Master of Science (Management) degree from Stanford University, USA, in 1989.

Mrs Lim Hwee Hua, 45, is a non-executive, non-independent Director of SingPost. She was appointed as a Director in March 2003 and is a member of the Executive Committee and Compensation Committee. Mrs Lim is currently the Managing Director (Strategic Relations) of Temasek Holdings (Private) Limited (Temasek) where she is responsible for overseeing relationships of strategic importance to Temasek Holdings, including corporate governance and shareholder matters. In addition, she is the Deputy Speaker of the Parliament of Singapore and a Member of Parliament for Marine Parade GRC in Singapore. She has been a Member of Parliament since 1997. Mrs Lim serves on the boards of Singapore Pools (Private) Limited, Fullerton Management Private Limited, HDB Corporation Pte Ltd, Keppel Corporation Limited, PSA China Pte Ltd and Singapore Totalisator Board. Prior to joining Temasek, Mrs Lim spent a total of eight years with Jardine Fleming Singapore Securities Pte Ltd as the Head of Research as well as Director from 1997 to 2000. Mrs Lim was previously also a board member of ECICS Holdings Ltd., the Maritime & Port Authority of Singapore, Media Corporation of Singapore Ltd, Senoko Power Limited and Sentosa Development Corporation.

Mrs Lim was awarded an Overseas Merit Scholarship from the Singapore Government in 1978 and obtained her Bachelor of Arts and Master of Arts from the University of Cambridge, UK, in 1981 and 1984 respectively and a Master of Business Administration from the University of California, Los Angeles in 1989.

Mr Ong Ah Heng, 60, is a non-executive, independent Director of SingPost. He was appointed as a Director in November 1999 and was last re-elected in 2002. Mr Ong is a member of the Nominations Committee. He is a Member of Parliament of Nee Soon Central and has been a Member of Parliament since 1997. Mr Ong is actively involved in local union activities and is presently Assistant Secretary-General and Director of the Community Development Department of the National Trades Union Congress as well as Executive Secretary of the National Transport Workers' Union. Mr Ong is a Director of PSA International Pte Ltd and ComfortDelGro Corporation Ltd.

Mr Ong obtained his Bachelor of Arts degree in Government and Public Administration from Nanyang University, Singapore, in 1972, and a Master of Arts degree in political science from the University of Arkansas, USA, in 1974.

Mr Kenneth Michael Tan Wee Kheng, 46, Senior Counsel, is a non-executive, independent Director of SingPost. He was appointed as a Director in March 2003 and is a member of the Audit and Nominations Committees. He is currently the Senior Partner of Kenneth Tan Partnership. He was admitted as an Advocate and Solicitor to the Supreme Court of the Republic of Singapore in 1984 and was appointed Senior Counsel in 1997. He taught at the Faculty of Law of the National University of Singapore from 1983 as a Senior Tutor until 2001 when he was an Adjunct Senior Fellow. He was also a partner of Drew & Napier between 1988 and 1989, a partner of Rajah & Tann between 1989 and 1994 and a partner of Shook Lin & Bok between 1994 and 1996. From 1992 to 1997, he was a member of the Senate of the Academy of Law.

Mr Tan is a fellow of the Academy of Law, a member of the Law Society of Singapore and a member of the International Bar Association. He is an accredited Arbitrator with the Regional Centre for Arbitration in Kuala Lumpur and an accredited Mediator and Evaluator with the Singapore Mediation Centre. Mr Tan graduated with an LLB, First Class honours from the National University of Singapore in 1983.

Mr Keith Tay Ah Kee, 60, is a non-executive, independent Director of SingPost. He was appointed as a Director in April 1998 and was last re-elected in 2003. He is a member of the Compensation Committee and is Chairman of the Audit Committee. Mr Tay's career in the local and regional financial industry spans over 30 years. He was the President of the Institute of

Certified Public Accountants of Singapore from 1982 to 1992 and was the Singapore Representative on the Council of the International Federation of Accountants from 1987 to 1990. Mr Tay was Chairman and Managing Partner of KPMG Peat Marwick from 1984 to 1993. Mr Tay presently serves on the boards of several public companies, including Singapore Reinsurance Corporation Limited, Singapore Power Ltd and Stirling Coleman Capital Ltd. He is presently a board member of the Singapore International Chamber of Commerce, of which he was Chairman from 1995 to 1997. He is also Vice Chairman of the Singapore Institute of Directors.

Mr Tay qualified as a Chartered Accountant in London, UK, in 1968, and is a Fellow of the Institute of Chartered Accountants of England and Wales. He was conferred the first International Award for outstanding contribution to the profession by the Institute of Chartered Accountants in England and Wales in 1988 and the BBM Public Service Star in 1990. The Institute of Certified Public Accountants of Singapore conferred upon Mr Tay the Gold Medal for distinguished service to the profession and made him an Honorary Fellow in 1993.

Mr William Tan Soo Hock, 56, is the Chief Executive Officer of SingPost and was appointed as a Director in March 2003 and is a member of the Executive Committee. Mr Tan has had a career spanning more than 30 years with the SingTel Group. He held various management positions in the engineering, finance, and operations departments in the SingTel Group. Mr Tan was appointed as the Deputy Chief Executive Officer of SingPost from 1992 to 1995. He was responsible for the nation-wide implementation of the 6-digit postal code system in 1995, developing the state-of-the-art mail-sorting equipment and installing it in 1998, and the Singapore Post Centre building project completed in 1999. He was also responsible for overseeing SingPost's initial public offering in 2003.

A Colombo Plan scholar, Mr Tan obtained his Bachelor of Engineering degree with honours from the University of Auckland, New Zealand, in 1971. He attended the Advanced Management Program at Harvard Business School, USA, in 1999. Mr Tan was awarded the Public Administration Medal (Bronze) in 1985.

PROFILE OF EXECUTIVE OFFICERS

(in alphabetical order)

Ms Olivia Chua Poh Choo is the Director for the Retail Business Division. Ms Chua manages the entire network of retail outlets comprising 62 post offices, 150 self-service automated machines (SAMs), and more than 700 postal agencies and stamp vendors. She was responsible for the successful implementation of the upgraded point-of-sale computer system for all the post office branches in 1997. With continuous emphasis on service standards and training of the more than 300 customer service officers, Ms Chua has improved SingPost's image and quality of service. She has also successfully expanded the service offerings to our customers over the post office counters and SAMs. She also coordinates the operational activities of our joint venture, Mail Boxes Exchange (MBE) Pte Ltd. Ms Chua graduated from the National University of Singapore with a Bachelor of Arts (Honours) degree in 1990.

Ms Lynette Koh Hwee Ching is the Director for sales and marketing at SingPost. She joined SingPost in 2000, from Procter & Gamble and Cerebos Pacific Ltd where she held the positions of Brand Manager and Marketing Director respectively. Ms Koh has more than 10 years of marketing and brand management experience and is tasked to raise the profile of SingPost's wide range of products and services and expand its customer base. Ms Koh currently serves on the Executive Committee of the Direct Marketing Association of Singapore. She graduated with honours in Business Administration from the National University of Singapore in 1989.

Mr Loh Choo Beng joined SingPost in 2003 as Senior Director of the newly formed Financial Services Division. He is tasked to spearhead the launch of financial services and products over the SingPost retail network. Mr Loh has more than 18 years of banking experience. He started his working career with Overseas Union Bank, and then moved to Keppel Bank in 1992 and continued his banking career throughout the subsequent mergers of Keppel Bank and Tat Lee Bank, and the final merger with OCBC Bank. He held various functions covering operation of banking branches, product development in consumer and small and medium enterprise lending and initiation of the strategic business units including spearheading of the Priority Banking and Wealth Management businesses. He is also the Head of SingPost Retail Services Private Limited, a wholly owned subsidiary of SingPost. Mr Loh graduated from the National University of Singapore in 1984 with a Bachelor of Business Administration degree.

Ms Mary Ong joined SingPost in 2004 as Vice President responsible for the sales and marketing and business development units, and overseas expansion initiatives. Before joining SingPost, Ms Ong was with SingTel as the CEO of its Managed Hosting Services business unit. Prior to this, she was seconded to Lycos Asia as CEO for two years. Her earlier careers have been with corporations such as IPACS Asia, Cap Gemini, Hewlett-Packard, General Electric (USA) group of companies and Wang Computers. Ms Ong had established Advanced Quality Solutions (Int'l) in 1992 before selling it off to Cap Gemini in 1996. Ms Ong graduated with a Degree in Business Administration from the Royal Melbourne Institute of Technology (Australia) in 1988.

Mr Victor Ow Che Noong joined SingPost in 2003 as the Senior Director responsible for the strategic directions of the new Financial Services business unit. Mr Ow has more than 30 years of banking experience, in the area of consumer and small business credit lending. He started his working career with Citibank Bhd, Malaysia, in 1974, before moving on to Citibank NA's offices in Taiwan and Singapore. He left Citibank in 1991 to join the then Keppel Bank. With the merger of Keppel TatLee Bank and OCBC Bank, Mr Ow was appointed the Group Head of Consumer and Community Lending. With his extensive experience, Mr Ow will direct the launch of financial services and products through the SingPost retail outlets. Mr Ow graduated with a Bachelor of Economics (Honours) degree from the University of Malaya in 1974.

Mr Tan Swee Guan is the Senior Director for e-Business and engineering operations in SingPost. He joined SingPost in 1988, from SingTel where he held various engineering positions from 1977. Mr Tan was responsible for the completion of the Singapore Post Centre in 1998 and the commissioning of its state-of-the-art mail processing facility. Mr Tan oversees the e-business offerings of vPOST (www.vpost.com.sg). He is the Chairman of SingPost's subsidiary company, First Cube, which offers the Sm@rtLockers. Mr Tan graduated with a Bachelor of Science (Honours) degree from Heriot-Watt University, Edinburgh, UK, in 1977. He also obtained a Master of Business Administration degree from the Massachusetts Institute of Technology, USA, in 1997.

Mr Teo Yew Hwa started his career with SingTel in 1982, before he joined SingPost in 1989. He is the Deputy Chief Executive Officer of SingPost and is responsible for the strategic direction of the three key SingPost business units of Mail, Logistics and Retail. He is concurrently the Chief Executive Officer of G3 AsPac and a Management Board member of G3 Worldwide Mail N.V. Mr Teo has changed many entrenched practices in the postal operations and was instrumental in the transformation of postal operations to its current world-class status in terms of delivery standards and profitability. Mr Teo obtained his Bachelor of Science degree, with honours, in 1982 from the National University of Singapore. He also obtained a Master of Science (Management) degree from the Massachusetts Institute of Technology, USA, in 1995.

Ms Celine Wang Chi Lin joined SingPost in 1992, and was appointed the Chief Financial Officer of SingPost in 2002. She is concurrently the Chief Financial Officer for G3 AsPac, and also sits in the Management Committee of G3 AsPac and all the boards of its subsidiaries, and the board of DataPost. Prior to joining SingPost in 1992, Ms Wang worked in SingTel and held various finance portfolios there. Ms Wang, a Certified Public Accountant in Singapore, graduated with a Bachelor of Accountancy (Honours) degree from the University of Singapore in 1977.

Mr Woo Keng Leong is the Director for the Mail Business Division. Mr Woo was a Public Services Commission scholar and was posted to the then Postal Services Department in 1980. He was responsible for the seamless transition of the operations when SingPost moved from its former premises at Chai Chee to Singapore Post Centre in 1998. He is a member of the Street and Building Names Board, as well as a member of the Global Mail Security Working Group, which is an international body under the Universal Postal Union. He is currently serving as a director on the board of DataPost, a SingPost subsidiary. Mr Woo graduated from the Nanyang University of Singapore in 1980, with honours in Geography and attended the International Post Office Management course in the UK.

DIRECTORS' REPORT
For the financial year ended 31 March 2004

The directors present their report to the members together with the audited financial statements of the Group for the financial year ended 31 March 2004 and the balance sheet of the Company at 31 March 2004.

DIRECTORS

The directors of the Company in office at the date of this report are:

Mr Lim Ho Kee (Chairman)
Ms Janet Ang Guat Har
Mr Tommie Goh Thiam Poh
Mr Lee Hsien Yang
Mrs Lim Hwee Hua
Mr Ong Ah Heng
Mr William Tan Soo Hock
Mr Kenneth Michael Tan Wee Kheng
Mr Keith Tay Ah Kee

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" on pages 43 and 44.

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 share capital of the Company and related corporations, except as follows:

	Holdings registered in the name of director or nominee		Holdings in which a director is deemed to have an interest	
Name of directors and corporations in which interest held	**At 31.3.04**	**At 1.4.03 or date of appointment, if later**	**At 31.3.04**	**At 1.4.03 or date of appointment, if later**
Singapore Post Limited				
(Ordinary shares of S$0.05 each)				
Lim Ho Kee	8,080,000	–	–	–
Janet Ang Guat Har	30,000	–	–	–
Tommie Goh Thiam Poh	80,000	–	–	–
Lee Hsien Yang	1,080,000	–	–	–
William Tan Soo Hock	300,000	–	–	–
Kenneth Michael Tan Wee Kheng	80,000	–	–	–
Keith Tay Ah Kee	80,000	–	–	–
(Options to purchase ordinary shares of S$0.05 each)				
Lim Ho Kee	48,350	–	–	–
William Tan Soo Hock	5,301,368	–	–	–
Keith Tay Ah Kee	48,350	–	–	–

b) The directors' interests in the shares and convertible securities of the Company as at 21 April 2004 were the same as at 31 March 2004.

SHARE OPTIONS

Singapore Post Share Option Scheme
The Singapore Post Share Option Scheme (the Scheme) was adopted on 21 March 2003. The Compensation Committee administers the Scheme and as at the date of this report, the committee members are:

Mr Lim Ho Kee (Chairman)
Mr Tommie Goh Thiam Poh
Mr Lee Hsien Yang
Mrs Lim Hwee Hua
Mr Keith Tay Ah Kee

The objective of the Scheme is to retain and to give recognition to executives of the Group, and to give recognition to non-executive directors, who have contributed to the success and development of the Company and/or the Group. This Scheme gives such persons an opportunity to have a real and personal direct interest in the Company and to align the interests of such persons with those of the shareholders of the Company.

The exercise price of each share in respect of which an option is exercisable shall be the average of the last dealt prices of the shares for the five consecutive market days immediately preceding the date of grant of that option.

The value of the share options to be granted under the Scheme is determined using the Modified Roll Model valuation methodology (taking into account relevant assumptions).

The vesting schedule for the share options offered to eligible employees (including Executive Director) is set forth in the table below.

Vesting Period	Proportion Of Total Share Options That Are Exercisable
Before 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 10th anniversary of date of grant	Balance OR 100.0 per cent of grant

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.

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 10.0 per cent of the issued share capital of the Company on the day preceding that date.

SHARE OPTIONS (continued)

Share options granted and cancelled during the financial year, and options outstanding at the end of the financial year, are as follows:

Date of grant	Exercise period	Exercise price	At 1.4.03 ('000)	Options granted ('000)	Options cancelled ('000)	At 31.3.04 ('000)
Market Price Share Options						
For employees (including Executive Director)						
13.5.03	14.5.04 to 13.5.13	S$0.600	–	15,525	392	15,133
28.7.03	29.7.04 to 28.7.13	S$0.675	–	2,430	–	2,430
18.8.03	19.8.04 to 18.8.13	S$0.600	–	396	–	396
18.8.03	19.8.04 to 18.8.13	S$0.721	–	56	–	56
			–	18,407	392	18,015
For non-executive directors						
13.5.03	13.5.04 to 13.5.08	S$0.600	–	97	–	97
			–	97	–	97
Total Share Options			–	18,504	392	18,112

As at 31 March 2004, no share options have been granted to controlling shareholders or their associates, and no employee has received 5% or more of the total options available under the Scheme.

DIRECTORS' CONTRACTUAL BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member or with a company in which he has a substantial financial interest, except as disclosed in the financial statements and in this report.

AUDIT COMMITTEE

The Company's Audit Committee comprises the following three non-executive and independent directors:

Mr Keith Tay Ah Kee (Chairman)
Mr Tommie Goh Thiam Poh
Mr Kenneth Michael Tan Wee Kheng

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

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

The 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 2004 as well as the auditors' report thereon prior to their submission to the Board of Directors for approval.

Pursuant to the requirements of the SGX-ST, the Committee, with the assistance of the internal auditors, has reviewed the guidelines and procedures 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 Committee.

The Committee has recommended to the Board of Directors that the auditors, PricewaterhouseCoopers, be nominated for re-appointment as auditors at the forthcoming Annual General Meeting of the Company.

AUDITORS

The auditors, PricewaterhouseCoopers, have expressed their willingness to accept re-appointment.

On behalf of the directors

Mr Lim Ho Kee
Chairman

Mr William Tan Soo Hock
Director

Singapore
3 May 2004

STATEMENT BY DIRECTORS

For the financial year ended 31 March 2004

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 48 to 79 are drawn up so as to give a true and fair view of the state of affairs of the Company and of the Group as at 31 March 2004 and of the results of the business, changes in equity and cash flows of the Group for the financial year ended on that date; and

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

On behalf of the directors

Mr Lim Ho Kee
Chairman

Mr William Tan Soo Hock
Director

Singapore
3 May 2004

AUDITORS' REPORT TO THE MEMBERS OF SINGAPORE POST LIMITED

We have audited the balance sheet of Singapore Post Limited and the consolidated financial statements of the Group for the financial year ended 31 March 2004 set out on pages 48 to 79. These financial statements are the responsibility of the Company's directors. 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 plan and perform our audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the directors, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion,

a) the accompanying balance sheet of the Company and consolidated financial statements of the Group are properly drawn up in accordance with the provisions of the Singapore Companies Act, Cap 50 ("Act") and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Company and of the Group as at 31 March 2004 and the results, changes in equity and cash flows of the Group for the financial year ended on that date, and

b) 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 auditors have been properly kept in accordance with the provisions of the Act.

PricewaterhouseCoopers

PricewaterhouseCoopers
Certified Public Accountants

Singapore
3 May 2004

WHERE IT ALL HAPPENS

CONSOLIDATED INCOME STATEMENT

For the financial year ended 31 March 2004

		The Group	
	Notes	2004 S$'000	2003 S$'000
Operating revenue	3	**368,180**	373,009
Other operating income	4	**17,052**	21,084
Staff costs	5	**(75,784)**	(74,452)
Depreciation		**(33,688)**	(37,589)
Traffic and related expenses		**(78,623)**	(81,079)
General administrative and others		**(68,218)**	(65,954)
Total operating expenses		**(256,313)**	(259,074)
Operating profit	6	**128,919**	135,019
Associated and joint venture companies	7		
– Share of results		**14,492**	13,952
– Amortisation of goodwill		**(4,001)**	(4,001)
Profit before interest and tax		**139,410**	144,970
Finance (cost)/income – net	8	**(5,368)**	1,479
Profit before tax		**134,042**	146,449
Income tax expense	9	**(29,334)**	(37,420)
Profit from ordinary activities after tax		**104,708**	109,029
Minority interest		**(416)**	(352)
Net profit		**104,292**	108,677
Earnings per share	10		
– Basic		**5.49 cents**	5.72 cents
– Diluted		**5.48 cents**	5.72 cents

The accompanying notes form an integral part of these financial statements.
Auditors' report – page 47

BALANCE SHEETS
As at 31 March 2004

	Notes	The Group 2004 S$'000	The Group 2003 S$'000	The Company 2004 S$'000	The Company 2003 S$'000
ASSETS					
Current assets					
Cash and cash equivalents	11	**98,363**	113,863	**86,842**	108,921
Trade and other receivables	12	**30,230**	35,552	**26,785**	31,942
Inventories	13	**–**	138	**–**	138
		128,593	149,553	**113,627**	141,001
Non-current assets					
Property, plant and equipment	14	**554,656**	580,651	**551,412**	577,323
Investments in subsidiaries	15	**–**	–	**12,105**	7,105
Investments in associated and joint venture companies	16	**87,233**	96,341	**83,372**	85,827
Other non-current assets	17	**1,382**	1,269	**1,382**	1,269
Intangible asset	18	**432**	468	**432**	468
		643,703	678,729	**648,703**	671,992
Total assets		**772,296**	828,282	**762,330**	812,993
LIABILITIES					
Current liabilities					
Trade and other payables	19	**108,138**	113,347	**103,169**	110,631
Due to subsidiaries (trade)		**–**	–	**3,504**	1,143
Due to joint venture companies (trade)		**4,130**	5,660	**4,130**	5,660
Due to related companies (trade)		**702**	655	**698**	814
Current tax liabilities	9	**31,158**	39,675	**30,227**	38,885
Dividend payable		**–**	200,105	**–**	199,965
		144,128	359,442	**141,728**	357,098
Non-current liabilities					
Borrowings	20	**300,000**	120,000	**300,000**	120,000
Deferred tax liabilities	9	**24,962**	30,315	**24,260**	29,592
Deferred income	21	**243**	338	**243**	338
		325,205	150,653	**324,503**	149,930
Total liabilities		**469,333**	510,095	**466,231**	507,028
NET ASSETS		**302,963**	318,187	**296,099**	305,965
SHAREHOLDERS' EQUITY					
Share capital	22	**95,000**	95,000	**95,000**	95,000
Retained earnings	23	**203,807**	219,538	**201,099**	210,965
Foreign currency translation reserve		**1,598**	1,504	**–**	–
Total shareholders' equity		**300,405**	316,042	**296,099**	305,965
Minority interest		**2,558**	2,145	**–**	–
		302,963	318,187	**296,099**	305,965

The accompanying notes form an integral part of these financial statements.
Auditors' report – page 47

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 March 2004

	Notes	Share capital S$'000	Retained earnings S$'000	Foreign currency translation reserve S$'000	Total S$'000
Balance at 1 April 2003		**95,000**	**219,538**	**1,504**	**316,042**
Net gains not recognised in income statement					
– Currency translation differences		**–**	**–**	**94**	**94**
Net profit for the financial year		**–**	**104,292**	**–**	**104,292**
Total recognised gains for the financial year		**–**	**104,292**	**94**	**104,386**
Dividends	24	**–**	**(120,023)**	**–**	**(120,023)**
Balance at 31 March 2004		**95,000**	**203,807**	**1,598**	**300,405**
Balance at 1 April 2002		95,000	510,861	55	605,916
Net gains not recognised in income statement					
– Currency translation differences		–	–	1,449	1,449
Net profit for the financial year		–	108,677	–	108,677
Total recognised gains for the financial year		–	108,677	1,449	110,126
Dividends	24	–	(400,000)	–	(400,000)
Balance at 31 March 2003		95,000	219,538	1,504	316,042

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

Auditors' report – page 47

CONSOLIDATED CASH FLOW STATEMENT

For the financial year ended 31 March 2004

	Note	2004 S$'000	2003 S$'000
Cash flows from operating activities			
Profit before tax		**134,042**	146,449
Adjustments for:			
Amortisation of franchise fees received		**(95)**	(95)
Amortisation of licence fee		**36**	36
Amortisation of management fee for borrowings		**537**	27
Depreciation of property, plant and equipment		**33,688**	37,589
Goodwill amortisation		**4,001**	4,001
Interest expense		**7,063**	84
Interest income		**(2,251)**	(1,047)
Gain on disposal of property, plant and equipment		**(403)**	(928)
Allowance for doubtful trade receivables		**345**	422
Share of profit of associated and joint venture companies		**(14,492)**	(13,952)
		28,429	26,137
Operating cash flow before working capital changes		**162,471**	172,586
Changes in operating assets and liabilities			
Inventories		**138**	128
Receivables		**5,629**	6,467
Payables		**(8,801)**	(21,840)
Cash generated from operations		**159,437**	157,341
Income tax paid		**(37,751)**	(44,607)
Net cash inflow from operating activities		**121,686**	112,734
Cash flows from investing activities			
Capital reduction in associated company		**2,455**	–
Dividends received from associated company		**2,105**	–
Dividends received from joint venture company		**9,506**	–
Investment in joint venture company		**(108)**	–
Purchase of shares in subsidiary		**–**	(474)
Purchase of property, plant and equipment		**(7,317)**	(12,211)
Proceeds from sale of property, plant and equipment		**256**	20,083
Interest received		**2,245**	1,285
Proceeds from loan repayments by associated and joint venture companies		**–**	14,368
Net cash inflow from investing activities		**9,142**	23,051
Cash flows from financing activities			
Dividends paid to shareholders		**(319,988)**	(270,035)
Dividends paid to a minority shareholder		**(140)**	–
Fees paid on bank loan and bonds issued		**(734)**	–
Interest paid		**(5,466)**	–
Proceeds from bank loan		**–**	120,000
Proceeds from bonds issued		**300,000**	–
Repayment of bank loan		**(120,000)**	–
Net cash outflow from financing activities		**(146,328)**	(150,035)
Net decrease in cash and cash equivalents held		**(15,500)**	(14,250)
Cash and cash equivalents at beginning of financial year		**113,863**	128,113
Cash and cash equivalents at end of financial year	11	**98,363**	113,863

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

Auditors' report – page 47

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2004

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

1 GENERAL

The Company is incorporated and domiciled in Singapore and is listed on the Singapore Exchange. The address of its registered office is 31 Exeter Road, Comcentre, Singapore 239732.

The Company is principally engaged in the operation and provision of postal services. Its subsidiaries are principally engaged in electronic printing and despatching services, investment holding and provision of electronic platform and recyclable lockers for merchandise distribution.

2 SIGNIFICANT ACCOUNTING POLICIES

a) Effect of changes in Singapore Companies Legislation

Pursuant to the Singapore Companies (Amendment) Act 2002, with effect from financial year commencing on or after 1 January 2003, Singapore-incorporated companies are required to prepare and present their statutory financial statements in accordance with the Singapore Financial Reporting Standards (FRS). Hence, these financial statements, including the comparative figures, have been prepared in accordance with FRS.

Previously, the Company and the Group prepared their statutory financial statements in accordance with Singapore Statements of Accounting Standard. The adoption of FRS does not have material impact on the accounting policies and figures presented in the statutory financial statements for the financial year ended 31 March 2003.

b) Basis of preparation

These financial statements have been prepared under the historical cost convention. The preparation of financial statements in conformity with FRS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

c) Operating revenue and revenue recognition

Operating revenue represents the value of postal services and electronic printing and despatching services rendered, net of goods and services tax. 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.

Revenue from the rendering of services is based on the stage of completion determined by reference to services performed to date as a percentage of total services to be performed.

Accrual for unearned revenue is made for stamps which have been sold, but for which services have not been rendered as at the balance sheet date.

Revenue arising from rental is recognised on an accrual basis. Interest income is recognised on a time proportion basis, taking into account the principal outstanding and the effective rate over the period of maturity, when it is determined such income will accrue to the Group.

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

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

d) Group accounting

i) Subsidiaries

Subsidiaries are those entities in which the Group has an interest of more than one half of the voting rights or otherwise has power to govern the financial and operating policies. The existence and effect of potential voting rights that are presently exercisable or presently convertible are considered when assessing whether the Group controls another entity.

Subsidiaries are consolidated from the date on which control is transferred to the Group and are no longer consolidated from the date that control ceases. The purchase method of accounting is used to account for the acquisition of subsidiaries. The cost of an acquisition is measured as the fair value of the assets given up, shares issued or liabilities undertaken at the date of acquisition plus costs directly attributable to the acquisition. The excess of the cost of acquisition over the fair value of the net assets of the subsidiary acquired is recorded as goodwill. Please refer to Note 2 (f) for the accounting policy on goodwill.

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated; unrealised losses are also eliminated unless cost cannot be recovered. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the Group.

ii) Associated companies

Associated companies are entities over which the Group generally has between 20% and 50% of the voting rights, and over which the Group has significant influence, but which it does not control. Investments in associated companies are accounted for in the consolidated financial statements using the equity method of accounting.

Equity accounting involves recognising the Group's share of the results of associated companies in the consolidated income statement and the Group's share of post-acquisition movements in reserves in consolidated reserves. The cumulative post-acquisition movements are adjusted against the cost of investment. Unrealised gains on transactions between the Group and its associated companies are eliminated to the extent of the Group's interest in the associated companies; unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Where necessary, in applying the equity method, adjustments are made to the financial statements of associated companies to ensure consistency of accounting policies with those of the Group.

The Group's investments in associated companies are stated in the balance sheet at an amount that reflects its share of the net assets of the associated companies and includes goodwill (net of accumulated amortisation) on acquisition. Equity accounting is discontinued when the carrying amount of the investment in an associated company reaches zero, unless the Group has incurred obligations or guaranteed obligations in respect of the associated company.

iii) Joint venture companies

Joint venture companies are corporations, partnerships or other entities over which there is contractually agreed sharing of control by the Group with one or more parties. The Group's interest in joint venture companies are accounted for under the equity method of accounting as set out above. The Group's share of operating revenue, net profit or loss after taxation, assets and liabilities of the joint venture companies are disclosed in the notes to the financial statements.

iv) Transaction costs

External costs directly attributable to an acquisition are included as part of the cost of acquisition.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

e) Property, plant and equipment and depreciation

Property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses.

No depreciation is provided on long-term leasehold land with remaining lease period of more than 100 years and capital work-in-progress. Leasehold land and buildings are amortised evenly over the term of the lease.

Depreciation is calculated using the straight-line method to write-off the cost of the property, plant and equipment over their estimated useful lives. The estimated useful lives are as follows:

Buildings	5 – 40 years
Postal equipment	3 – 10 years
Other property, plant and equipment	3 – 20 years

Other property, plant and equipment consist mainly of accommodation plant, motor vehicles, computer hardware and furniture and fittings.

Repairs and maintenance are taken to the income statement during the financial period in which they are incurred. The cost of major renovations and restorations is included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Group, and depreciated over the remaining useful life of the asset.

Where an indication of impairment exists, the carrying amount of the asset is assessed and written down immediately to its recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are included in profit/(loss) from operations.

f) Intangible assets – Goodwill

Goodwill represents the excess of the cost of an acquisition of subsidiaries, associated and joint venture companies over the fair value of the Group's share of their identifiable net assets at the date of acquisition.

Goodwill on acquisitions of subsidiaries occurring on or after 1 April 2001 is included as intangible assets. Goodwill on acquisitions of associated and joint venture companies occurring on or after 1 April 2001 is included in investments in associated and joint venture companies. Goodwill on acquisitions that occurred prior to 1 April 2001 has been taken in full to retained earnings in shareholders' equity; such goodwill has not been retroactively capitalised and amortised.

Goodwill is amortised using the straight-line method over its estimated useful life. Management determines the estimated useful life of goodwill based on its evaluation of the respective companies at the time of the acquisition, considering factors such as existing market share, potential growth and other factors inherent in the acquired companies. Goodwill is amortised over its useful economic life up to a maximum of 20 years.

At each balance sheet date, the Group assesses whether there is any indication of impairment. If such indications exist, an analysis is performed to assess whether the carrying amount of goodwill is fully recoverable. A write-down is made if the carrying amount exceeds the recoverable amount.

The gain or loss on disposal of an entity includes the unamortised balance of goodwill relating to the entity disposed of or, for pre 1 April 2001 acquisitions, the goodwill taken to shareholders' equity.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

g) Investments

Investments in subsidiaries, associated and joint venture companies are stated in the balance sheet of the Company at cost less impairment losses. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount.

On disposal of an investment, including subsidiaries, associated and joint venture companies, the difference between net disposal proceeds and its carrying amount is taken to the income statement.

h) Impairment of long lived assets

Property, plant and equipment, other non-current assets and intangible assets are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount which is the higher of an asset's net selling price and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows.

i) Trade receivables

Trade receivables are stated at original invoice amount less allowance made for doubtful receivables based on a review of all outstanding amounts at the year end. An allowance for doubtful receivables is made when there is objective evidence that the Group will not be able to collect all amounts due according to original terms of receivables. Bad debts are written off when identified.

j) Borrowings

i) Capitalisation of borrowing costs

Borrowing costs include interest, amortisation of discounts or premiums relating to borrowings, and amortisation of ancillary cost incurred in arranging borrowings. Borrowing costs are expensed as incurred except to the extent that they are capitalised.

ii) Interest rate hedges

Interest flows from interest swaps are accounted for on an accrual basis. Interest income or expense arising therefrom is netted off against related interest income or expense applicable to the on-balance sheet items which the financial instruments are hedging.

k) Operating leases

i) When a group company is the lessee:

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are taken to the income statement on a straight-line basis over the period of the lease.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

ii) When a group company is the lessor:

Assets leased out under operating leases are included in property, plant and equipment and are stated at historical cost less accumulated depreciation and impairment loss. Rental income (net of any incentives given to lessees) is recognised on a straight-line basis over the period of the lease.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

l) Inventories

Inventories, comprising spare parts, are stated at the lower of cost and net realisable value. Cost is determined by the weighted average method. Allowance for obsolete, slow-moving or defective inventories is made where necessary.

The production costs of stamps and stamped stationery inventory are expensed in the year in which they are incurred as the amounts involved are immaterial.

m) Deferred income taxes

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Currently enacted tax rates are used in the determination of deferred income tax.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiary, associated and joint venture companies, except where the timing of reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

n) Provisions

Provisions are recognised when the Group has a legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made.

o) Employee benefits

i) Employee leave entitlement

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date.

ii) Equity compensation benefits

No compensation expense is recognised when share options are issued under the Singapore Post Share Option Scheme. When the options are exercised, the proceeds received net of any transaction costs are taken to share capital (nominal value) and share premium.

p) Foreign currency translation

i) Measurement currency

Items included in the financial statements of each entity in the Group are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to the entity ("the measurement currency"). The consolidated financial statements of the Group and balance sheet of the Company are presented in Singapore dollars, which is the measurement currency of the Company.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

p) Foreign currency translation (continued)

ii) Transactions and balances

Foreign currency transactions are translated into the measurement currency using the exchange rates prevailing at the date of transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies, are recognised in the income statement.

Foreign currency monetary assets and liabilities are translated into Singapore dollars at the rates of exchange prevailing at the balance sheet date or at contracted rates where they are covered by forward exchange contracts. Exchange differences arising are taken to the income statement.

iii) Group companies

1) In respect of equity accounting of associated and joint venture companies whose operations are not an integral part of the Company's operations, the balance sheets are translated into Singapore dollars at the exchange rates prevailing at the balance sheet date, and the results are translated using the average monthly exchange rates for the financial year. The exchange differences arising on translation of the financial statements of foreign entities are taken directly to the foreign currency translation reserve. On disposal, accumulated translation differences are recognised in the consolidated income statement as part of the gain or loss on disposal.

2) Goodwill and fair value adjustments arising on acquisition of a foreign entity are treated as non-monetary foreign currency assets and liabilities of the acquirer and recorded at the exchange rate at the date of the transaction.

q) Segment reporting

Business segments provide products and services that are subject to risks and returns that are different from those of other business segments. As the Group operates primarily in one geographical segment, which is in Singapore, segment information by geographical segment is not presented.

r) Cash and cash equivalents

Cash and cash equivalents are stated in the balance sheet at cost. For the purposes of the consolidated cash flow statement, cash and cash equivalents comprise cash on hand, deposits held at call with banks and highly liquid investments with short periods to maturity which are readily convertible to cash on hand at the investor's option.

s) Share capital

External costs directly attributable to the issue of new shares, other than on a business combination, are shown in equity as a deduction, net of tax from the proceeds. Share issue costs incurred directly in connection with a business combination are included in the cost of acquisition.

t) Dividends

Dividends are recorded in the Group's financial statements in the period in which they are declared payable.

3 OPERATING REVENUE

	The Group 2004 S$'000	The Group 2003 S$'000
Revenue from services rendered	**368,180**	373,009

4 OTHER OPERATING INCOME

	The Group 2004 S$'000	The Group 2003 S$'000
Other operating income is arrived at after crediting:		
Rental income	**15,085**	18,248
Net gain on disposal of property, plant and equipment	**403**	928
Write back of provision for winding down of a joint venture company	**159**	–

5 STAFF COSTS

	The Group 2004 S$'000	The Group 2003 S$'000
Wages and salaries	**64,163**	62,059
Employer's contributions to defined contribution plans including Central Provident Fund	**8,368**	8,863
Other benefits	**3,253**	3,530
	75,784	74,452

	The Group 2004	The Group 2003
Number of staff employed at the end of the financial year:		
Full Time	**2,233**	2,234

6 OPERATING PROFIT

The following items have been included in arriving at operating profit:

	The Group 2004 S$'000	The Group 2003 S$'000
Charging/(crediting)		
Amortisation charge:		
– Licence fee	**36**	36
Auditors' remuneration:		
– Current year	**78**	38
– Prior year	**(1)**	(3)
Directors' fees	**342**	180
Director's remuneration	**451**	413
Other fees paid to the auditors of the Company	**4**	150
Bad debts written off – non-trade	**–**	393
Depreciation of property, plant and equipment		
– Leasehold land	**1,663**	1,921
– Buildings	**11,223**	14,816
– Postal equipment	**9,700**	9,709
– Other property, plant and equipment	**11,102**	11,143
Foreign exchange loss – net	**682**	661
Rental expense – operating leases	**4,363**	4,110
Write back of provision for winding down of a joint venture company	**(159)**	–

7 ASSOCIATED AND JOINT VENTURE COMPANIES

	The Group 2004 S$'000	2003 S$'000
Share of results of associated company	**6,161**	5,481
Share of results of joint venture companies	**8,331**	8,471
	14,492	13,952
Amortisation of goodwill arising from acquisition of		
– Associated company	**(4,001)**	(4,001)
	10,491	9,951

8 FINANCE (COST)/INCOME – NET

	The Group 2004 S$'000	2003 S$'000
Interest income from		
– Deposits with financial institutions	**2,204**	717
– Loans in associated and joint venture companies	**–**	247
– Others	**47**	83
	2,251	1,047
Interest expense on		
– Bank loan	**(638)**	(84)
– Bonds	**(6,392)**	–
– Forward rate agreement	**(33)**	–
Amortisation of management fee for bank borrowings and bonds	**(537)**	(27)
	(7,600)	(111)
Net foreign exchange (loss)/gain	**(19)**	543
	(5,368)	1,479

9 INCOME TAX EXPENSE

a) Tax expense

	The Group 2004 S$'000	2003 S$'000
Tax expense attributable to profit is made up of:		
– Current income tax	**29,234**	35,880
– Deferred tax	**(2,598)**	(3,189)
	26,636	32,691
Share of tax of associated company	**3,583**	2,057
Share of tax of joint venture companies	**1,870**	2,271
	32,089	37,019
Under/(over) provision in preceding financial year:		
– Current income tax	**–**	(4,787)
– Deferred tax	**(2,755)**	5,188
	29,334	37,420

9 INCOME TAX EXPENSE (continued)

a) Tax expense (continued)

The tax expense on profit differs from the amount that would arise using the Singapore standard rate of income tax due to the following:

	The Group	
	2004 S$'000	2003 S$'000
Profit before tax	**134,042**	146,449
Tax calculated at tax rate of 20.0% (2003: 22.0%)	**26,808**	32,219
Singapore statutory stepped income exemption	**(33)**	(36)
Effect of different tax rates in other countries	**923**	713
Effect of withholding tax on dividend	**(141)**	–
Income not subject to tax	**(794)**	(516)
Items not deductible for tax purposes	**5,251**	4,525
Tax losses not recognised	**75**	114
	32,089	37,019

b) Movements in current tax liabilities

	The Group		The Company	
	2004 S$'000	2003 S$'000	2004 S$'000	2003 S$'000
At beginning of financial year	**39,675**	45,049	**38,885**	44,063
Income tax paid	**(37,751)**	(44,607)	**(37,571)**	(44,372)
Current financial year's tax expense on profit	**29,234**	35,880	**30,607**	35,803
Over provision in preceding financial year	**–**	(4,787)	**–**	(4,657)
Tax deducted at source	**–**	–	**(1,694)**	(92)
Transfer from deferred tax liabilities	**–**	8,140	**–**	8,140
At end of financial year	**31,158**	39,675	**30,227**	38,885

c) Deferred income taxes

Deferred income taxes are calculated in full on temporary differences under the liability method using a principal tax rate of 20% (2003: 22%).

The movement on the deferred income tax account is as follows:

	The Group		The Company	
	2004 S$'000	2003 S$'000	2004 S$'000	2003 S$'000
At beginning of financial year	**30,315**	36,456	**29,592**	35,826
Tax (credit)/charge to:				
– income statement	**(2,598)**	5,719	**(2,642)**	5,563
Transfer to current tax	**–**	(8,140)	**–**	(8,140)
Effect of changes in tax rates	**(2,755)**	(3,720)	**(2,690)**	(3,657)
At end of financial year	**24,962**	30,315	**24,260**	29,592

Deferred tax assets are recognised for tax losses carried forward to the extent that realisation of the related tax benefits through future taxable profits is probable. The Group has unutilised tax losses and capital allowances of S$3,397,000 and S$1,353,000 (2003: S$3,021,000 and S$1,084,000) respectively which can be carried forward and used to offset against future taxable income subject to meeting certain statutory requirements. The deferred tax benefits of these unutilised tax losses and capital allowances have not been recognised in the financial statements. These tax losses and unutilised capital allowance have no expiry dates.

9 INCOME TAX EXPENSE (continued)

c) Deferred income taxes (continued)

The movement in the Group's deferred tax assets and liabilities (prior to offsetting of balances within the same tax jurisdiction) during the period is as follows:

The Group

Deferred tax liabilities

	Accelerated tax depreciation S$'000	Others S$'000	Total S$'000
At 1 April 2003	30,959	2	30,961
(Credited)/charged to income statement	(2,605)	6	(2,599)
Effect of changes in tax rates	(2,813)	–	(2,813)
At 31 March 2004	25,541	8	25,549

Deferred tax assets

	Provisions S$'000	Others S$'000	Total S$'000
At 1 April 2003	(466)	(180)	(646)
Charged/(credited) to income statement	17	(16)	1
Effect of changes in tax rates	42	16	58
At 31 March 2004	(407)	(180)	(587)

The Company

Deferred tax liabilities

	Accelerated tax depreciation S$'000	Others S$'000	Total S$'000
At 1 April 2003	30,225	1	30,226
(Credited)/charged to income statement	(2,645)	2	(2,643)
Effect of changes in tax rates	(2,747)	–	(2,747)
At 31 March 2004	24,833	3	24,836

Deferred tax assets

	Provisions S$'000	Others S$'000	Total S$'000
At 1 April 2003	(454)	(180)	(634)
Charged/(credited) to income statement	17	(16)	1
Effect of changes in tax rates	41	16	57
At 31 March 2004	(396)	(180)	(576)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority. The following amounts, determined after appropriate offsetting, are shown in the balance sheets:

9 INCOME TAX EXPENSE (continued)

c) Deferred income taxes (continued)

	The Group 2004 S$'000	The Group 2003 S$'000	The Company 2004 S$'000	The Company 2003 S$'000
Deferred tax liabilities	**24,962**	30,315	**24,260**	29,592

The amounts shown in the balance sheet included the following:

	The Group 2004 S$'000	The Group 2003 S$'000	The Company 2004 S$'000	The Company 2003 S$'000
Deferred tax liabilities to be settled after more than 12 months	**20,664**	26,623	**20,169**	26,131

10 EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the net profit after tax attributable to members of Singapore Post Limited by the weighted average number of ordinary shares in issue during the financial year.

	The Group 2004	The Group 2003
Net profit attributable to members of Singapore Post Limited (S$'000)	**104,292**	108,677
Weighted average number of ordinary shares in issue for basic earnings per share ('000)	**1,900,000**	1,900,000
Basic earnings per share	**5.49 cents**	5.72 cents

For the diluted earnings per share, the weighted average number of ordinary shares in issue has been adjusted to assume conversion of all dilutive potential ordinary shares from the share options granted to employees.

In determining the diluted earnings per share, a calculation is performed to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on monetary value of the subscription rights attached to outstanding share options. The number of shares calculated above is compared with the number of shares that would have been issued assuming the exercise of the share options. The difference is added to the denominator as an issue of ordinary shares for no consideration. No adjustment is made to earnings (numerator).

	The Group 2004	The Group 2003
Net profit attributable to members of Singapore Post Limited (S$'000)	**104,292**	108,677
Weighted average number of ordinary shares in issue for basic earnings per share ('000)	**1,900,000**	1,900,000
Adjustment for share options ('000)	**2,195**	–
Weighted average number of ordinary shares for diluted earnings per share ('000)	**1,902,195**	1,900,000
Diluted earnings per share	**5.48 cents**	5.72 cents

11 CASH AND CASH EQUIVALENTS

	The Group 2004 S$'000	The Group 2003 S$'000	The Company 2004 S$'000	The Company 2003 S$'000
Deposits with financial institutions	**65,684**	90,274	**59,900**	86,601
Cash at bank and on hand	**32,679**	23,589	**26,942**	22,320
	98,363	113,863	**86,842**	108,921

The deposits with financial institutions mature on varying dates within 3 months (2003: 3 months) from the financial year end. The weighted average effective interest rate of these deposits as at 31 March 2004 was 0.5% (2003: 0.5%) per annum.

12 TRADE AND OTHER RECEIVABLES

	The Group 2004 S$'000	The Group 2003 S$'000	The Company 2004 S$'000	The Company 2003 S$'000
Trade receivables – third parties	**22,097**	30,918	**15,167**	23,356
Less: Allowance for doubtful trade receivables	**(1,270)**	(1,136)	**(1,252)**	(1,132)
Trade receivables – net	**20,827**	29,782	**13,915**	22,224
Other receivables	**933**	1,431	**931**	1,430
Due from related companies (trade)	**1,413**	513	**446**	214
Due from joint venture companies (trade)	**3,510**	716	**3,510**	716
Due from subsidiaries (trade)	**–**	–	**5,306**	4,539
Dividend receivable	**–**	–	**–**	328
Interest receivable	**19**	5	**14**	3
Deposits	**1,262**	1,032	**656**	577
Prepayment	**2,027**	1,778	**1,768**	1,616
Staff loans	**239**	295	**239**	295
	30,230	35,552	**26,785**	31,942

Concentration of credit risk with respect to trade receivables is limited due to the Group's large number of customers and the credit terms imposed on each customer. Due to these factors, management believes that no additional credit risk beyond amounts provided for collection losses is inherent in the Group's and Company's trade receivables.

13 INVENTORIES

	The Group 2004 S$'000	The Group 2003 S$'000	The Company 2004 S$'000	The Company 2003 S$'000
At cost				
Spare parts for machinery and equipment	**–**	138	**–**	138

14 PROPERTY, PLANT AND EQUIPMENT

	Leasehold land S$'000	Buildings S$'000	Postal equipment S$'000	Other property, plant and equipment S$'000	Capital work-in-progress S$'000	Total S$'000
The Group						
Cost						
At 1 April 2003	129,459	404,036	97,495	126,568	10,284	767,842
Additions	–	–	–	3,005	4,823	7,828
Disposals	–	(22)	(234)	(5,447)	–	(5,703)
Transfers	1	10,090	131	3,369	(13,591)	–
At 31 March 2004	129,460	414,104	97,392	127,495	1,516	769,967
Accumulated depreciation						
At 1 April 2003	14,485	58,718	42,003	71,985	–	187,191
Depreciation charge	1,663	11,223	9,700	11,102	–	33,688
Disposals	–	(22)	(234)	(5,312)	–	(5,568)
At 31 March 2004	16,148	69,919	51,469	77,775		215,311
Net book value						
At 31 March 2004	**113,312**	**344,185**	**45,923**	**49,720**	**1,516**	**554,656**
Net book value						
At 31 March 2003	114,974	345,318	55,492	54,583	10,284	580,651

14 PROPERTY, PLANT AND EQUIPMENT (continued)

	Leasehold land S$'000	Buildings S$'000	Postal equipment S$'000	Other property, plant and equipment S$'000	Capital work-in-progress S$'000	Total S$'000
The Company						
Cost						
At 1 April 2003	129,459	404,036	97,495	113,719	10,038	754,747
Additions	–	–	–	1,968	4,616	6,584
Disposals	–	(22)	(234)	(3,792)	–	(4,048)
Transfers	1	10,090	131	3,369	(13,591)	–
At 31 March 2004	129,460	414,104	97,392	115,264	1,063	757,283
Accumulated depreciation						
At 1 April 2003	14,485	58,718	42,003	62,218	–	177,424
Depreciation charge	1,663	11,223	9,700	9,848	–	32,434
Disposals	–	(22)	(234)	(3,731)	–	(3,987)
At 31 March 2004	16,148	69,919	51,469	68,335	–	205,871
Net book value						
At 31 March 2004	**113,312**	**344,185**	**45,923**	**46,929**	**1,063**	**551,412**
Net book value						
At 31 March 2003	114,974	345,318	55,492	51,501	10,038	577,323

Leased assets included in this note, where the Group is a lessor, comprise building space leased to third parties under operating leases:

	The Group 2004 S$'000	The Group 2003 S$'000
Cost	**386,302**	386,333
Accumulated depreciation	**(56,096)**	(46,742)
Net book value	**330,206**	339,591
Depreciation charged to income statement	**9,354**	9,425

Based on total net lettable area of 951,591 sq ft (2003: 951,591 sq ft), 35.2% is leased to third parties as at 31 March 2004 (2003: 35.5%).

15 INVESTMENTS IN SUBSIDIARIES

	The Company 2004 S$'000	The Company 2003 S$'000
Unquoted equity shares at cost	**18,262**	13,262
Less: Impairment losses	**(6,157)**	(6,157)
	12,105	7,105

Details of the subsidiaries are set out in Note 32.

Incorporation of SingPost Retail Services Pte. Ltd.

The Group incorporated a wholly-owned subsidiary, SingPost Retail Services Pte. Ltd. ("SingPost Retail Services") on 27 January 2004 for the purpose of providing secured personal financial services. SingPost Retail Services has an authorised share capital of S$10 million and an issued and paid-up share capital of S$5 million. This subsidiary has yet to commence operations as at 31 March 2004.

16 INVESTMENTS IN ASSOCIATED AND JOINT VENTURE COMPANIES

	Notes	The Group 2004 S$'000	The Group 2003 S$'000	The Company 2004 S$'000	The Company 2003 S$'000
Investment in associated company	(a)	**78,772**	84,908	**80,922**	83,377
Investment in joint venture companies	(b)	**8,461**	11,433	**2,450**	2,450
		87,233	96,341	**83,372**	85,827

a) Associated company

	The Group 2004 S$'000	The Group 2003 S$'000	The Company 2004 S$'000	The Company 2003 S$'000
Investment at cost			**80,922**	83,377
At beginning of financial year	**84,908**	83,966		
Share of results before tax	**2,160**	1,480		
Share of tax (note 9)	**(3,583)**	(2,057)		
Share of results after tax	**(1,423)**	(577)		
Dividends received, net of tax	**(2,386)**	–		
Capital reduction	**(2,455)**	–		
Exchange differences	**128**	1,519		
At end of financial year	**78,772**	84,908		

The share of results before tax includes S$4,001,000 (2003: S$4,001,000) representing the amortisation charge of goodwill in respect of the acquisition of the associated company. Investment in associated company at 31 March 2004 includes goodwill of S$70,014,000 (2003: S$74,015,000), net of accumulated amortisation of S$10,002,000 (2003: S$6,001,000).

Details of the associated company are set out in Note 32.

b) Joint venture companies

	The Group 2004 S$'000	The Group 2003 S$'000	The Company 2004 S$'000	The Company 2003 S$'000
Unquoted equity shares at cost			**4,000**	4,000
Less: Impairment losses			**(1,550)**	(1,550)
			2,450	2,450
At beginning of financial year	**11,433**	5,304		
Share of results before tax	**8,331**	8,471		
Share of tax (note 9)	**(1,870)**	(2,271)		
Share of results after tax	**6,461**	6,200		
Dividends received, net of tax	**(9,506)**	–		
Acquisition	**108**	–		
Exchange differences	**(35)**	(71)		
At end of financial year	**8,461**	11,433		

16 INVESTMENTS IN ASSOCIATED AND JOINT VENTURE COMPANIES (continued)

b) Joint venture companies (continued)

The Group's share of operating revenue, net profit after taxation, assets and liabilities of the joint venture companies is as follows:

	The Group 2004 S$'000	The Group 2003 S$'000
Operating revenue	**65,903**	67,133
Net profit after taxation	**6,461**	6,200
Non-current assets	**4,897**	4,360
Current assets	**27,919**	28,082
Current liabilities	**(23,692)**	(20,316)
Non-current liabilities	**(663)**	(693)
Net assets	**8,461**	11,433

Acquisition of joint venture company

During the financial year, our subsidiary, DataPost Pte Ltd (DataPost) and G3 Worldwide AsPac Pte Ltd (Spring), a joint venture company of SingPost has signed a joint venture agreement with ePLDT Inc., a wholly-owned subsidiary of Philippines Long Distance Telephone (PLDT) to engage in the business of laser printing and enveloping statements, bills and invoices and related value-added services. The joint venture company named ePDS, Inc. (ePDS) and located in the Philippines, has an initial paid-up capital of approximately S$350,000. DataPost, Spring and ePLDT hold 30 per cent, 20 per cent and 50 per cent of ePDS respectively.

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

Details of the joint venture companies are set out in Note 32.

17 OTHER NON-CURRENT ASSETS

	The Group and the Company 2004 S$'000	The Group and the Company 2003 S$'000
Staff loans	**532**	616
Prepayment	**650**	453
Transferable club membership at cost	**200**	200
	1,382	1,269

Staff loans are interest-bearing with interest rates at 5.5% (2003: 5.5%) per annum and are repayable in equal monthly instalments over periods up to 8 years.

18 INTANGIBLE ASSET

	The Group and the Company 2004 S$'000	2003 S$'000
Licence fee at cost	**900**	900
Accumulated amortisation	**(468)**	(432)
Net book value	**432**	468
Amortisation charged to income statement	**36**	36

Licence fee represents a lump-sum fee paid to the Info-communications Development Authority of Singapore upon the granting of the postal licence. It is stated at cost less amounts amortised on a straight-line basis over the licence period of 25 years starting 1992.

19 TRADE AND OTHER PAYABLES

	The Group		The Company	
	2004 S$'000	2003 S$'000	2004 S$'000	2003 S$'000
Trade creditors	**37,589**	37,592	**36,499**	36,722
Advance billings	**7,271**	8,148	**7,206**	8,148
Accrual for capital expenditure	**9,525**	9,797	**9,525**	9,797
Accrual for other operating expenses	**21,332**	21,056	**20,762**	20,258
Interest payable	**1,684**	–	**1,684**	–
Other creditors	**8,289**	9,588	**5,063**	8,558
Customers' deposits	**2,492**	2,266	**2,492**	2,266
Collections on behalf of third parties	**17,440**	22,168	**17,440**	22,168
Tender deposits	**2,516**	2,732	**2,498**	2,714
	108,138	113,347	**103,169**	110,631

20 BORROWINGS

	The Group and the Company 2004 S$'000	2003 S$'000
Non-current		
Bank term loan (unsecured)	**–**	120,000
Bonds (unsecured)	**300,000**	–
	300,000	120,000

a) The bank term loan obtained on 27 February 2003 for the Group's general operational purposes was repaid in full in September 2003.

b) The unsecured bonds listed on the SGX-ST have a maturity period of 10 years from 11 April 2003 and a fixed interest rate of 3.13% per annum. With effect from 11 October 2003, the fixed coupon rate of 3.13% per annum has been swapped to floating rates pegged to the Singapore dollar swap offer rate prevailing for each short-term interest period plus a spread.

c) The weighted average effective interest rate as at 31 March 2004 was 2.16% (2003: 1.2%) per annum.

20 BORROWINGS (continued)

d) The exposure of borrowings of the Group and Company to interest rate changes and the periods in which the borrowings reprice are as follows:

	Within 1 year S$'000	1 to 5 years S$'000	Over 5 years S$'000	Total S$'000
The Group and the Company				
At 31 March 2004				
Total borrowings	–	–	300,000	300,000
Effect of interest rate swaps (note 27)	300,000	–	(300,000)	–
	300,000	**–**	**–**	**300,000**
At 31 March 2003				
Total borrowings	–	120,000	–	120,000

e) Carrying amounts and fair values

The carrying amounts and fair values of certain non-current borrowings are as follows:

	Carrying value		Fair value	
	2004 S$'000	2003 S$'000	2004 S$'000	2003 S$'000
The Group and the Company				
Bonds	**300,000**	–	**293,520**	–

The fair value of the bonds is estimated based on independent market quotations.

f) Maturity of non-current borrowings

Maturity of non-current borrowings is as follows:

	The Group		The Company	
	2004 S$'000	2003 S$'000	2004 S$'000	2003 S$'000
Between 2 and 5 years	**–**	120,000	**–**	120,000
Over 5 years	**300,000**	–	**300,000**	–
	300,000	120,000	**300,000**	120,000

21 DEFERRED INCOME

Deferred income represents franchise fees received in advance.

22 SHARE CAPITAL OF SINGAPORE POST LIMITED

a) Authorised ordinary share capital

The total authorised number of ordinary shares is 4,000 million shares (2003: 4,000 million shares) with a par value of S$0.05 per share (2003: S$0.05 per share).

b) Issued ordinary share capital

	2004 Shares '000	2003 Shares '000	2004 S$'000	2003 S$'000
At the beginning and end of financial year	**1,900,000**	1,900,000	**95,000**	95,000

c) Share options

The SingPost Share Option Scheme adopted on 21 March 2003 is administered by the SingPost Compensation Committee. The Company granted share options for the first time on 13 May 2003. During the financial year, market price share options totalling 18,503,936 unissued shares of S$0.05 each were granted.

Movements in the number of share options outstanding are as follows:

	2004
At beginning of financial year	–
Granted during the financial year	**18,503,936**
Cancelled during the financial year	**(392,392)**
Exercised during the financial year	–
At end of the financial year	**18,111,544**

Share options outstanding to subscribe for ordinary shares of S$0.05 each at the end of the financial year have the following terms:

Date of Grant	Exercise Period	Exercise Price
For employees (including executive director)		
13.5.03	14.5.04 to 13.5.13	S$0.600
28.7.03	29.7.04 to 28.7.13	S$0.675
18.8.03	19.8.04 to 18.8.13	S$0.600
18.8.03	19.8.04 to 18.8.13	S$0.721
For non-executive directors		
13.5.03	13.5.04 to 13.5.08	S$0.600

As at 31 March 2004, no share options have been granted to controlling shareholders or their associates, and no employee has received 5% or more of the total options available under the share option scheme.

23 RETAINED EARNINGS

a) Retained earnings of the Group and the Company are distributable except for accumulated retained earnings of associated companies amounting to S$6,151,000 (2003: S$5,958,000) which are included in the Group's retained earnings.

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

	The Company	
	2004 S$'000	2003 S$'000
At beginning of financial year	**210,965**	509,012
Net profit during financial year	**110,157**	101,953
Dividends paid (note 24)	**(120,023)**	(400,000)
At end of financial year	**201,099**	210,965

24 DIVIDENDS

	The Group and the Company	
	2004 S$'000	2003 S$'000
Ordinary dividends paid		
Interim gross dividend for FY 2003/04 of 2.7 cents per share net of tax at 22.0% paid on 19 January 2004	**39,995**	–
Final gross dividend for FY 2002/03 of 5.4 cents per share net of tax at 22.0% paid on 12 September 2003	**80,028**	–
Interim gross dividend for FY 2002/03 of 67.5 cents per share net of tax at 22.0% based on 190 million ordinary shares paid on 14 January 2003	**–**	100,035*
Special gross dividend for FY 2002/03 of 20.2 cents per share net of tax at 22.0% based on 1,900 million ordinary shares – S$100,000,000 paid on 28 March 2003 – S$199,965,000 paid by 31 December 2003	**–**	299,965*
	120,023	400,000*

* These dividends, declared before the Company's listing on the Main Board of SGX-ST, were paid to its previous holding company, Singapore Telecommunications Limited.

The directors proposed a final net dividend of 2.1 cents per share amounting to S$40.0 million in respect of the financial year ended 31 March 2004. The dividends have not been recognised as a liability as at the financial year end as it is subject to approval at the Annual General Meeting of the Company.

25 COMMITMENTS

a) Capital commitments

The following commitments for capital expenditure have not been provided for in the financial statements:

	The Group		The Company	
	2004 S$'000	2003 S$'000	2004 S$'000	2003 S$'000
Authorised and contracted for	**6,230**	5,067	**6,155**	4,879
Authorised but not contracted for	**3,520**	4,737	**3,513**	4,197
	9,750	9,804	**9,668**	9,076

b) Operating lease commitments – where a group company is lessee

The future aggregate minimum lease payments under non-cancellable operating leases contracted for at the reporting date but not recognised as liabilities, are as follows:

	The Group		The Company	
	2004 S$'000	2003 S$'000	2004 S$'000	2003 S$'000
Not later than 1 year	**5,812**	4,765	**4,427**	3,240
Later than 1 year but not later than 5 years	**4,519**	5,354	**4,449**	4,312
Later than 5 years	**6,886**	6,973	**6,886**	6,973
	17,217	17,092	**15,762**	14,525

c) Operating lease commitments – where a group company is lessor

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

	The Group		The Company	
	2004 S$'000	2003 S$'000	2004 S$'000	2003 S$'000
Not later than 1 year	**13,638**	15,171	**13,638**	15,171
Later than 1 year but not later than 5 years	**7,705**	21,342	**7,705**	21,342
Later than 5 years	**–**	–	**–**	–
	21,343	36,513	**21,343**	36,513

26 FINANCIAL RISK MANAGEMENT

Financial risk factors

The main risks arising from the Group's financial assets and liabilities are foreign exchange, interest rate, credit and liquidity risks.

The Group's overall risk policy is to minimise potential adverse effects of financial risks on the financial performance of the Group. The Group has established risk management policies, guidelines and control procedures to manage its exposure to financial risks. These policies have been approved by the board of directors. Hedging transactions are determined in light of the commercial commitments and are reviewed regularly. Financial instruments are used to hedge underlying commercial exposures and are not held for speculative purposes.

i) Foreign exchange risk

The foreign exchange risk of the Group arises mainly from the international mail business, which generates inpayments and outpayments denominated in foreign currencies. The currency exposures are primarily United States Dollars, British Pounds and Euros. Foreign currency purchases and forward contracts are used to reduce the Group's exposure to foreign currency exchange rate fluctuations. Foreign exchange instruments are used mainly to hedge underlying exposures and the transactions are not entered for speculative purchases.

Profit contribution from the associated company, G3 Worldwide Mail N.V., is denominated in Euro and not hedged by the Group. The associated company derives revenues from a number of countries that have functional currencies other than the Euro. The associated company's management has implemented appropriate hedging policies to reduce its foreign exchange risk.

ii) Interest rate risk

The Group has cash balances placed with reputable banks and financial institutions which generate interest income for the Group. The interest income is dependent on the changes in the market interest rates. The Group manages its interest rate risks by placing such balances on varying maturities and interest rate terms.

The Group's debt includes bank borrowings and bonds. The unsecured bonds listed on the SGX-ST have a maturity period of 10 years from 11 April 2003 and a fixed interest rate of 3.13% per annum. With effect from 11 October 2003, the fixed coupon rate of 3.13% per annum has been swapped to floating rates pegged to Singapore dollar swap offer rate prevailing for each short term interest period plus a spread. The Group's objective in managing exposure to interest rate fluctuations is to minimise the interest expense consistent with maintaining an acceptable level of exposure to interest rate fluctuations. A targeted mix of fixed and floating debt based on assessment of interest rate trends is used to achieve this objective. To obtain this mix in a cost efficient manner, the Group primarily uses interest rate swap that have the effect of converting specific debt obligations of the Group from variable to fixed rate, or vice versa, as deemed appropriate.

iii) Credit risk

The Group has no significant concentrations of credit risk. The Group has policies in place to ensure that credit sales of products and services are made to customers with appropriate credit histories.

Derivative counter-parties and cash transactions are limited to high credit quality financial institutions. The Group has policies that limit the amount of credit exposure to any one financial institution.

26 FINANCIAL RISK MANAGEMENT (continued)

iv) Liquidity risk

In the management of liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate to finance the Group's operations and mitigate the effects of fluctuations in cash flows. Due to the nature of the underlying business, the Group aims at maintaining flexibility in funding by keeping both committed and uncommitted credit lines available.

27 FINANCIAL INSTRUMENTS

In order to manage the risk arising from fluctuations in interest rates, the Group and Company make use of the following derivative financial instruments:

a) Interest rate swaps

The Group and the Company have entered into interest rate swap contracts that entitle them to receive interest at fixed rates on notional principal amounts and oblige them to pay interest at floating rates on the same amounts. The interest rate swaps allow the Group and the Company to raise long-term borrowings at fixed rates and swap them into floating rates that are lower than the fixed rate at which it borrowed. Under the interest rate swaps, the Group and the Company agree with other parties to exchange semi-annually, the difference between fixed rate and floating rate interest amounts calculated by reference to the agreed notional principal amounts. At 31 March 2004, the fixed interest rate is 3.13% and the floating rates are pegged to the Singapore dollar swap offer rates.

The notional principal amounts of outstanding interest rate swap contracts at 31 March 2004 of the Group and the Company were S$300 million (2003: Nil).

b) Net fair values

The fair value adjustments of the Company's derivative financial instruments at the balance sheet date were:

	The Group	
	2004 S$'000	2003 S$'000
Favourable interest rate swap contracts	**919**	–
Unfavourable interest rate swap contracts	**(10,491)**	–

The fair values of interest rate swaps have been calculated (using rates quoted by the Group's bankers) to terminate the contracts at the balance sheet date. These fair value adjustments are not recognised in the consolidated financial statements.

The carrying amounts of the following financial assets and financial liabilities approximate their fair values: cash and cash equivalents, trade and other receivables, and trade and other payables. Information on the fair values of borrowings is included in Note 20.

28 HOLDING AND ULTIMATE HOLDING COMPANIES

Prior to 13 May 2003, the Company was a wholly-owned subsidiary of Singapore Telecommunications Limited (SingTel). The Company's ultimate holding company was Temasek Holdings (Private) Limited. Both companies are incorporated in Singapore.

Subsequent to the listing of the Company's ordinary shares on the Main Board of SGX-ST on 13 May 2003, SingTel and Temasek Holdings (Private) Limited ceased to be the holding and ultimate holding companies respectively.

29 RELATED PARTY TRANSACTIONS

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

	The Group		The Company	
	2004 S$'000	2003 S$'000	2004 S$'000	2003 S$'000
Services rendered to SingTel and its subsidiaries				
– Postal services	**19,434**	19,256	**19,434**	19,256
– Printing services	**3,463**	3,410	**–**	–
– Property related	**4,728**	6,384	**4,728**	6,384
	27,625	29,050	**24,162**	25,640
Services received from SingTel and its subsidiaries				
– Telecommunications services	**1,371**	1,303	**1,197**	1,106
– Professional services and others	**3,560**	3,204	**3,552**	3,199
	4,931	4,507	**4,749**	4,305

b) Share options granted to directors

The aggregate number of share options granted to the directors of the Company during the financial year was 5,398,068 (2003: Nil). The share options were given on the same terms and conditions as those offered to other employees of the Company except for share options granted to non-executive directors, which have exercise periods of five years (Note 22(c)). The outstanding number of share options granted to the directors of the Company at the end of the financial year was 5,398,068 (2003: Nil).

c) Directors' remuneration

Directors' remuneration included fees, salaries, bonuses and other emoluments (including benefits-in-kind) computed based on the cost incurred by the Group and the Company, and where the Group or Company did not incur any costs, the value of the benefits is included. Total directors' remuneration and fees paid to the directors of the Company was S$793,000 (2003: S$593,000) (Note 6).

30 SEGMENT INFORMATION

Primary reporting format – business segments

2004	Mail S$'000	Logistics S$'000	Retail S$'000	Others S$'000	Eliminations S$'000	Group S$'000
External revenue	289,113	49,630	22,727	6,710	–	368,180
Inter–segment revenue	511	252	20,976	11	(21,750)	–
Operating revenue	289,624	49,882	43,703	6,721	(21,750)	368,180
External other operating income	257	115	–	16,680	–	17,052
Inter-segment rental income				29,851	(29,851)	–
Other operating income	257	115	–	46,531	(29,851)	17,052
Operating profit	105,678	5,851	7,189	10,201	–	128,919
Share of results of associated and joint venture companies (after goodwill amortisation)	10,480	–	11	–	–	10,491
Profit before interest and tax						139,410
Finance cost – net						(5,368)
Profit before tax						134,042
Income tax expense						(29,334)
Profit from ordinary activities after tax						104,708
Minority interest						(416)
Net profit						104,292
Segment assets	79,143	11,453	25,469	499,596	–	615,661
Investment in net assets of associated and joint venture companies	87,294	–	177	(238)	–	87,233
Unallocated assets						69,402
Consolidated total assets						772,296
Segment liabilities	49,948	10,513	25,897	23,610	–	109,968
Unallocated liabilities						359,365
Consolidated total liabilities						469,333
Capital expenditure	1,893	1,306	2,190	2,439	–	7,828
Depreciation	11,344	2,336	2,941	17,067	–	33,688
Amortisation	4,037	–	–	537	–	4,574

30 SEGMENT INFORMATION (continued)

Primary reporting format – business segments (continued)

2003	Mail S$'000	Logistics S$'000	Retail S$'000	Others S$'000	Eliminations S$'000	Group S$'000
External revenue	295,487	48,086	22,630	6,806	–	373,009
Inter-segment revenue	161	234	21,470	–	(21,865)	–
Operating revenue	295,648	48,320	44,100	6,806	(21,865)	373,009
External other operating income	9	(59)	(202)	21,336	–	21,084
Inter-segment rental income	–	–	–	32,209	(32,209)	–
Other operating income	9	(59)	(202)	53,545	(32,209)	21,084
Operating profit	106,655	5,896	6,748	15,720	–	135,019
Share of results of associated and joint venture companies (after goodwill amortisation)	9,881	–	70	–	–	9,951
Profit before interest and tax						144,970
Finance income – net						1,479
Profit before tax						146,449
Income tax expense						(37,420)
Profit from ordinary activities after tax						109,029
Minority interest						(352)
Net profit						108,677
Segment assets	90,644	13,749	30,570	509,772	–	644,735
Investment in net assets of associated and joint venture companies	96,414	–	165	(238)	–	96,341
Unallocated assets						87,206
Consolidated total assets						828,282
Segment liabilities	54,557	11,162	29,632	23,300	–	118,651
Unallocated liabilities						391,444
Consolidated total liabilities						510,095
Capital expenditure	1,758	696	1,869	7,888	–	12,211
Depreciation	11,600	2,180	3,063	20,746	–	37,589
Amortisation	4,037	–	–	–	–	4,037

30 SEGMENT INFORMATION (continued)

Primary reporting format – business segments (continued)

The Group is organised into the following business segments:

Mail – Mail division provides comprehensive services for collecting, sorting, transporting and distributing domestic and international mail. International mail service covers the handling of incoming international mail from, and outgoing international mail to, foreign postal administrations as well as via a global cross-border network through Spring. It also offers ePost hybrid mail service which integrates electronic data communication with traditional mail.

Logistics – Logistics division provides domestic and international door-to-door distribution services, including express delivery services (Speedpost) and warehousing, fulfilment and distribution services.

Retail – Retail division provides a wide variety of postal, agency and remittance services on behalf of third parties, including products and services beyond the scope of traditional postal services through three principal distribution channels: post offices, authorised postal agencies and stamp vendors; self-service automated machines (SAMs); and vPOST (virtual post) internet portal.

Others – represents the balance of the Group's operations including the provision of philatelic products and commercial property rental.

The accounting policies used to derive reportable segment results are consistent with those described in the "Significant Accounting Policies" note to the consolidated financial statements. Inter-segment transactions are conducted on a fair and reasonable basis.

The asset totals disclosed for each segment represent assets directly managed by each segment, and primarily include receivables, property, plant and equipment and investment. Corporate-held assets managed at the corporate level not allocated to the segments include cash and cash equivalents held at corporate.

Segment liabilities comprise operating liabilities and exclude corporate borrowings, current tax liabilities, deferred taxation and dividends payable.

Segment capital expenditure comprises additions to property, plant and equipment.

Secondary reporting format – geographical segments.

As the Group operates principally in one geographical segment, which is in Singapore, segment information by geographical segment is not presented.

31 AUTHORISATION OF FINANCIAL STATEMENTS

These financial statements were authorised for issue in accordance with a resolution of the directors dated 3 May 2004.

32 COMPANIES IN THE GROUP

The following are the subsidiaries, associated and joint venture companies as at 31 March 2004 and 31 March 2003.

Name	Principal activities	Country of incorporation	Percentage of effective equity held by the Group % 2004	2003	Cost of investment S$'000 2004	2003
SUBSIDIARIES						
Held by the Company						
DataPost Pte Ltd	Electronic printing and despatching services	Singapore	**70.00**	70.00	**2,100**	2,100
SingPost Retail Services Pte. Ltd.	Secured personal financial services	Singapore	**100.00**	–	**5,000**	–
Singapore Post Enterprise Private Limited	Investment holding	Singapore	**100.00**	100.00	**5,005**	5,005
First Cube Pte Ltd	Provision of electronic platform and recyclable lockers for merchandise distribution	Singapore	**100.00**	100.00	**6,157**	6,157
					18,262	13,262
ASSOCIATED COMPANY						
Held by the Company						
(4) G3 Worldwide Mail N.V.	Provision of cross-border international mail	Netherlands	**24.50**	24.50	**80,922**	83,377
JOINT VENTURE COMPANIES						
Held by the Company						
(3) G3 Worldwide Aspac Pte Ltd	Investment holding, provision of business management and consultancy services to related corporations, provision of global business development services and the provision of international mail delivery services through appointed agents	Singapore	**62.25**	62.25	**2,450**	2,450
(3) G3 Worldwide Distribution (Singapore) Pte Ltd	To carry on the business of the collection, receipt, sortation and delivery of cross-border mail	Singapore	**62.25(1)**	62.25(1)	**(2)**	(2)
(5) ID.Safe Pte Ltd	Dormant	Singapore	**50.00**	50.00	**1,550**	1,550

32 COMPANIES IN THE GROUP (continued)

Name	Principal activities	Country of incorporation	Percentage of effective equity held by the Group % 2004	2003	Cost of investment S$'000 2004	2003
JOINT VENTURE COMPANIES (continued)						
Held by subsidiaries						
Mail Boxes Exchange (MBE) Pte Ltd	Provision of business and communication services	Singapore	**50.00**	50.00	**400**	400
[(6)] ePDS, Inc.	Provision of electronic printing and despatching services	Philippines	**33.45**	–	**108**	–
[(7)] S-Net Freight (Holdings) Pte Ltd	Investment holding and management consultancy services in respect of international freight forwarding and logistics services	Singapore	**36.80**	36.80	**4,091**	4,091
					8,599	8,491

Notes

(1) S$1 Golden share

(2) Denotes cost less than S$1,000

(3) The Group regards G3 Worldwide Aspac Pte Ltd and G3 Worldwide Distribution (Singapore) Pte Ltd as joint venture companies because it exercises joint control.

All companies are audited by PricewaterhouseCoopers, Singapore except for the following:

(4) Audited by other members of the worldwide PricewaterhouseCoopers organisation

(5) Audited by Chio Lim & Associates

(6) Audited by SyCip Gorres Velayo & Co.

(7) On 30 June 2003, the Company, through its wholly-owned subsidiary, Singapore Post Enterprise Private Limited, entered into an agreement to divest its 36.8% stake in S-Net Freight (Holdings) Pte Ltd for a cash consideration of S$3,682,000 payable over 15 months. The disposal is expected to be completed in August 2004 after the final instalment payment. The net carrying amount of this investment is nil as at 31 March 2004.

Auditors' report – page 47

ADDITIONAL INFORMATION

Required by the Singapore Exchange Securities Trading Limited

1 DIRECTORS' REMUNERATION BAND

The number of directors of the Company whose emoluments fall within the following bands:

Number of directors of the Company in remuneration bands

	The Group and the company 2004	2003
S$250,000 to below S$500,000	**1**	1
Below S$250,000	**9**	9
	10	10

2 INTERESTED PERSON TRANSACTIONS

During the financial year, the following interested person transactions were entered into by the Group:

	Aggregate value of all interested person transactions during the financial year (excluding transactions less than S$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)		Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S$100,000)	
	2004 S$'000	2003 S$'000	2004 S$'000	2003 S$'000
Sales				
SingTel and its associates	**2,468**	48,194	**–**	–
Media Corporation of Singapore Pte Ltd and its associates	**3,492**	–	**–**	–
Pacific Internet Limited	**–**	155	**–**	–
	5,960	48,349	**–**	–
Purchases				
SingTel and its associates	**–**	6,862	**–**	–
Singapore Technologies Pte Ltd and its associates	**360**	–	**–**	–
Tuas Power Limited and its associate	**5,136**	–	**–**	–
PSA Corporation Limited and its associates	**242**	2,960	**–**	–
	5,738	9,822	**–**	–
Total interested person transactions	**11,698**	58,171	**–**	–

3 MATERIAL CONTRACTS

There are no material contracts entered into by SingPost or any of its subsidiaries involving the interests of Chief Executive officer, any Director or controlling shareholder, either still subsisting at the end of the financial year, or if not then subsisting, entered into since the end of the previous financial year, other than:

(i) On 17 January 2003, SingPost entered into five leases with SingTel for 33 office units and a storeroom in the Singapore Post Centre. The initial term of each lease is three years and the total rent and service charges payable under the leases by SingTel is S$13.7 million over the three years.

4 LIST OF MAJOR PROPERTIES

						LAND	BUILDING
Serial No.	Name	Address	Title	Yrs	With Effect From	Area (SQ M)	Gross Floor Area (SQ M)
1	Airmail Transit Centre	21 North Perimeter Road	Leasehold	30	25.09.00	2,903	9,043
2	Alexandra Post Office	110 Alexandra Road	Leasehold	99	31.03.92	2,621	802
3	Ayer Rajah Delivery Base	6 Ayer Rajah Crescent	Leasehold	30	01.02.96	4,401	10,274
4	Bukit Panjang Post Office	10 Choa Chu Kang Track 10	Leasehold	99	31.03.92	3,264	2,015
5	Jurong Delivery Base	2 Kian Teck Way	Leasehold	30	16.10.95	4,008	3,574
6	Kallang Delivery Base	18 Jalan Lembah Kallang	Leasehold	30	16.09.98	2,761	6,850
7	Killiney Road Post Office	1 Killiney Road	Leasehold	99	31.03.92	1,029	493
8	Loyang Delivery Base	25 Loyang Lane	Leasehold	30	16.10.95	3,519	3,225
9	MacPherson Road Post Office	70 MacPherson Road	Leasehold	99	31.03.92	2,074	315
10	Pasir Panjang Post Office	396 Pasir Panjang Road	Leasehold	99	31.03.92	1,726	391
11	Serangoon Garden Post Office	54 Serangoon Garden Way	Leasehold	99	31.03.92	1,215	307
12	Serangoon Road Post Office	755 Upper Serangoon Road	Leasehold	99	31.03.92	1,353	3,012
13	Simpang Bedok Post Office	350 Bedok Road	Leasehold	99	31.03.92	1,134	329
14	Singapore Post Centre Headquarters	10 Eunos Road 8	Leasehold	99	30.08.82	32,738	137,262
15	Tanglin Post Office	56 Tanglin Road	Leasehold	99	31.03.92	2,622	3,750
16	Thomson Road Post Office	246T Upper Thomson Road	Leasehold	99	31.03.92	2,753	1,793
17	Woodlands Delivery Base	9 Woodland Walk	Leasehold	30	16.10.95	3,040	2,393

SHAREHOLDER INFORMATION
as at 31 May 2004

ORDINARY SHARES

Number of ordinary shareholders – 18,861

Voting rights:

On show of hands – each member present in person and each proxy shall have one vote.

On pool – every member present in person or by proxy shall have one vote for every share he holds or represents.

Substantial Shareholders

	Direct Interest	Deemed Interest
Temasek Holdings (Private) Limited	–	596,246,000[1]
Singapore Telecommunications Limited	589,000,000	–
The Capital Group Companies, Inc.	–	98,232,000[2]

1 Temasek Holdings (Private) Limited is deemed to be interested in 596,246,000 SingPost shares held by Singapore Telecommunications Limited, the DBS Bank Ltd group of companies and Singapore Technologies group of companies.

2 The Capital Group Companies, Inc. is deemed to be interested in 98,232,000 SingPost shares owned by accounts under the discretionary investment management of one or more of the investment management companies in the group.

Analysis Of Shareholdings

Range Of Shareholdings	No. Of Shareholders	% Of Holders	No. Of Shares	% Of Issued Share Capital
1 – 999	8	0.04	2,233	0.00
1,000 – 10,000	16,185	85.81	52,846,400	2.78
10,001 – 1,000,000	2,636	13.98	151,369,310	7.96
1,000,001 and above	32	0.17	1,696,720,057	89.26
	18,861	100.00	1,900,938,000	100.00

Major Shareholders List

No.	Name	No. Of Shares Held	% Of Issued Share Capital
1	Singapore Telecommunications Limited	589,000,000	30.98
2	DBS Nominees Pte Ltd	282,905,222	14.88
3	Raffles Nominees Pte Ltd	239,837,816	12.62
4	United Overseas Bank Nominees Pte Ltd	146,071,000	7.68
5	Citibank Nominees Singapore Pte Ltd	141,687,749	7.45
6	HSBC (Singapore) Nominees Pte Ltd	88,004,003	4.63
7	DB Nominees (S) Pte Ltd	45,721,000	2.40
8	The Asia Life Assurance Society Ltd - S'pore Life Fund	38,550,000	2.03
9	Morgan Stanley Asia (S'pore)	32,640,500	1.72
10	Oversea-Chinese Bank Nominees Pte Ltd	19,442,667	1.02
11	Seapac Investment Pte Ltd	8,322,000	0.44
12	DBS Vickers Securities (S) Pte Ltd	8,005,100	0.42
13	Merrill Lynch (S'pore) Pte Ltd	7,328,000	0.38
14	UOB Kay Hian Pte Ltd	6,952,000	0.37
15	The Asia Insurance Company Limited - Fund Account	5,000,000	0.26
16	Liew Chee Kong	4,305,000	0.23
17	Chin Lee Keow	4,300,000	0.23
18	National Council Of Social Service	3,600,000	0.19
19	Asia General Holdings Limited	3,350,000	0.18
20	OCBC Securities Private Ltd	2,233,000	0.12
		1,677,255,057	88.23

Note: Based on information available to the Company, approximately 62% of the issued ordinary shares of the Company is held by the public and therefore, Rule 723 of the Listing Manual issued by the Singapore Exchange Securities Trading Limited is complied with.

SHARE PRICE AND VOLUME

from 13 May 2003 to 31 March 2004

Shares of SingPost made their debut on the main board of the Singapore Exchange under the Transport, Storage & Communications sector on 13 May 2003. Opening at S$0.64, the shares rose to an intra-day high of S$0.65 and closed at S$0.64, 6.7% above the Initial Public Offer price of S$0.60. SingPost was the most actively traded stock for that day with a volume of 164.8 million shares. Over the period from 13 May 2003 to 31 March 2004, SingPost shares rose steadily to end at S$0.78. As at 31 March 2004, SingPost had a market capitalization of S$1.482 billion.

SingPost share price and volume statistics from 13 May 2003 – 31 March 2004

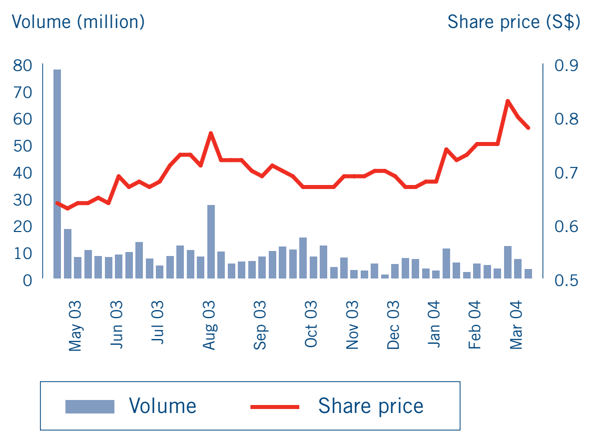
Share price – High	S$0.83
Share price – Low	S$0.63
Closing as at 31 March 2004	S$0.78
Average monthly volume	8.48 million*

*Excludes first day of trade

Inclusion into major indices

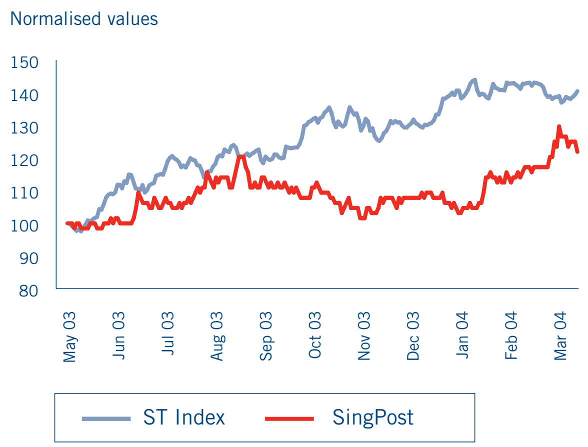
SingPost shares were included into the MSCI Singapore Free Index on 29 August 2003. Subsequently, SingPost was also included as a component stock of the Straits Times Index (STI) as of 1 March 2004, as well as the FTSE All-World Asia Pacific Ex Japan Index and the FTSE Global Islamic Index with effect from 22 March 2004.

SingPost weekly share price and volume



Note: Rebase as at 13 May 2003

SingPost share price vs ST Index



Note: Rebase STI as at 13 May 2003

FINANCIAL CALENDAR

31 March 2003	Financial year-end (FY 2002/03)
13 May 2003	Debut of SingPost shares on the main board of the Singapore Exchange
19 May 2003	Announcement of FY 2002/03 full-year results
	Results briefing to analysts and media
1 August 2003	Release of Annual Report FY 2002/03
5 August 2003	Announcement of FY 2003/04 first quarter results
26 August 2003	11th Annual General Meeting
12 September 2003	Payment of final dividend for FY 2002/03
4 November 2003	Announcement of FY 2003/04 second quarter and half-year results
	Results briefing to analysts and media
19 January 2004	Payment of interim dividend for FY 2003/04
26 January 2004	Announcement of FY 2003/04 third quarter results
31 March 2004	Financial year-end (FY 2003/04)
4 May 2004	Announcement of FY 2003/04 full-year results and proposed final dividend for FY 2003/04
	Results briefing to analysts and media

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT THE 12TH ANNUAL GENERAL MEETING of the Company will be held at 10, Eunos Road 8, Singapore Post Centre, SingPost Pavilion (Theatrette), #05-30, Singapore 408600 on Wednesday, 21 July 2004 at 2.30 p.m. to transact the following businesses:

ORDINARY BUSINESS

1 To receive and adopt the Audited Accounts for the financial year ended 31 March 2004 and the Directors' Report and the Auditors' Report thereon.

(Resolution 1)

2 To declare a final dividend of 2.1 cents per share tax exempt in respect of the financial year ended 31 March 2004.

(Resolution 2)

3 To re-elect the following Directors who retire by rotation in accordance with Article 91 of the Company's Articles of Association and who, being eligible, offer themselves for re-election:

a) Mr Lim Ho Kee [1] (Resolution 3)
b) Ms Janet Ang Guat Har [1] (Resolution 4)
c) Mr Ong Ah Heng [1] (Resolution 5)

4 To approve Directors' fees payable by the Company of S$342,012 for the financial year ended 31 March 2004.

(Resolution 6)

5 To appoint Auditors and to authorise the Directors to fix their remuneration.

(Resolution 7)

6 To transact any other business of an Annual General Meeting.

SPECIAL BUSINESS

7 To consider and, if thought fit, to pass with or without any amendments the following resolutions as ordinary resolutions:

a) That authority be and is hereby given to the Directors to:

i) 1) issue shares in the capital of the Company (shares) whether by way of rights, bonus or otherwise; and/or

2) make or grant offers, agreements or options (collectively, Instruments) that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

1 Detailed information about these Directors can be found in the "Corporate Governance Report" section of the Company's Annual Report 2003/04.

SPECIAL BUSINESS (continued)

ii) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors of the Company while this Resolution is in force,

provided that:-

I) the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 50 per cent of the issued share capital of the Company (as calculated in accordance with sub-paragraph (II) below), of which the aggregate number of shares to be issued other than on a pro rata basis to shareholders of the Company (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 20 per cent of the issued share capital of the Company (as calculated in accordance with sub-paragraph (II) below);

II) (subject to such manner of calculation as may be prescribed by Singapore Exchange Securities Trading Limited (the SGX-ST) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (I) above, the percentage of issued share capital shall be based on the issued share capital of the Company at the time this Resolution is passed, after adjusting for:

1) new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time this Resolution is passed; and

2) any subsequent consolidation or sub-division of shares;

III) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Articles of Association for the time being of the Company; and

IV) (unless revoked or varied by the Company in general meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier.

(Resolution 8)

b) That approval be and is hereby given to the Directors to offer and grant options (Options) in accordance with the provisions of the Singapore Post Share Option Scheme (Share Option Scheme) and to allot and issue from time to time such number of shares as may be required to be issued pursuant to the exercise of the Options under the Share Option Scheme, provided that the aggregate number of shares to be issued pursuant to the Share Option Scheme shall not exceed 10 per cent of the total issued share capital of the Company from time to time.

(Resolution 9)

BY ORDER OF THE BOARD

Chan Su Shan (Ms)
Company Secretary
Singapore
25 June 2004

STATEMENT PURSUANT TO ARTICLE 52(C) OF THE ARTICLES OF ASSOCIATION OF THE COMPANY

Resolution 8 is to empower the Directors to issue shares in the capital of the Company up to an amount not exceeding in total 50 per cent of the issued share capital of the Company, with a sub-limit of 20 per cent for shares issued other than on a pro rata basis to shareholders. For the purpose of determining the aggregate number of shares that may be issued, the percentage of issued share capital will be calculated based on the issued share capital as at the time of the passing of the Resolution after adjusting for new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting as at the time of the passing of the Resolution and any subsequent consolidation or subdivision of shares.

Resolution 9 is to empower the Directors to offer and grant options, and to issue shares in the capital of the Company, pursuant to the Singapore Post Share Option Scheme provided that the aggregate number of shares to be issued does not exceed 10 per cent of the issued share capital of the Company for the time being.

NOTES:

A member entitled to attend and vote at the Annual General Meeting is entitled to appoint not more than two proxies to attend and vote instead of him and such proxy need not be a member of the Company. Every instrument of proxy shall be deposited at the registered office of the Company at 31 Exeter Road, Comcentre, Singapore 239732 (Attention: Secretariat) not less than 48 hours before the time appointed for the Annual General Meeting.

NOTICE OF BOOKS CLOSURE

NOTICE IS ALSO HEREBY GIVEN THAT the Transfer Book and Register of Members of the Company will be closed on 28 July 2004 for the preparation of dividend warrants. Duly completed registrable transfers of the ordinary shares of S$0.05 each in the capital of the Company (Shares) received by the Company's Registrar, M & C Services Private Limited of 138 Robinson Road, #17-00 The Corporate Office, Singapore 068906, up to 5.00 p.m. on 27 July 2004 will be registered to determine members' entitlements to the proposed final dividend.

Members whose Securities Accounts with The Central Depository (Pte) Limited are credited with Shares at 5.00 p.m. on 27 July 2004 will be entitled to the proposed final dividend. Payment of the dividend, if approved by members at the 12th Annual General Meeting, will be made on 6 August 2004.

BY ORDER OF THE BOARD

Chan Su Shan (Ms)
Company Secretary
Singapore
25 June 2004

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SINGAPORE POST LIMITED
(INCORPORATED IN THE REPUBLIC OF SINGAPORE)

Annual General Meeting
Proxy Form

IMPORTANT
1. For investors who have used their CPF moneys to buy shares in the capital of Singapore Post Limited, this Proxy Form is forwarded to them at the request of their CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

I/We NRIC No.

of being a member/members of the abovenamed Company, hereby appoint:

Name	Address	NRIC/Passport Number	Proportion Of Shareholdings (%)
and/or (delete as appropriate)			

or failing the person, or either or both of the persons, referred to above, the Chairman of the Meeting, as my/our proxy/proxies to attend and to vote for me/us on my/our behalf and, if necessary, to demand a poll, at the 12th Annual General Meeting of the Company to be held at 10, Eunos Road 8, Singapore Post Centre, SingPost Pavilion (Theatrette), #05-30, Singapore 408600 on 21 July 2004 at 2.30 p.m. and at any adjournment thereof.

(Please indicate with an "✗" in the spaces provided whether you wish your vote(s) to be cast for or against the Ordinary Resolutions as set out in the Notice of Annual General Meeting. In the absence of specific directions, the proxy/proxies will vote or abstain as he/they may think fit, as he/they will on any other matter arising at the Annual General Meeting.)

	Ordinary Resolutions	For	Against
1	To receive and adopt the Audited Accounts, Directors' Report and Auditors' Report		
2	To declare a final net dividend of 2.1 cents per share		
3	To re-elect Mr Lim Ho Kee as Director		
4	To re-elect Ms Janet Ang Guat Har as Director		
5	To re-elect Mr Ong Ah Heng as Director		
6	To approve Directors' fees payable by the Company		
7	To appoint Auditors and authorise the Directors to fix their remuneration		
8	To authorise Directors to issue shares and to make or grant convertible instruments		
9	To authorise Directors to offer/grant options and allot/issue shares pursuant to the Singapore Post Share Option Scheme		

	Total Number Of Ordinary Shares Held	

Dated this	day of	, 2004.

Signature(s) of member(s) or Common Seal

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IMPORTANT:
PLEASE READ THE FOLLOWING NOTES

NOTES

1 If you have Ordinary Shares entered against your name in the Depository Register (as defined in Section 130A of the Companies Act, Chapter 50 of Singapore), you should insert that number of Ordinary Shares. If you have Ordinary Shares registered in your name in the Register of Members, you should insert that number of Ordinary Shares. If you have Ordinary Shares entered against your name in the Depository Register and Ordinary Shares registered in your name in the Register of Members, you should insert the aggregate number of Ordinary Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Ordinary Shares in the capital of the Company held by you.

2 A member of the Company entitled to attend and vote at a meeting of the Company is entitled to appoint not more than two proxies to attend and vote instead of him. A proxy need not be a member of the Company.

3 Where a member appoints two proxies, the appointments shall be invalid unless he specifies the proportion of his shareholding (expressed as a percentage of the whole) to be represented by each proxy. In the case of a joint appointment of two proxies, the Chairman of the Meeting will be a member's proxy by default if either or both of the proxies appointed do not attend the Annual General Meeting. In the case of an appointment of two proxies in the alternative, the Chairman of the Meeting will be a member's proxy by default if both of the proxies appointed do not attend the Annual General Meeting.

4 The instrument appointing a proxy or proxies must be lodged at the registered office of the Company at 31 Exeter Road, Comcentre, Singapore 239732 (Attention: Secretariat), not less than 48 hours before the time appointed for the Annual General Meeting.

5 The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised.

6 A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Annual General Meeting, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore.

GENERAL:

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of Ordinary Shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have Ordinary Shares entered against his name in the Depository Register as at 48 hours before the time appointed for holding the Annual General Meeting, as certified by The Central Depository (Pte) Limited to the Company.

CONTACT POINTS

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Singapore 408600

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Fax: +65 6841 5745
Email: singpost@singpost.com
Web: www.singpost.com

Company Secretary
Chan Su Shan (Ms)

Registered Address
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Singapore 239732

Tel: +65 6838 3388
Fax: +65 6738 3769

Auditors
PricewaterhouseCoopers
8 Cross Street #17-00
PWC Building
Singapore 048424

Tel: +65 6236 3388
Fax: +65 6236 3300
Audit Partner: Soh Kok Leong
(appointed with effect from financial
year ended 31 March 2003)

Share Registrar
M&C Services Private Limited
138 Robinson Road
#17-00 The Corporate Office
Singapore 068906

Tel: +65 6227 6660
Fax: +65 6225 1452

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POST
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